

## **CRM's Mutual Benefits**

*Below is a list of statements regarding the possible benefits of CRM programs (both to the firm and to the customers).*

*Assuming that you were the owner of a restaurant, you need to identify the three main benefits that the firm would receive from implementing a CRM program.*

*And what would be the three main benefits for your customers?*

### **Possible Benefits for the Firm**

- The firm experiences more financial stability – as it has a stable, loyal customer base who regularly buys from them,
- The firm can reduce its promotional budget – as less dollars need to be spent on generating new customers,
- New products are typically more successful – as they can be more easily cross-sold to a loyal customer base,
- There is less need to compete on price – as the customer sees real value in the relationship and its associated benefits,
- Existing customers are easier to manage and require less information and support,
- It creates a sustainable competitive advantage – competitors will find it much harder to win your customers from you,
- New customers are generated from positive word-of-mouth – satisfied/loyal customers are more likely to recommend your firm, and
- A higher growth rate is likely – as long-term customers usually increase their level of purchases over time.

### **Possible Benefits for the Customer**

- They are confident that the firm will deliver consistent quality,
- They know that they can trust the firm,
- They know that they will be able to fix any problems quickly,
- They know they can get things done faster, if needed,
- They feel comfortable in discussing/raising problems/issues,
- They receive special deals/treatment from time to time, and
- They may develop social relationships/friends.

### **Student Discussion Questions**

1. What do you think would be the top three benefits for the firm?
2. What do you think would be the top three benefits for customers?
3. Would you recommend that your restaurant introduce some form of a CRM program? Why?
4. If so, what are some tactical ideas of how the restaurant could structure their customer relationship management program?