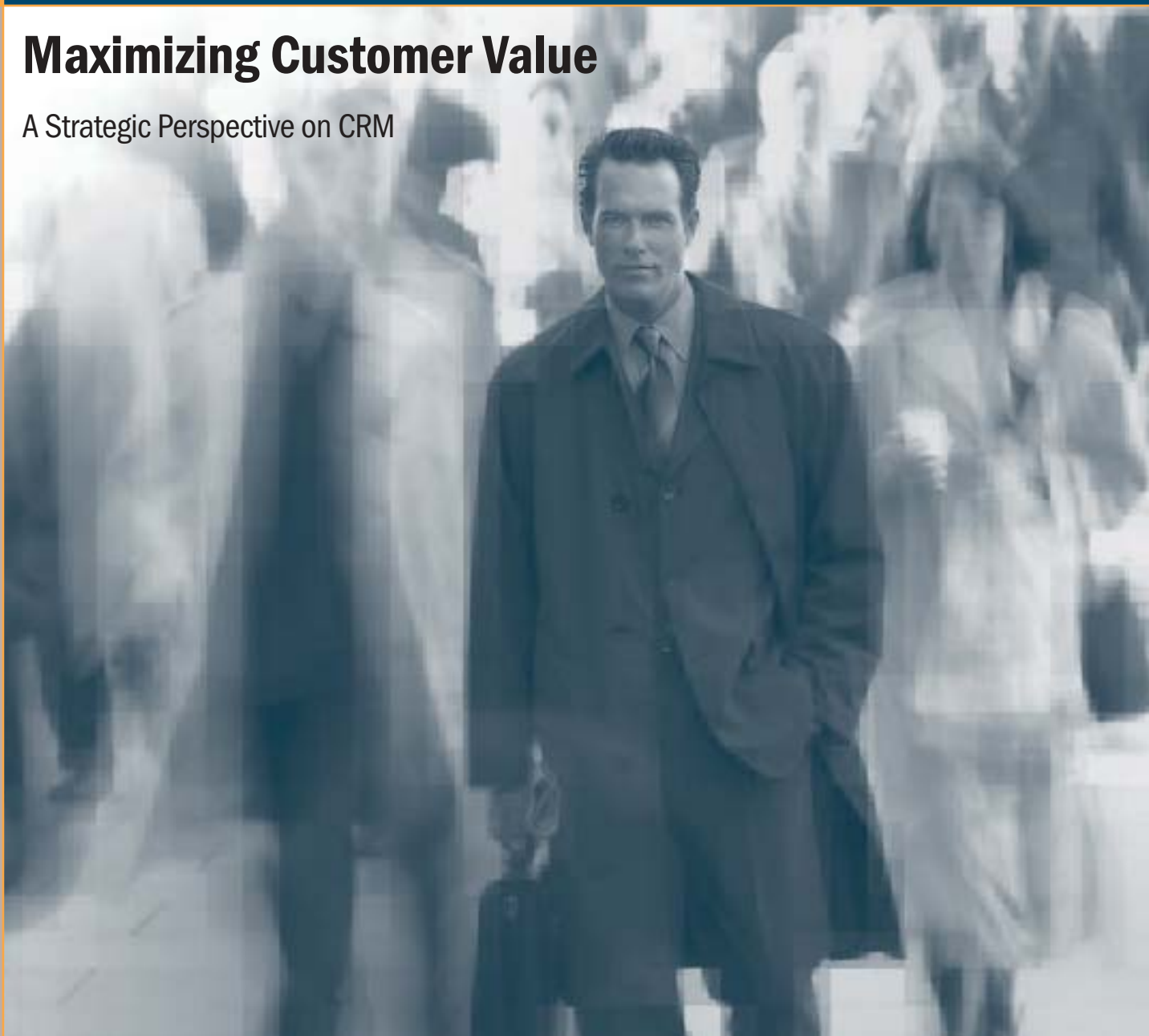


Maximizing Customer Value

A Strategic Perspective on CRM



Roland Berger
Strategy Consultants

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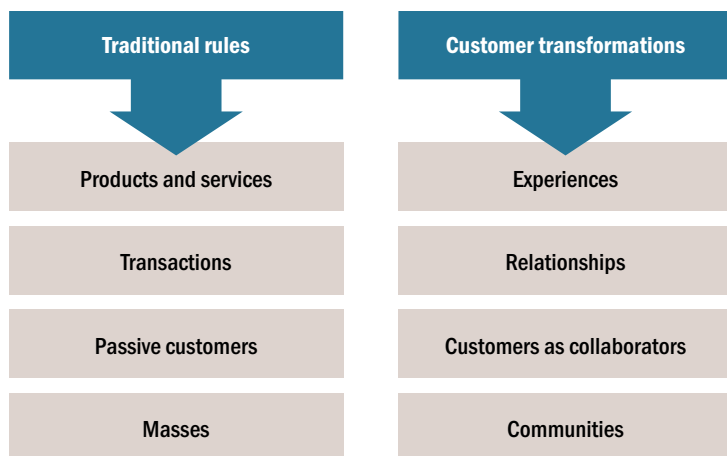
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Introduction: Customers are taking control

The traditional strategic thinking by which a company creates value by “owning the customer” is about to undergo a dramatic shift. Customers are taking control. New technologies are allowing them to gain more access to information. The Internet is creating more dialogue opportunities than ever between customers and companies. Customers are expressing their needs, their values and their lifestyles, and expect companies to respond to them.

Early signs of this customer control and of the paradigm shift in value creation are apparent in virtually every industry. Napster, the peer-to-peer music company, fundamentally disrupted the value creation model of the music industry by giving customers control over the choice of their music. Lego, the toy company, had to “capitulate” to its customers when they took partial control over product development for Mindstorm toys, by developing their own operating system, LegOS. And patients are even taking control over their health, challenging their doctors and redefining the business fundamentals of pharmaceutical companies.

The new value creation model



Source: Roland Berger – Strategy Consultants

This new customer control has created a renewed appetite for Customer Relationship Management (CRM), but has also called for a radical transformation of the CRM approach. Indeed companies have in recent years invested billions of dollars in CRM technologies, providing a purely technological response to this customer transformation. Even today, CRM remains, for the most part, a CIO initiative, and has suffered from a lack of commitment across multiple functions within organizations.

Most companies now need to examine the strategic underpinnings of successful CRM. The answer to customer value maximization lies in four strategic questions:

1. Who are our **high-value** customers?
2. What must we do to **differentiate** our customer relationships?
3. How do we **acquire** potential high-value customers?
4. How do we create **customer enthusiasm and loyalty**?

This white paper was designed as a guide through the maze of turbulent changes and confusion surrounding CRM. It provides strategic insights into the CRM **processes** and **enablers** that will determine the ultimate success for customer-oriented companies.

The insights discussed here are based on the intellectual capital of Roland Berger Strategy Consultants and draw upon original research from recent CRM assignments, interviews with leading retailers and manufacturers, as well as software providers.

If you seek clarity in your organization's CRM agenda, read on!

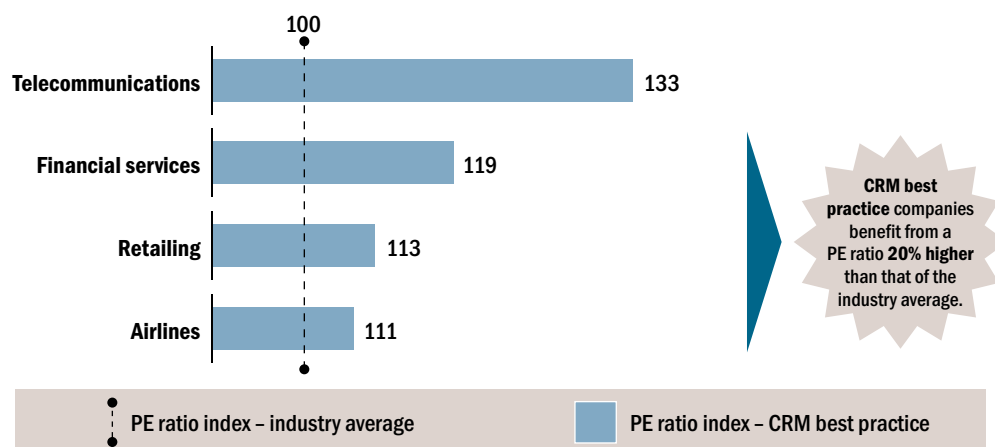
Insight #1: Customer value drives company value

The once dizzying valuations and stock performance of Internet start-up companies highlighted that investors were betting on customers, and not physical stock, being the key assets. Analysts linked the value creation potential of companies such as Amazon, Yahoo!, and AOL to the number, value and growth potential of their customer base. It was widely believed, that amidst the flux in technology and business there was only one tangible certainty – customers!

However, this link between customer value and company value is not a purely dot.com phenomenon. Our research clearly shows that across industries, traditional companies that are CRM leaders outperform the market on a sustainable basis. CRM best practice companies from a cross-section of industries¹ benefit from a PE ratio 20 percent higher than that of the industry average.

As the battle for scarce customers continues, financial analysts find a new value pattern: Companies record a triple digit growth in revenues and assets in industries such as financial services and telecommunications, yet incur losses, because they do not make adequate allowances for escalating customer acquisition costs. A growing importance is now being placed on the value flows associated with acquiring and managing customer assets. In recognition of this fact, the SEC now recommends that companies voluntarily report the value of their customer base as intangible assets.

Price-earnings ratio performance (January 1995 – June 2001)

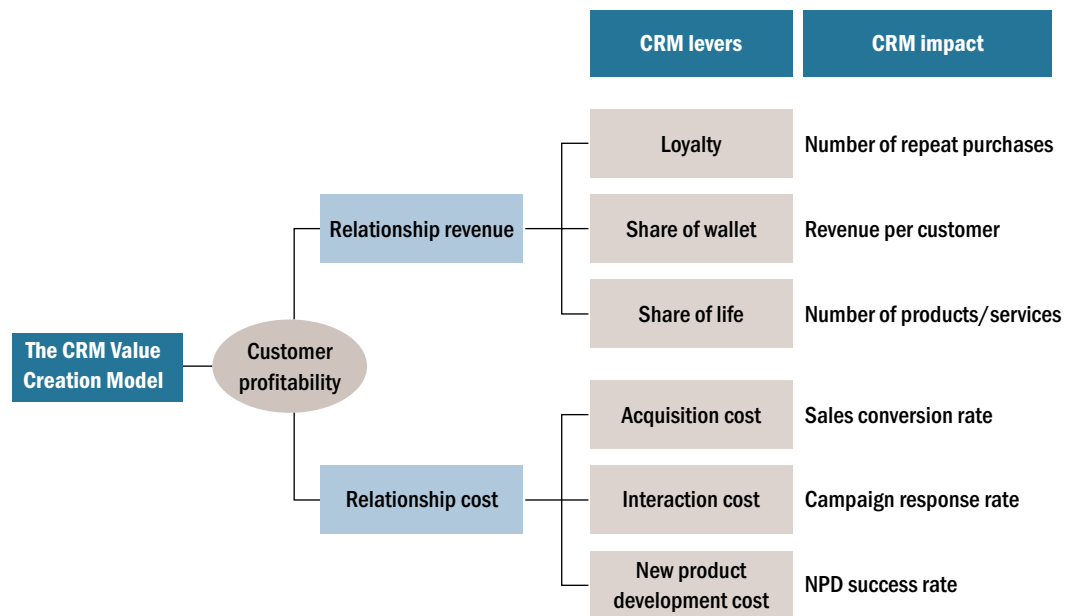


Source: Roland Berger – Strategy Consultants

¹ Source: Roland Berger analysis. Industries include retail, airlines, financial services and telecommunications sector.

CRM can lead to increased customer value and customer profitability. This ultimately drives company value. Today's customer-driven companies are better equipped to respond swiftly to changes in customer demand patterns, identify process efficiencies and collaborative opportunities.

The CRM Value Creation Model



Source: Roland Berger – Strategy Consultants

In essence, the value of a company can be derived from its portfolio of customers generating different levels of return. CRM can serve as a tool to actively manage the portfolio of customers by altering the mix between value-enhancing and value-reducing customers, thereby achieving returns that outperform the market.

Defining a CRM vision

Best-practice companies are now focusing on demystifying what they want to achieve through CRM and not only on justifying the introduction of the technology. They benchmark the performance of their competitors and evaluate the opportunity to leapfrog them through excellence in CRM. Buy-in from senior management is equally critical for the integration of customer data management into broader business priorities and is the best way to ensure that necessary metrics are in place to track and quantify effectiveness.

To support this vision, CRM, branding and channel do not compete for a slice of the marketing budget. The optimal mix of these three functions is a synergistic tool to achieve strategic objectives with the highest returns per dollar invested. Teams that turn CRM insights into targeted product development ideas to be delivered through online and offline sales channels are in the best position to exceed the expectations of their customers. Only with thorough integration can CRM initiatives move from an isolated, technology-driven exercise to a company-wide transformation that delivers superior business results and value growth.

How does your company measure value creation?

Do you ...

- Use customer performance measures as corporate business performance measures?
- Detail a CRM vision and roadmap based on corporate strategic directions?
- Benchmark internal capabilities vs. customer requirements and competitive capabilities?

Insight #2: Not all customers are created equal

If customers are a company's most important assets, why do companies not measure and track their value? In a recent survey conducted by Roland Berger among senior executives from consumer-oriented companies, we identified that only 2 percent of the companies were measuring the financial value of their individual customers and had a quantified customer valuation model in place.

Most people find it difficult to put the ideal-state customer lifetime value theory into practice. In some cases, the valuation model is unrealistic and cannot be implemented in a cost-efficient way. Even more companies are struggling to define what their customers really want and what value they expect from a relationship with your company.

What customer clustering REALLY means

The customer clustering process ...	
is not ...	but ...
<ul style="list-style-type: none"> • A theoretical concept 	<ul style="list-style-type: none"> • An actionable way to prioritize customers and address their needs
<ul style="list-style-type: none"> • Built in a day 	<ul style="list-style-type: none"> • A process of continuous development being refined over time
<ul style="list-style-type: none"> • An isolated CRM function 	<ul style="list-style-type: none"> • An organization-wide effort to develop a "single view" of the value of a customer across all interaction points
<ul style="list-style-type: none"> • A technology-based solution 	<ul style="list-style-type: none"> • A strategy that employs technological tools to focus business objectives on customer-driven principles

Source: Roland Berger – Strategy Consultants

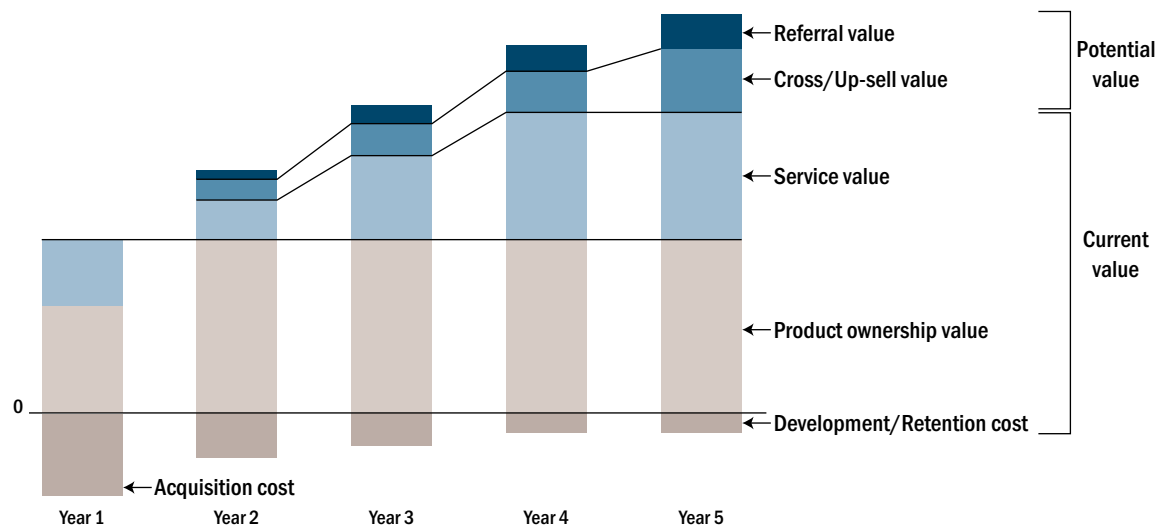
Customer relationships are indeed a two-way street: You deliver value to customers and customers deliver value to you in return.

Customer Valuation: Value received from customers

Most companies have more customer data than they are able to utilize. They are struggling to distill useful business insights from this data that can be communicated to all parts of the organization. Best-practice companies understand who their most valuable customers are, focus their data collection strategies on them, convert this data into insights and establish a Customer Knowledge Management process. A customer valuation must capture the current value of customers, assess their potential value (share of wallet, up-sell and cross-sell opportunities) and ultimately, identify the customers that “create value” and those that “destroy value.”

Value Received: Customer valuation

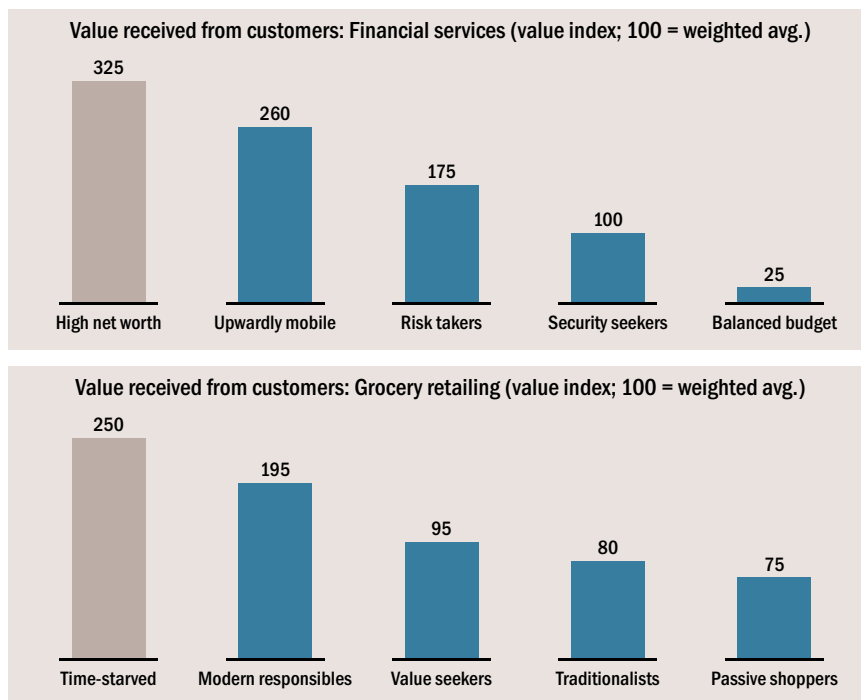
Net profit dollars from individual consumers



Source: Roland Berger – Strategy Consultants

In most industries a relatively small proportion of customers generate a significant percentage of revenues and profits. A bank realized that only 30 percent of their customers contributed 110 percent of the profits generated! The returns from the rest of customers were less than the cost of servicing the small account balances they maintained, thus eroding value. A customer electronics company identified that 20 percent of its customers, notably the ones that called in with regular queries, were destroying value – the cost of customer support exceeded the profits from product ownership.

Not all customers are created equal



Source: Roland Berger – Strategy Consultants

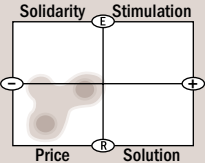
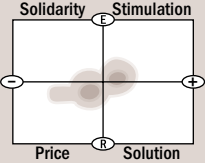
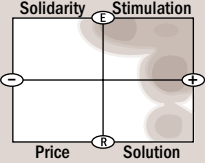
In some cases, companies will have most of the required data to develop this valuation. But in other cases, companies will need to use surrogate variables to capture the value of certain parameters. For example, Referral Value can be estimated by linking data about a customer's profile/profession with the number and value of the referrals they are likely to generate on account of their role as "influencers."

Customer Segmentation: Value delivered to customers

Best-in-class CRM companies have also understood that the classical marketing approach of stereotyping customers by age, sex, race or ZIP code is no longer sufficient. The Internet has made it possible, and necessary, to understand people based on their attitude (for example “new enthusiasts” or “old liners”). This segmentation in “attitudinal groups” helps them understand what solution offerings will be most meaningful, and tailor their communication programs to the customer’s profile.

Roland Berger has conducted proprietary research and developed an innovative approach to attitude-based segmentation (*The Brand Profiler*®). It is a powerful tool for targeting relationship efforts. In a project for a leading mobile telecommunications provider, we identified distinct high-value customer segments – the price-conscious, reassurance-focused and trend seekers. This enabled the development of targeted communication campaigns that spoke the language of the customer. The results were clear: Sales conversion rates on campaigns for the year were up 200 percent!

Value Delivered: Customer segmentation (The Brand Profiler®)

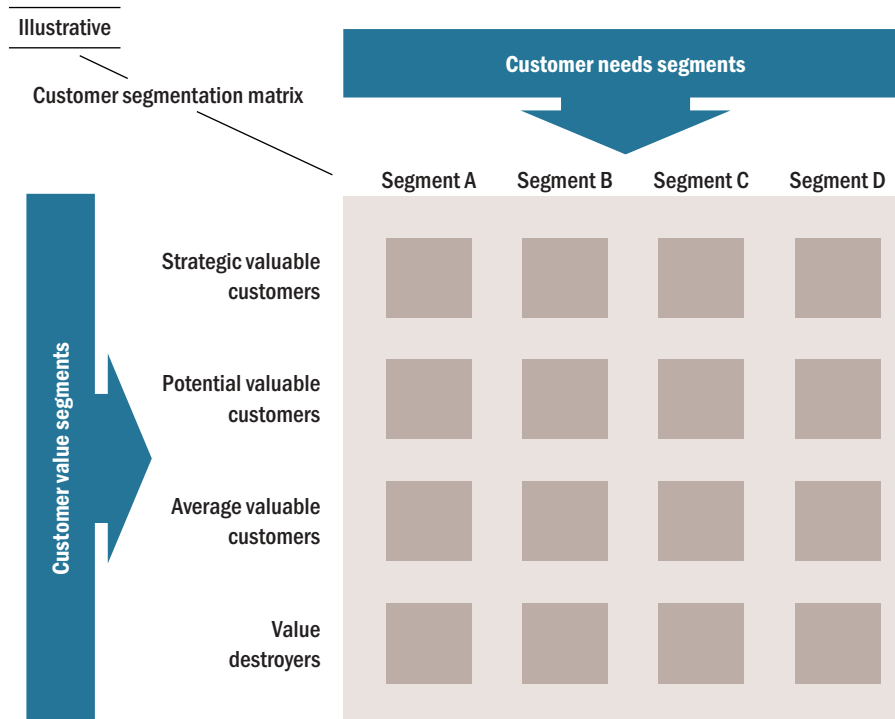
Segment profiling	Customer segment	Value proposition	Differentiated relationships
	Price-conscious	“Smart shopping”	<ul style="list-style-type: none"> • Targeted price promotions • “Value-buy” feature in e-newsletter
	Mainstream	“Proven/Classic”	<ul style="list-style-type: none"> • Promotion to upgrade to higher performance model • “Quality assurance” feature
	Trendy	“New & cool”	<ul style="list-style-type: none"> • Promotion on latest accessories • “New product” introduction in e-newsletter

Source: Roland Berger – Strategy Consultants

Creating clusters of profitable customers

CRM leaders differentiate their investments and relationships based on a prioritization of customers – not all customers merit the same attention. The customer cluster matrix – a mapping of the value received from customers and the value delivered to them – is used to identify priority customer clusters.

The customer cluster matrix: Mapping lifetime value and attitudinal segments



Source: Roland Berger – Strategy Consultants

Not only does the customer cluster matrix work as a tool for prioritizing customers, it also helps companies differentiate the business objectives by customer cluster. For example, companies that identify the most profitable customers (Strategic valuable customers) as a key focus will dedicate measures to “ring-fence” these customers. A focus on the customers with high potential (Potential valuable customers) will require steps to “increase cross-selling opportunities” or to “increase loyalty and repeat purchase.”

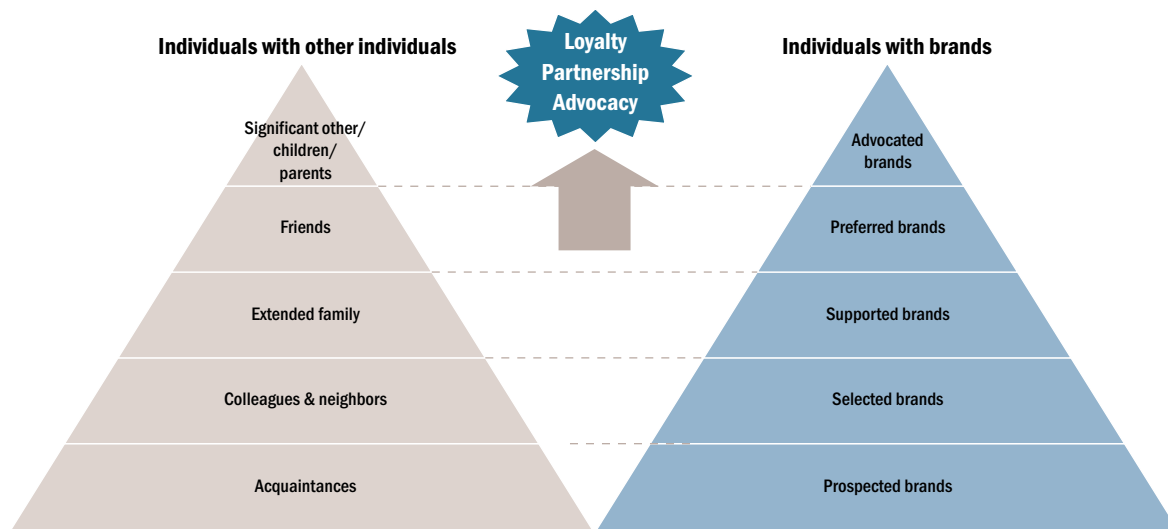
How does your company prioritize customers?**Do you ...**

- Have a working customer valuation model?
- Define a data collection strategy along the customer lifecycle?
- Segment customers by attitudes that drive their purchasing behavior?
- Prioritize customer segments and differentiate your business objectives accordingly?

Insight #3: Only a few brands have the right to customer relationships

Customers seek different relationships with companies depending on the relevance to their lives of the products and services offered. In this respect, the relationship of an individual with a brand mirrors that of individuals with other individuals – only a few entities are part of the “inner circle” and privy to involved interactions. Of the 2,000 brands that customers are bombarded with daily, only two or three truly engender customer trust and loyalty. These are the brands that customers actively advocate and are willing to invest time and energy interacting with. These are the brands that customers seek out to define their unarticulated needs. In developing customer relationship strategies, companies must recognize the challenge of evolving the relationship from that of casual acquaintance to one of complete loyalty and advocacy.

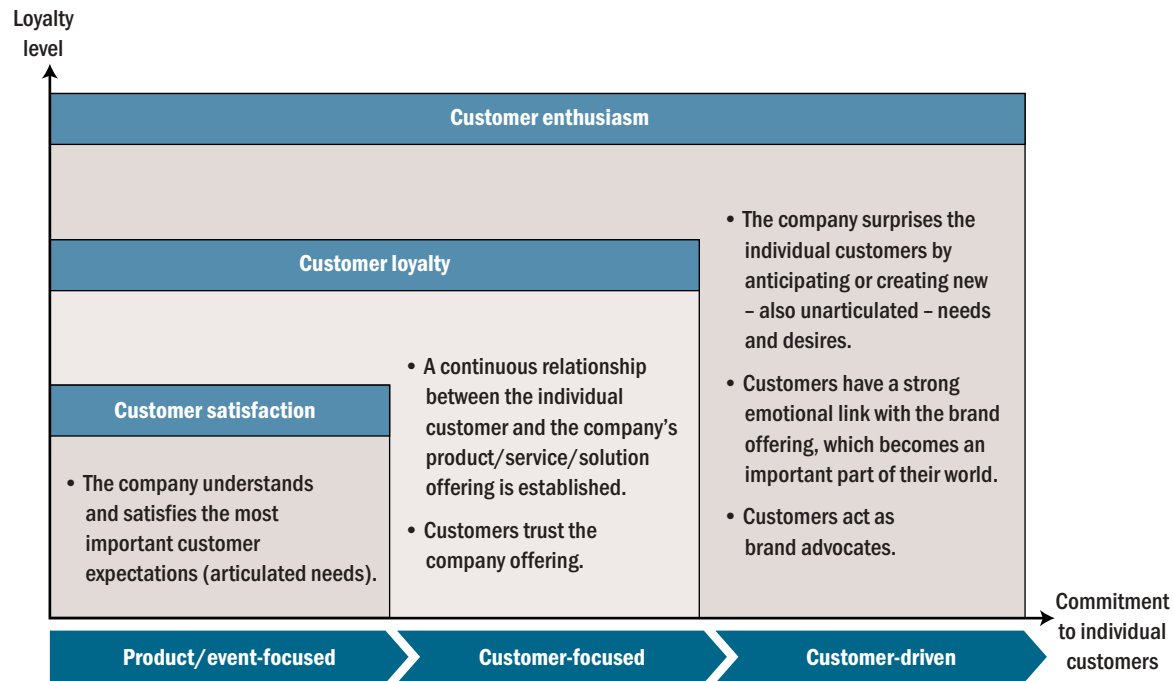
Hierarchy of relationships



Source: Roland Berger – Strategy Consultants

Leading CRM companies have long understood this evolving nature of customer loyalty and its impact on their bottom line. Loyal customers tend to be two to three times more valuable than average customers. Best-in-class companies therefore take customer relationships to a new level: They seek to become trusted advisors to customers who in turn will become brand advocates. Roland Berger has conducted extensive research with leading branded manufacturers to understand the dynamics of “Customer Enthusiasm.”

Customer Enthusiasm: Mapping the evolution of customer loyalty



Source: Roland Berger Consumer Enthusiasm Study

We have researched and worked with companies to define the strategic levers that create Customer Enthusiasm. Our study demonstrates that the most widely used levers to generate Enthusiasm are – *innovation, integration, communication and collaboration*.

Innovation

The ability to anticipate customer needs and create an element of “surprise” is a common theme in companies that enthruse customers. Companies such as Procter & Gamble and General Mills increasingly do this through online services (reflect.com, personalblends.com, mycereal.com) that enable shoppers to create their own customized products from cosmetics to coffee and breakfast cereal. Not all products are suitable for mass customization, but every company can approach mass customization by offering tailored solutions to the need of specific customer segments. CRM leaders seek to evolve from traditional product offerings to integrated solutions that meet the needs of specific customer attitudinal segments.

Integration

A multiplicity of interaction points and channels provide companies with interaction opportunities with their customers. Companies that focus on Customer Enthusiasm leverage these multiple interaction points in order to deliver a seamless experience to customers. They are able to capture information about customer needs from one channel and translate it into solutions that are delivered through the relevant complementary channel. British Airways (BA), for example, has created a high level of customer loyalty by generating personal travel profiles that can be accessed online. This functionality is best-in-class because it is linked to travel schedules and hotel reservations made not just directly through BA's Web site, but also through multiple sales channels – BA's call center, independent travel agents and even flight discounters.

Communication

Information that recognizes the context of the customer's situation is a key lever to generate Customer Enthusiasm. Companies that design personalized e-mail campaigns consequently generate significantly higher response (2-3 percent in the case of direct mail and up to 35 percent for personalized e-mails) and sales conversion rates. Amazon is constantly engaged in going the extra mile to communicate with customers on a one-to-one basis. Amazon can send as many as 40 e-mails (supplemented by package inserts in deliveries that are shipped out) in a two-month period without annoying customers, because the content takes into account the purchase history and preferences of a customer. The response rates on e-mail recommendations are high enough for Amazon to now consider charging publishers for recommendations made!

Collaboration

Companies are realizing that it is difficult to generate Customer Enthusiasm single-handedly. This has led to the creation of collaborative partnerships that jointly deliver the desired experience to priority customers. Companies partner with a range of cross-industry and cross-channel providers to acquire customer data, develop and deliver solutions. One of Pepsi's most successful advertising campaigns to date was carried out in partnership with Yahoo!. 3.5 million participants provided personal data to register and redeem Pepsi points for prizes ranging from t-shirts to digital downloads. National sales rose 5 percent during the promotion, in comparison with an overall soda market growth of 0.2 percent. This campaign enhanced the Pepsi brand in the critical teenage customer segment that is less sensitive to television campaigns.

Deploying the strategic levers to differentiate your loyalty program

Our in-depth benchmarking study of close to 100 loyalty programs clearly shows that most loyalty schemes are not able to create a sustainable competitive differentiation. They are copied by competitors, and very quickly become standard practice for all players – thus adding to costs, rather than contributing to revenues. Launching a loyalty system alone therefore does not guarantee that a firm will be able to successfully distinguish itself from competition or that it will be able to retain high-value customers in the long term. Best-practice companies are changing over to a system of loyalty enhancement through the appropriate configuration of the four strategic levers: Innovation, integration, collaboration and communication. The trend, for instance, is to design innovative cross-industry programs that aim to offer users the widest possible range of applications and solutions. This also enables companies to obtain a single view of consumer buying patterns across product and service groups.

Roland Berger has developed the HELP® approach (Holistic Evaluation of Loyalty Programs) to help our clients select the appropriate program content and partners. HELP® also allows you to evaluate the benefits of joining an existing program or creating your own.

Does your company have a right to customer relationships?

Do you ...

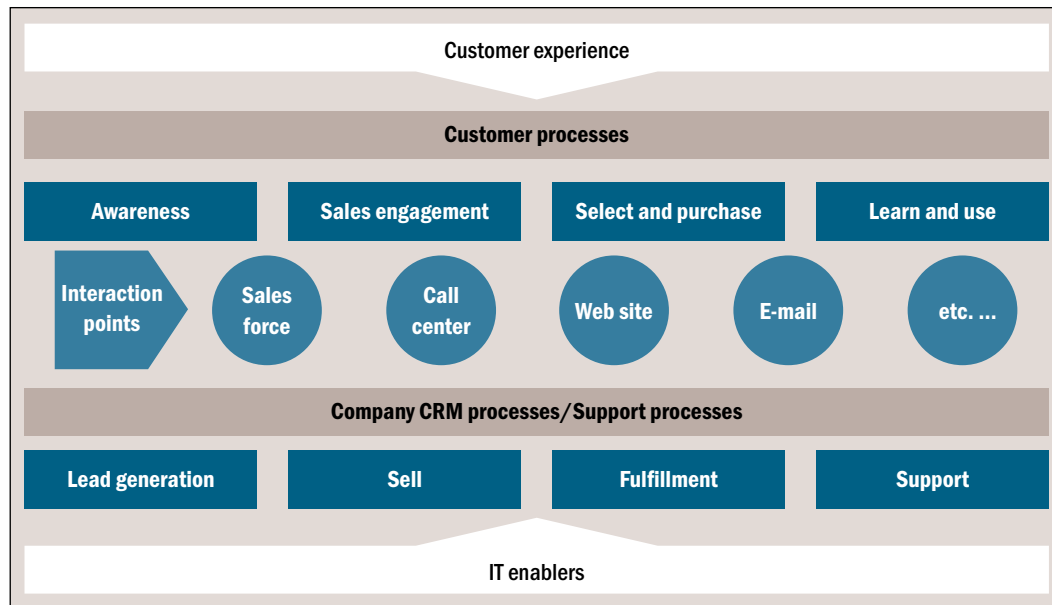
- Create innovative solutions that address the individual needs of your identified customer segments?
- Integrate customer insights across interaction points into opportunities for sales growth?
- Develop relevant personalized communication content?
- Collaborate with partners to develop solutions for your customers?
- Develop the appropriate loyalty programs?

Insight #4: Every interaction point is a relationship opportunity, not a support cost

A call center, a 1-800 number or an online support site are often considered a cost of doing business. Many companies focus on bringing this cost down. Best-in-class CRM companies recognize the relationship opportunity presented when customers access their products/services through multiple channels – the Web site, call center, retail outlets, stores or wireless. They embed a relationship focus in their approach to servicing customers through these channels – a call center is a “customer interaction point”; a Web site is an “online experience zone.”

This ability to exploit the relationship potential of various interaction points is grounded in an in-depth understanding of the customer experience. CRM leaders recognize that customer relationships span the entire product ownership lifecycle: From the point that the brand enters the awareness/consideration set of customers, sales interaction, purchase decision-making, ownership through to product use and replacement. The companies understand, measure and track customer experience along this lifecycle of product ownership. Customer experience assessment is a cornerstone of best-in-class CRM companies – they even link management compensation to the customer experience score!

Capturing the relationship opportunity of interaction points



Source: Roland Berger – Strategy Consultants

CRM leaders map customer activities and only then decide on the optimal deployment of interaction points along the customer lifecycle.

They identify deficiencies in the customer processes through continuous surveys and workshops with their customers. They thoroughly review their customer feedback (complaint letters, etc.).

These companies define corrective activities, which they allocate to the relevant interaction points. The conflicts that necessarily emerge between process efficiency at the interaction point and customer relationship quality (for example, response time at the call center) need to be discussed and solved between the CRM team and the process owner.

What about technology?

Technology enables CRM capabilities from data mining, personalization to multi-channel integration. The proliferation of technology choices has made things appear more complex than they really are.

But it is ultimately relationship choices that determine technology choices. The answers to IT architecture design and technology implementation lie in the relationship strategy that precedes it. Once you have understood your customers, assessed their experience, and determined the trade-off between process efficiency and relationship quality – only then should you seek the technological tools to aid a company-wide transformation to customer-driven thinking.

Does your company treat every interaction point as a relationship opportunity?**Do you ...**

- Measure and track customer experience along the entire product ownership lifecycle?
- Optimize process efficiency and customer relationship quality across interaction points?
- Derive technology choices from relationship choices, and not vice-versa?

From CRM Insights to CRM Excellence: Success factors and case studies

Through numerous CRM project assignments, Roland Berger Strategy Consultants have identified four success factors for differentiated CRM. These four success factors are the basis of Roland Berger's *CRM Excellence* approach. We believe these four factors will determine the ultimate success for customer-oriented companies in CRM.

Success factors for CRM excellence

From CRM insight ...	Customer value drives company value	Not all customers are created equal	Every interaction point is a relationship opportunity, not a support cost	Only a few brands have the right to customer relationships
... to CRM excellence	Understand	Create	Gain	Retain
	Superior customer understanding to enable identification of high-value customers	Differentiated products/solutions to build long-lasting relationships	Acquire profitable customers through multiple channels	Enthusing customers to create brand advocates
Case studies	Global CRM strategy for a Fortune 100 technology company	Cross-divisional product/solutions strategy for a leading multi-utility company	CRM strategy and interaction point integration for a leading airline	Customer loyalty management strategy for a leading convenience retailer

Source: Roland Berger – Strategy Consultants

1. Superior Customer Understanding: Translate information in insights

Customer value drives company value. Therefore, companies must develop actionable lifetime valuation models to identify their most profitable customers, and to deploy customer valuation as a powerful metric of organizational performance.

Additional customer value is captured through CRM initiatives that identify and realize the potential for up/cross-sell, drive customer loyalty and repeat purchases and aid the acquisition of profitable customers. Incremental profit opportunity arises from the targeted approach to serving customers. This results in improved effectiveness of marketing and sales efforts, market research, new product development and customer acquisition costs.

To manage the wealth of customer information on an ongoing basis, companies must develop a clear and consistent Customer Knowledge Management strategy including a data collection strategy through means such as product/service registration or customer surveys.

Case Study

In a recent project engagement for a Fortune 100 technology company, Roland Berger Strategy Consultants developed a global CRM strategy. Our mandate was to craft a strategy that would be relevant worldwide and address two objectives:

- Improve loyalty levels of profitable customers
- Increase share of customer lifetime through sales of new solutions and services

Together with the client, the Roland Berger team developed a global CRM strategy including a customer lifetime valuation model, which was deployed by regional experts across the world. More than US\$100 million were identified in potential revenues through the recommended CRM initiatives. The global CRM strategy set the strategic foundation for a shift away from a diffused contact with “anonymous” customers to “customer profiling and knowledge” based targeted interactions. Campaign results demonstrated the superior financial returns, including improved click-through and sales conversion rates, of a targeted approach to customer contact based on superior customer understanding.

2. Differentiated Products/Solutions: Create superior customer offerings

Not all customers are created equal. Best-in-class CRM companies have understood that they will need to mass customize their offerings, solutions and communication to specific customers or customer groups. Traditional marketing initiatives such as mass advertising and non-differentiated promotions are no longer sufficient. The Internet has made it possible, and economical, to understand individual customers based on their attitudes and beliefs instead of just age, sex, race or ZIP code.

Differentiated customer offerings will raise the barriers of entry for competitors and significantly increase the customers' inconvenience of changing companies by covering their specific needs. Differentiating the customer offerings will also help companies in improving their New Product Development success rates as it eliminates new products with no clear value added for the customer.

The segmentation into attitudinal segments helps companies create solution offerings that are relevant and in context to the specific customers. Roland Berger's proprietary research and approach on attitude-based segmentation (*The Brand Profiler[®]*) is a powerful tool for differentiating relationship efforts.

Case Study

Roland Berger Strategy Consultants worked closely with a leading multi-utility company to develop a comprehensive cross-divisional strategy to leverage the customer base of the entire group. The team developed an integrated product offer to drive cross-selling initiatives in more attractive product/service segments with significantly higher profit margins. This group-wide multi-utility concept required the alignment of structures and processes as well as the set-up of supporting IT-tools, such as a joint business customer database, to facilitate cross-divisional information and communication.

In the first joint cross-divisional key account project, revenue growth to the tune of 500 percent could be achieved. Market penetration and acceptance of multi-utility offers were enhanced by a simultaneous launch of an e-commerce platform in business-to-business (B2B) and business-to-consumer (B2C) segments. In the B2C market segment, the introduction of a customer card contributed significantly to improve customer retention levels in a turbulent electricity market.

3. Excellence in Customer Interaction: Gain profitable customers

Every interaction point is a relationship-building opportunity, not a support cost. Best-in-class CRM companies are leveraging multiple touchpoints to acquire high-value customers. By addressing critical issues such as multi-channel integration, the organizations are able to obtain a single view of customers, across touchpoints and product ownership lifecycle stages.

By understanding the profile of the current profitable customers, companies are able to identify the potentially most valuable new customers and target this with specific marketing activities.

The development of online channels has dramatically modified the interactions between companies and potential customers. An increasing number of customers use the capabilities offered by the Internet to improve their shopping experience. Companies are able to capture the right information from their customers along the customer lifecycle, from product search to sales and customer care.

Companies must therefore develop a Customer Contact Management strategy integrating personalized content and communication for specific customer groups across channels, from Web sites, e-mail campaigns to call centers. A more target-orientated contact management approach can lower acquisition costs per customer and increase the efficiency in the sales process.

Case Study

Roland Berger Strategy Consultants recently worked with a leading global airline to structure a CRM approach and prioritize CRM measures. The key challenge was to deal with multiple customer touchpoints spread across the world and complex customer processes supported by legacy systems. Together with the client, our consultant team defined a CRM framework centered on the goals of service differentiation, revenue enhancement and process cost reduction. This framework provides a comprehensive list of customer-driven CRM capabilities and an allocation of the relevant touchpoints to deliver these services.

For example, the call center should have the capability to automatically identify high-value customers and offer them special treatments such as preferred access to upgrades. The team also created a work plan based on a prioritization according to the contribution to the value of the overall CRM project. In an airline context, revenue-enhancing measures were identified as providing the highest value-added. Such activities include managing marketing campaigns to better target customers for mileage spend promotions or to identify high-value customers and invite them to join the frequent flyer program.

4. Customer Enthusiasm: Retain profitable customers

Only a few brands have the right to customer relationships. Most businesses are faced with the challenge of retaining customers in a world of proliferating choices and options. However, customers are seeking different relationships with companies depending on the relevance to their lives of the products and services offered.

Leading CRM companies have long understood the evolving nature of customer loyalty and its impact on the bottom line. Loyal customers tend to be two to three times more valuable than average customers. Best-in-class companies therefore strive for higher levels of customer commitment and reward customers for their loyalty.

The concept of Customer Enthusiasm is new. It defines the next step after customer loyalty. At this stage, companies not only meet all the customers' articulated needs, but they surprise the customers by anticipating or creating new needs and desires. Customers develop a strong emotional link with the company's offering, which ideally becomes a part of their lives. In many cases, customers become "brand advocates" enthusiastically promoting the company's offer.

Case Study

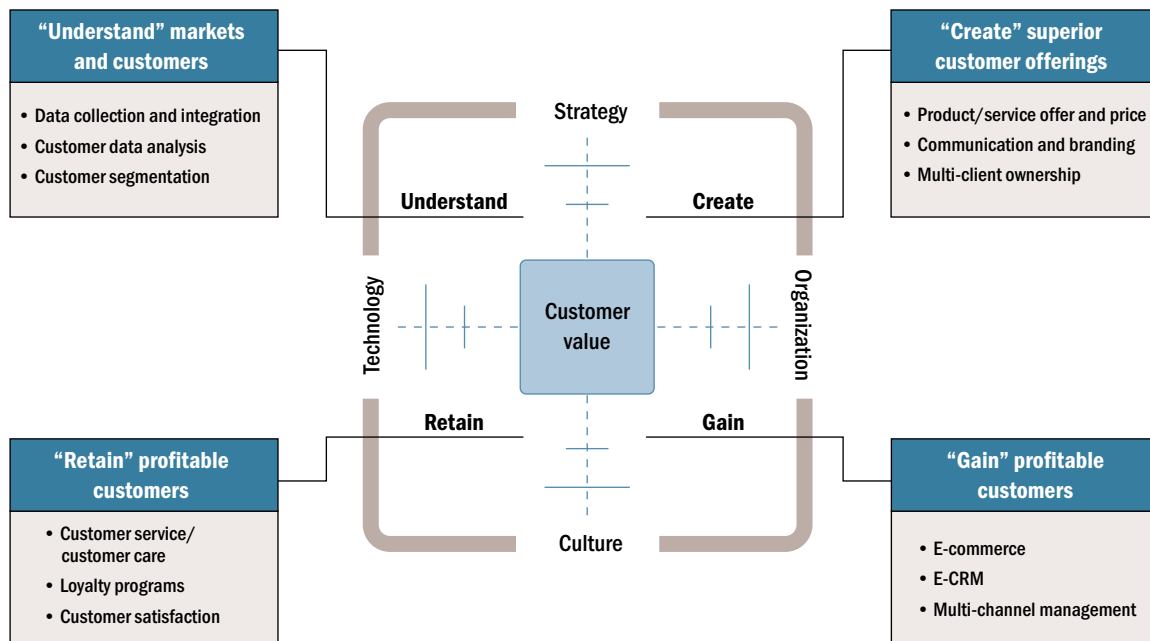
Roland Berger Strategy Consultants worked together with a large gas retail company to develop a new loyalty program. Since the program's launch in 1998, more than 15 partners have decided to participate, resulting in an extremely varied portfolio of industries, encompassing tourism, print media, retail and many more. Our consulting team worked closely with the client to ensure economic feasibility of the program. The CRM strategies have ensured that the client achieved an enduring competitive advantage (a virtue all too easy to lose in the world of loyalty programs) by developing a collaborative ecosystem of multi-industry partners. This program represents one of the highest penetrations of loyalty cards.

Final Recommendation: Spend a Little Time with Us

To help companies assess the imperative for CRM in their industry, and to understand how well positioned organizations are to address CRM opportunities, Roland Berger Strategy Consultants have developed the *CRM Reality Check Tool*, based on our *CRM Excellence* approach.

We deploy a comprehensive electronic questionnaire and draw upon our in-depth industry and functional knowledge to help companies determine what CRM capabilities will drive growth in their industry, identify gaps relative to competition and opportunities to leapfrog peers. This exercise also serves as the basis for the development of a CRM vision and roadmap.

The Roland Berger CRM Excellence approach



Source: Roland Berger – Strategy Consultants

In addition to a focus on key CRM processes, we also recognize that high-impact CRM programs stem from a 360-degree alignment with the needs of the customer. Roland Berger works with clients to establish a CRM enabling environment. We focus on:

- CRM Strategy and its role in achieving corporate strategy.
- Creating customer-oriented organizational structures and processes.
- Establishing change management and incentive mechanisms.
- Developing technology strategies including the use of e-technologies, and selection of system/technology partners.

With more than 30 years of comprehensive industry experience combined with extensive CRM know-how, Roland Berger Strategy Consultants is the intelligent choice to develop creative CRM strategies that work and deliver return on investments.

Roland Berger Strategy Consultants have already helped many companies achieve early success with CRM. Why not learn what we can do for you?

Roland Berger – Strategy Consultants: Creative CRM Strategies that Work

Founded in 1967, Roland Berger Strategy Consultants has grown to become one of the leading global strategy consulting firms with annual revenues of \$500 million. Following a management buyout in 1998, which returned the firm to an independent partnership organization, we have strengthened our leadership position and now have a worldwide network of 31 offices in 21 countries.

We offer our clients: Entrepreneurship, creativity and a pragmatic “down-to-earth” sense for successful implementation. Our focus is on delivering creative strategies that work! We strive to create genuine competitive advantages for our clients. Our mission is to support companies with customized concepts.

Roland Berger is at the forefront of CRM and has a wealth of experience in business-to-consumer and business-to-business CRM through numerous assignments in the last five years across industries such as banking, high tech, retail, airline and telecommunication. We support corporations in defining clear CRM strategies and transforming their processes, functions and businesses to become customer-oriented and maximize customer value.

Roland Berger – Strategy Consultants: The authors



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