



# Simulation Debrief

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CRM - A Management Approach [MGMT-6066]



# Simulation Overview



Customer Centricity

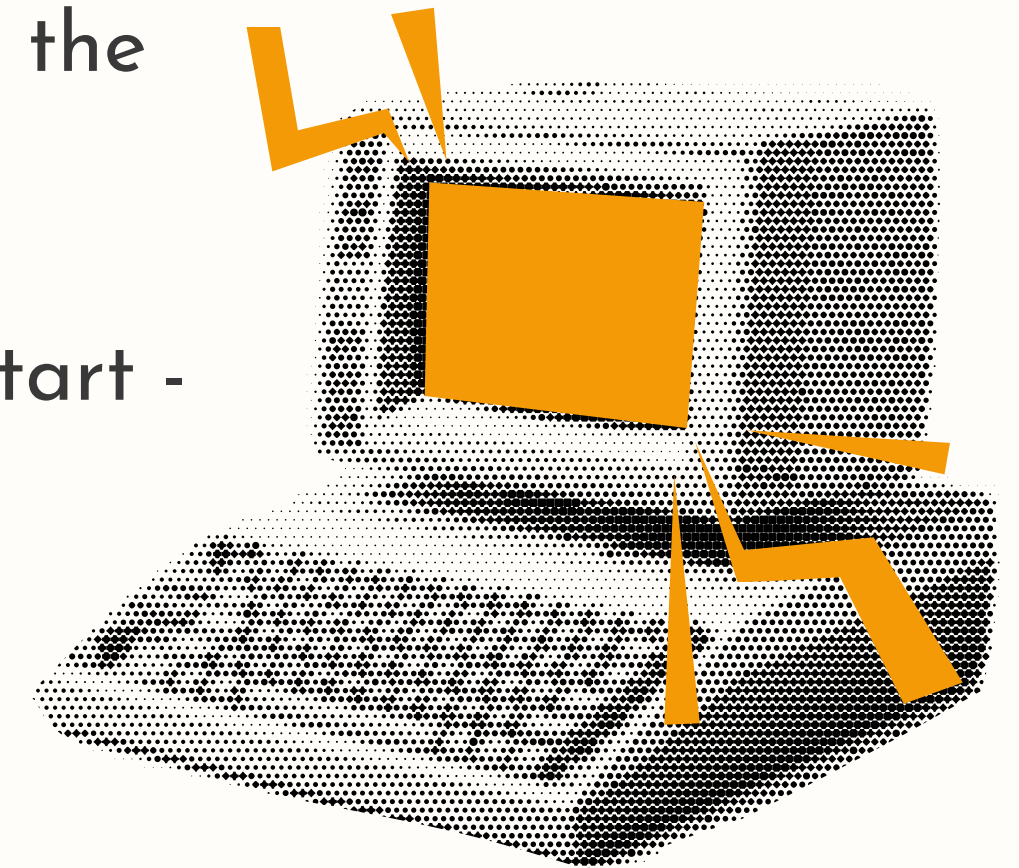
Galen May  
Chief Marketing Officer



**Highly interactive experience** to make decisions based on data and see the impact of strategy, CLV, and using a CRM platform

**Goal:** As newly appointed CMO, mission is to modernize the strategy and move from a **product-centric to customer-centric** plan using the new CRM platform

**As the CRM system is new**, there were 3 periods of data at the start - lacking legacy customer and sales data



# Strategy & Results

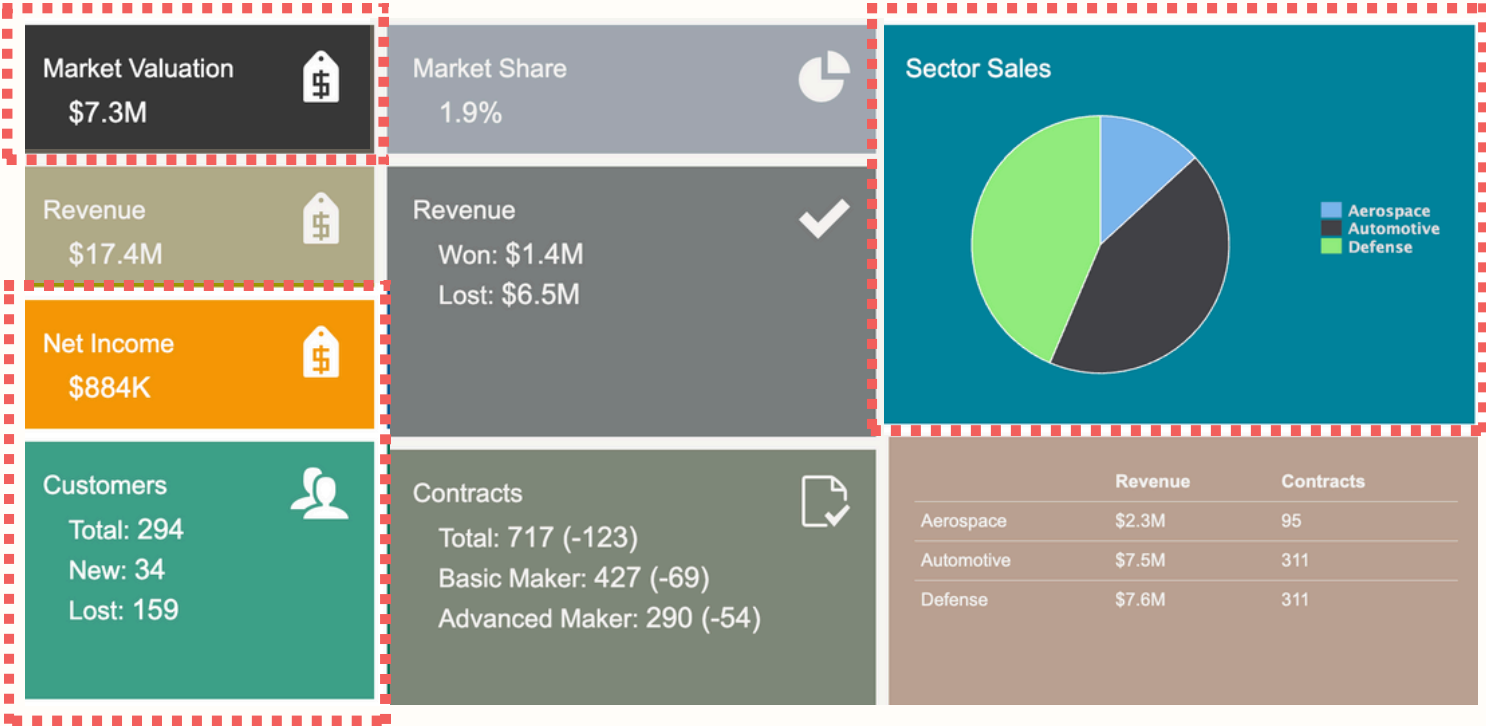
## INITIAL STRATEGY:

- Prioritize **high-value** segments
- Focus on **retention**
- **Balance budget** across branding and specific areas

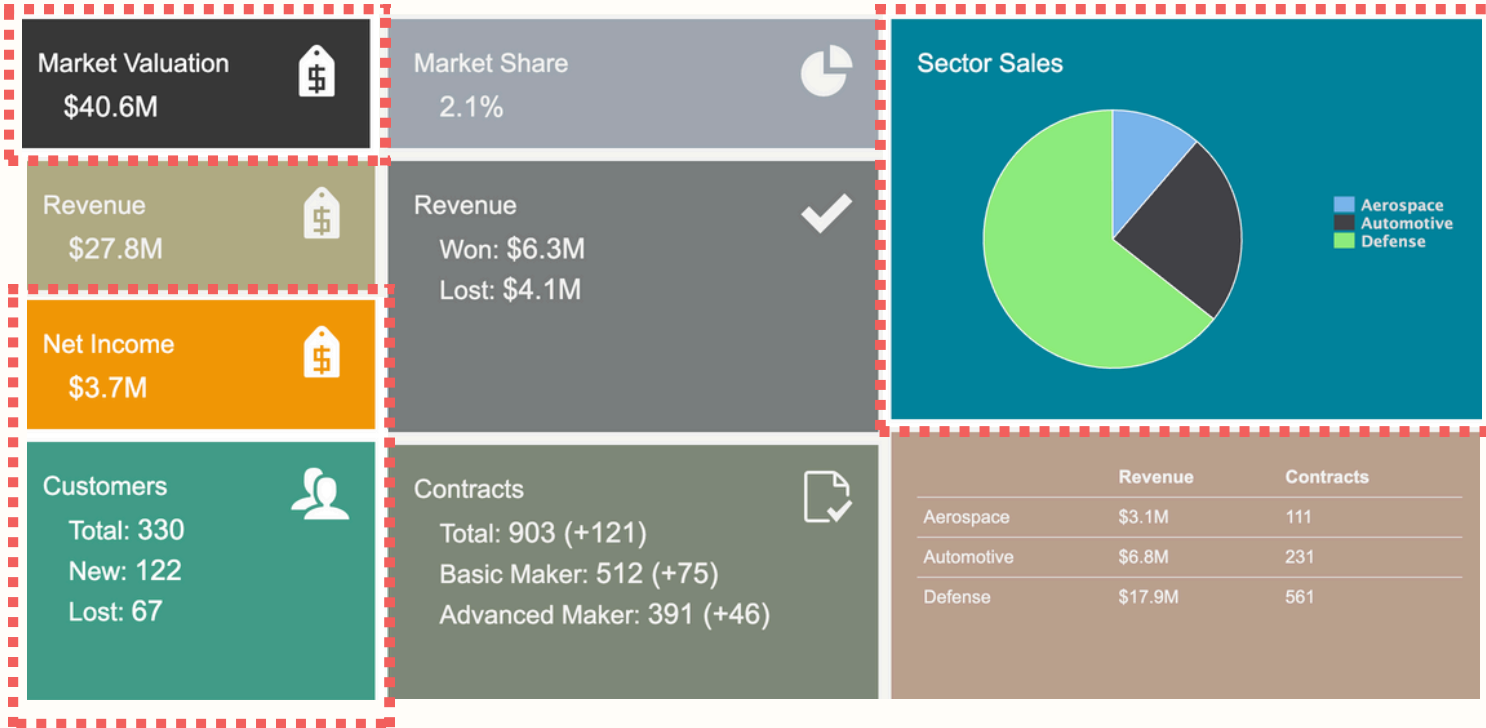
## STRATEGY EVOLUTION:

- Really **focus on retention**, balance against high acquisition
- Spend **less on branding**/external awareness
- Fix bad **churn rates**

Period 5



Period 9



# Strategy & Results

## PERIOD 1-4 DECISIONS:

Tried to focus on retention, but was **unsuccessful**

**Purchased loyalty options**

Branding spend was **not effective**

No clear segment **focus** yet

*Initial rounds: experimental and chaotic*

## PERIOD 5-9 DECISIONS:

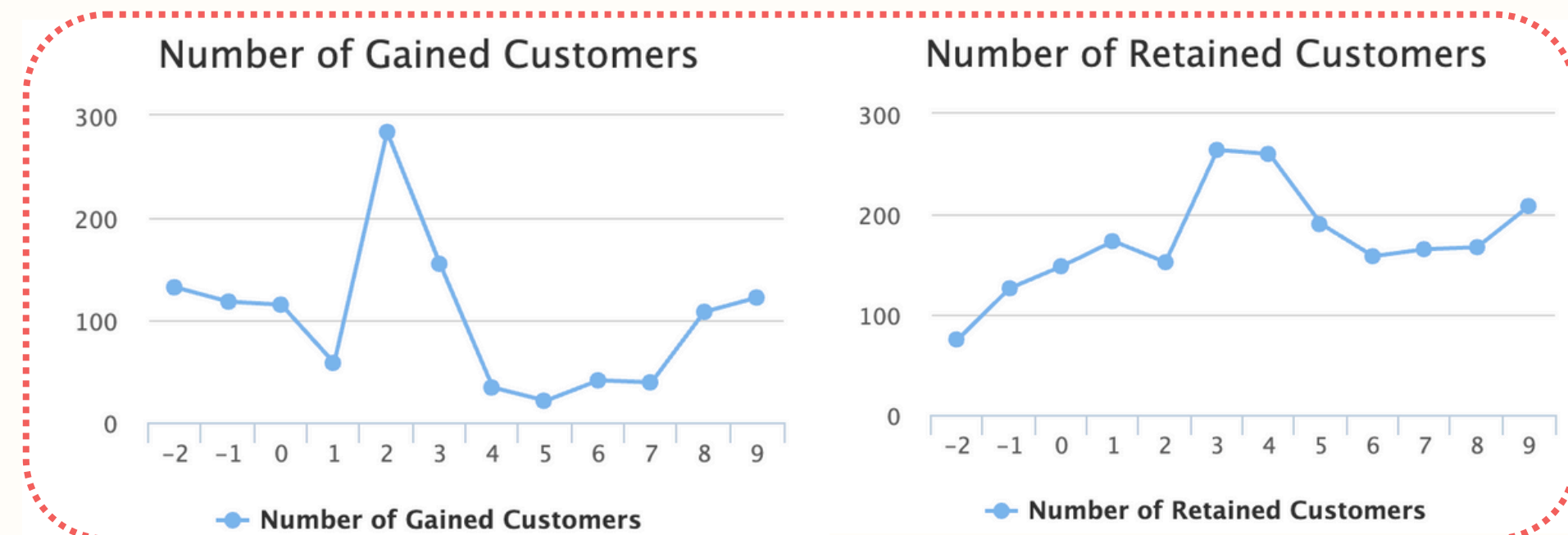
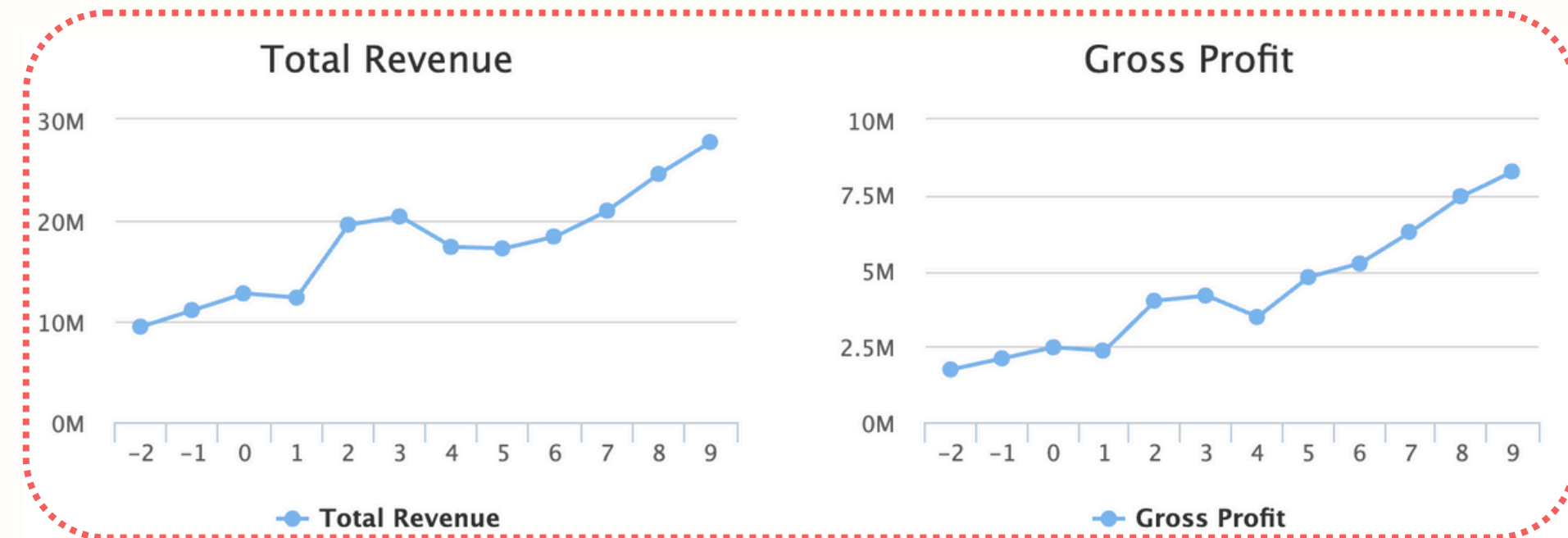
Data-driven (urgent) **course correction**

- **Focus** on customer **churn rates** and **retention**

Loyalty & Customer Service = **major budget increase**

Maxed out **internal sales** (outperforming brokers)

*Final rounds: organized focus, intentional data-driven choices*





# Key Takeaways

## INITIAL ASSUMPTIONS & WHAT I LEARNED:

- I **expected** to need a higher focus & spend on **brand awareness**
- **Underestimated** how much **data** there would be to parse through
- You have to **monitor** everything - spending less on branding was a positive

## APPLICATION:

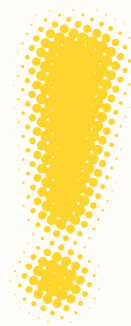
- Needed to focus on **internal efforts** (loyalty, internal sales, customer service)
- **Introduced** Referral Program & Strategic Account Manager Positions

## SUCCESS & CHALLENGES/BARRIERS:

- Prioritizing **long-term value** over quick changes
- Lots of data to understand
- ***Chaotic early rounds needed to recover from***

## ASSUMPTIONS CHALLENGED:

- Branding **≠** customer-centricity
- Acquisition without retention = **wasted efforts**





# Key Takeaways 2

## BEST STRATEGIES:

- Loyalty program & customer service

## MOVING FORWARD:

- **Analyze data** before **assumptions** (could have caught branding waste earlier)
- Start **retention** efforts early on
- Continue to monitor **churn rates**

## BIGGEST TAKEAWAY:

- **Assumptions** will be wrong (branding)
- Not always about doing everything - **focus** on specific data-driven actions



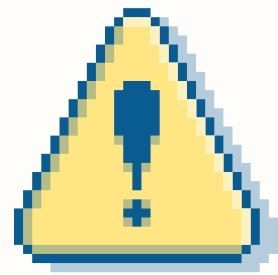


# Real World Applications

- Apply early insights and identify churn risks early on
- Use loyalty program feedback to **adjust retention (and acquisition) efforts**
- **Monitor** segment/audience-specific **behavior**
- Invest in internal sales & customer service for **long-term benefit**







# Challenges

- Too much brand spending early on - based on assumptions and other simulation
  - Solution: **Pivot to retention**
- High churn rates
  - Solution: **Reallocated HIGH amounts of budget to loyalty & customer service**
- Overwhelmed by data at first
  - Solution: **Picked a focus** (looked at key indicators and broke it down)






# Summary & Conclusion

Needed to **shift** and **adjust** strategy after chaotic/experimental first rounds

- From broad awareness & branding to **relationship building and nurturing**



A customer-centric strategy is not about doing everything but about doing the right things following the right data.

- **Data**, not assumptions, need to drive decisions
  - **Retention** can have more impact than awareness
  - Internal efforts have **huge impact**
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