

Analysis of the contributions of technologies in customer relationship management: Case Study

Análise das contribuições das tecnologias na gestão de relacionamento com os clientes: Estudo de Caso
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Abstract: *The text presents a case study of implementing a CRM (Customer Relationship Management) system at ALFA, a prominent Brazilian financial institution. The motivation was to improve performance concerning competitors and to solve problems of ineffective customer service and communication. The CRM implementation aims to align communication with customer needs and preferences, segmenting them into four groups: Acquisition, Onboarding, Monetization and Retention. To do this, the company uses a decision tree that directs interactions in a personalized way. This approach has already generated positive results, such as increased capitalization, bond sales and customer engagement. Challenges include resistance to change, integration between departments and the need for cultural adaptation. The customer survey revealed that the majority prefer personalized communications and consider digital channels such as WhatsApp and e-mail to be the most effective. In conclusion, CRM is essential for strengthening customer relationships and increasing competitiveness, and it is vital to integrate data and technologies for efficient management.*

Keywords: CRM; Customer segmentation; Communication; Engagement.

Resumen: El texto presenta un estudio de caso sobre la implantación de un sistema CRM (Customer Relationship Management) en ALFA, una gran institución financiera brasileña. La motivación era mejorar el rendimiento en relación con los competidores y resolver problemas de ineficacia en la atención al cliente y la comunicación. La implantación del CRM pretende alinear la comunicación con las necesidades y preferencias individuales de los clientes, segmentándolos en cuatro grupos:

Adquisición, Incorporación, Monetización y Retención. Para ello, la empresa utiliza un árbol de decisiones que dirige las interacciones de forma personalizada. Este enfoque ya ha generado resultados positivos, como el aumento de las ventas de bonos de capitalización y el compromiso de los clientes. Entre los retos figuran la resistencia al cambio, la integración entre departamentos y la necesidad de adaptación cultural. La encuesta a clientes reveló que la mayoría prefiere comunicaciones personalizadas y considera que los canales digitales, como WhatsApp y el correo electrónico, son los más eficaces. En conclusión, el CRM es esencial para fortalecer las relaciones con los clientes y aumentar la competitividad, y es vital integrar datos y tecnologías para una gestión eficiente.

Palabras clave: CRM; Segmentación de clientes; Comunicación; Compromiso.

1. INTRODUCTION

The relationship between companies and consumers has become closer over the last few years. This is due to society's demand for a product or service that meets their needs and provides a positive experience, generating value. CRM (Customer Relationship Management) aims to be an aggregator that solves a significant concern within large corporations: customer service. In order to ensure that the customer has a good journey, quality in hiring, or resolution of any problem, the tool's primary mission is to make the relationship healthy (daily), generating satisfaction, retention or even loyalty. CRM software gathers a wealth of information that outlines the customer's profile, determining the best way to approach them. For example, information such as e-mail, telephone, address, CPF and even consumption profile makes it possible to understand them better. Considered by many to be the new oil, data plays a key role in this game of conquest. Having this information quickly and easily can make it easier for a manager to sell a personal loan, for example, or even for intelligent communication to filter customers who need travel insurance. Of course, these are just a few possible examples of what a CRM tool can do.

With the market becoming increasingly digital and competitive, a company that knows how to relate to its consumers will come out ahead of its competitors. On the other hand, managing the size of its clientele is challenging. In other words, the larger the clientele, the more meticulous and intelligent its selection criteria must be so that it remains healthy and without wear and tear. The potential value that CRM adds to companies is almost incalculable due to its wide range of applications in company processes. Therefore, some of its main benefits can be listed:

- Improved decision-making based on data (numbers) with visibility of your customer's entire history, in addition to the centrality of information;
- Deepening and understanding the customer profile, obtaining relevant data about the public; and
- Customer loyalty or retention occurs when the company can offer a product or service based on a customer's profile, such as personalized service.

According to Kotler (1992, p.63), "strategic planning is defined as the management process of developing and maintaining a reasonable fit between the company's objectives and resources and market changes and opportunities." CRM seeks to enhance and reorient business and products to generate satisfactory profits and company growth.

The work aims to analyze the contributions mediated by technologies in customer relationship management through a Case Study.

2. DEVELOPMENT

2.1 Problem Definition and Characterization of the ALFA Company

This section presents the case study carried out within a company whose primary mission is to deliver financial solutions in the retail and wholesale segments. In this research, we will focus on the implementation of CRM from the customer's perspective. The company ALFA (the name that will be given to the organization) is considered one of the leading private companies in the financial sector in Brazil (considered the third largest company in the private financial industry) and one of the prominent companies in the international forum. It arrived in Brazil in 1982 with its mission to be simple, personal and fair. The company ALFA has a strategy of becoming the central financial institution for its customers, generating sustainable financial results, growth with a close and lasting relationship with customers, suppliers and shareholders and alignment with the country's economic and social development agenda.

Growth focuses on retail, geographic diversification, risk control and management, efficiency and discipline. The company also firmly commits to communities in its countries through its education division, which brings cooperation agreements with educational institutions and universities worldwide. Other Corporate Social Responsibility (CSR) actions related to the environment and social initiatives reinforce the company's dedication to sustainability.

In 2021, ALFA was experiencing frustration due to its below-expected results and poor performance compared to its main competitors. Given this, a new management team was hired for the area, whose strategy would be to focus on improving efficiency with its consumers, impacting the work format and autonomy of some regions.

With the mission in hand, ALFA concluded that the applicability of CRM should be reviewed, for example, by defining a new workflow, where each area of the company should fulfill its role, be it in the product, strategy planning, marketing, and promotions, among others. With this, a new strategy was gradually initiated for ALFA to focus on relating more effectively with its consumers. A major point that should be highlighted is access to data for decision-making, which would be more than ever the "flagship" of which path to take, replacing the practical guesswork previously.

Despite facing difficulties with its main competitors, the company ALFA has made small achievements, becoming a relevant area for CEOs, using improvement resources and hiring new technologies. Implementing the CRM philosophy from the customer's perspective, using technologies that facilitate and speed up data collection, makes this relationship beneficial between the company's CRM and its primary driver.

2.2 Problem analysis: CRM within the ALFA company.

Implementing a practical CRM project, although a challenging task, is essential

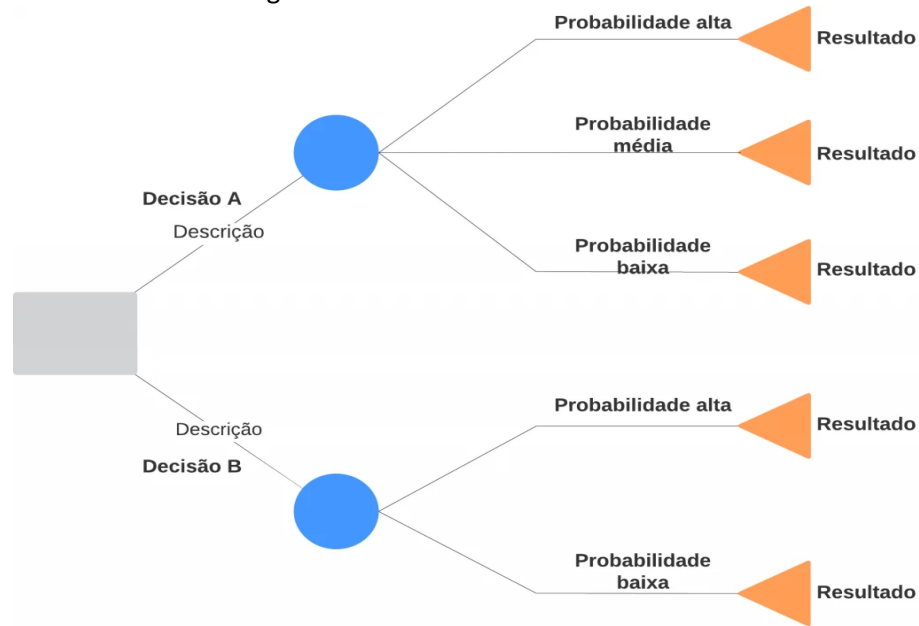
for corporate success. This undertaking encompasses all areas of an organization, regardless of their specificity. Each department plays a crucial role in defining its product so that the CRM area can execute it more efficiently with the "hottest" audience. Although they have their individual goals, the experience of the ALFA company illustrates that the desired result is not always achieved. This frustration can be attributed to several reasons, from gaps in understanding customer needs to failures in implementing pre-defined strategies. In short, the lack of a concrete study with reliable data on the product can compromise the success of initiatives such as CRM, highlighting the importance of careful and comprehensive analysis before implementing such communications.

ALFA faced a significant challenge in mid-2021, with its competitors advancing quarter after quarter while its NPS declined and defaults increased. Given this worrying scenario and an increasingly tarnished image, it became clear that a comprehensive overhaul was crucial, with a special focus on Customer Relationship Management (CRM). At this critical point, a new management team was recruited to reverse this negative trend through a strategic and customer-centric approach. One of the gaps identified was the lack of a clear strategy for prioritizing customer service, which resulted in disorganized and excessive communication without considering individual preferences or the relevance of messages. Thus, implementing an intelligent prioritization system became a priority, aiming not only to improve the effectiveness of communications but also to strengthen customer relationships and boost ALFA's results.

The case of ALFA reveals a significant challenge that permeates all its departments responsible for making its customers profitable. The lack of criteria and prioritization and an increasingly damaged image have negatively impacted its results compared to those of its competitors. Aware of the need for a strategic and possibly drastic change, the sector's leaders assessed the situation and announced a new implementation of rules for managing communications, as well as a policy that did not exist and that needed to be transparent to avoid the negative impact of multiple communications in short time intervals. Another crucial measure was introducing an approach to segmenting customers into four large groups: Acquisition, Onboarding, Monetization and Retention. This strategy, called "Customer Vision," allows for the effective separation of customers, enabling the application of specific approaches for each segment. This segmentation was facilitated by structuring a decision tree, providing a clear roadmap for interacting with customers at different stages of their life cycle with the company. These initiatives reflect a significant effort by ALFA to optimize its internal processes and improve its relationship with customers, aiming to achieve better results and a more competitive position in the market.

A decision tree, Figure 1, is a map of the possible results of a series of related choices. The company ALFA prioritizes its customers using different types of prioritizations, measuring their possible actions based on their profiles.

Figure 1 - Structure of a decision tree



Source: Machine Man, 2020

With the implementation of the decision tree as a strategic guide, ALFA undertook a new, detailed work plan consisting of mapping all the campaigns currently in place and integrating them into the structure of the newly announced tree itself. At the same time, a rigorous review was conducted to assess the relevance of each campaign and product within the different segments identified. This critical exercise allowed the team to determine the initiatives with the greatest and least impacts on each product group, providing a clear understanding of where the optimization opportunities lay.

The transformation process within ALFA was marked by significant challenges, as is common in large organizations. The change in culture and working methods required considerable effort from the employees involved, especially in CRM, since the larger the company, the greater the complexity and resistance to change. The high demand for ongoing campaigns sparked tensions between the departments since the dismissal of some of them, although necessary for implementing the new work format, generated concerns about the impact on results.

The lack of transparency in communication and the late disclosure of the new work model were critical points of failure in integrating the CRM area and the others, contributing to increased difficulties and tensions between departments. Some prioritizations are needed regarding the focus products that ALFA selected to recover results: Cards, Invoice Installments, Credit and Capitalization.

Faced with a changing scenario, the CRM area of ALFA drew up a migration plan to the "CRM in the Customer Perspective" format, limiting the construction of campaigns in this new format to only 30% of its audience, and the other 70% would continue to receive their communications in the "old" format. The plan was simple: to outline a time and compare the campaign conversion results

between audiences. If the result were better or the same, "CRM in the Customer Perspective" would be implemented in 100% of the active customer base.

In this work format, the company ALFA outlined four significant perimeters that define the customer life cycle: Acquisition, Onboarding, Profitability and Retention.

Figure 2 presents each of these cycles along with their objectives. It is worth remembering that several customers will "compete" with each other for communications for each of these perimeters. Another point that should be mentioned is that Alfa focused on creating the Promotions/Relationship area. This division was designed to announce the company's partnerships, which include events such as concerts, shows and much more. In addition, the team will be dedicated to regulatory communication, ensuring that everyone receives the mandatory information, regardless of the channel used.

Figure 2 - Customer Life Cycle



Source: Authors (2024)

2.3 Communication Policies

Faced with a scenario designed for "control" and efficiency, ALFA created an area responsible for communication policies. This area would be responsible for outlining the rules and controls within the cycles and dictating when the customer could be communicated with. It is worth noting that this team is also responsible for bringing studies and insights into how customers behave within communications and whether their strategies make sense; that is, all strategies are living bodies.

The policy team is critical in defining recency strategies for all products and cycles in a dynamic and competitive business environment. Recency, a key metric, not only measures the time since the last customer interaction but also reflects the strategic importance of each product. Higher-profit products require more frequent attention and lower recency, while less profitable products may have higher recency. In addition, introducing new products requires a distinct approach, initially focused on creating marketing buzz and attracting customers before integrating them into traditional policy. In this context, the policy team acts as the architect of customer-business interactions, adapting strategies to optimize each product's performance in the market.

3. METHOD

The methodology used in the ALFA company case study is applied, with exploratory objectives and qualitative and exploratory approaches based on the practical analysis of CRM implementation.

Primary data collection techniques were used, including questionnaires applied to customers with different consumption profiles and the analysis of internal data relating to sales and engagement.

The research was complemented with the application of segmentation through a decision tree to personalize communications.

This method made it possible to identify critical points, such as the lack of prioritization in communication, and test new strategic approaches, measuring results based on indicators such as NPS, average ticket and sales volume.

4. RESULTS AND DISCUSSION

4.2 Analysis of Results

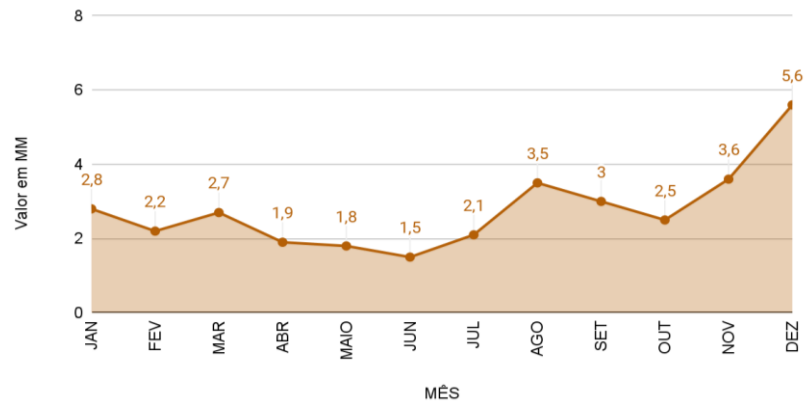
To represent the evolution of communications from the customer's perspective, some graphs will be presented below in a proportional manner that indicates a change in sales of the Capitalization Bond product. To give more emphasis to the topic, capitalization bonds are financial products that make scheduled investments over a period, which can vary between 36 and 60 months, for example. In this case, through a contract, the customer authorizes the bank to withdraw an amount from their bank account and allocate it to the capitalization bond. The contribution can be paid in installments or a single complete amount, depending on what was agreed upon between the parties.

The sales results of the Capitalization product come from the company ALFA from CRM communications. It is worth noting that the values above are not consolidated results, given that the company sells it through many other channels (Chart 1).

The company ALFA showed an increase in the average ticket, with an absolute value of R\$42.00 reais. The result above defined an increase in the effectiveness rate to 96%, that is, an increase in the penetration of the target audience.

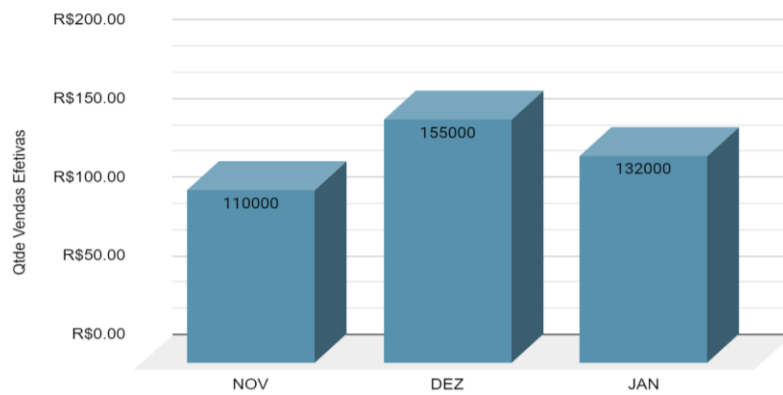
Chart 2 shows the forecast for sales between November and January/2023-24 for the Capitalization product at ALFA, explicitly highlighting the crucial role of CRM in this process. Here, we are exclusively analyzing the influence of online communications, whether through push, e-mail, SMS or other digital channels available in the company's app. A significant increase in the number of bonds sold can be observed, rising from 110 thousand to 155 thousand, Chart 3.

Chart 1 - Volume in millions of reais in Capitalization sales in 2023



Source: Authors (2024)

Chart 2 - Number of sales in thousands made in 2024



Source: Authors (2024)

Chart 3 - Number of accesses in millions of reais in November 2023 and January 2024



Source: Authors (2024)

In addition to sales figures, the total number of hits is another relevant aspect, offering a comprehensive view of user engagement.

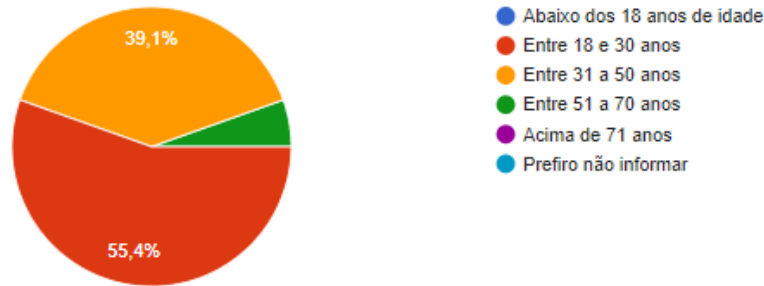
Even when adopting a more selective approach to targeting communications, the number of hits remains stable or even increases. This suggests that the audience filtering strategy not only maintains the interest of existing users but can also attract new visitors, highlighting the effectiveness of the company's digital marketing initiatives.

An analysis was carried out of the questionnaire distributed to a random sample

of customers with different consumption profiles, aiming to understand the dynamics of the relationship between companies and customers. The survey received responses from 92 participants.

Based on the information collected about the research participants' age range, 56% are up to 30 years old, and 38.5% are between 31 and 50 years old (Graph 4).

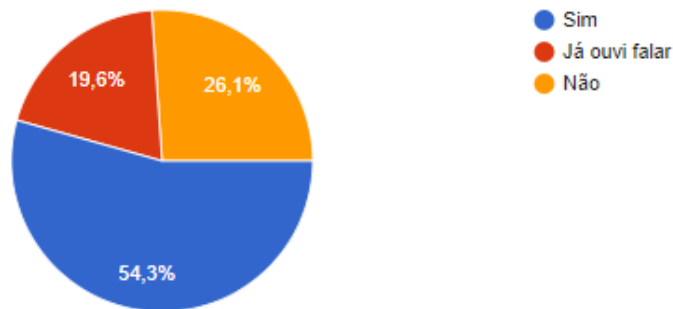
Chart 4 - Age range of respondents



Source: Authors (2024)

As seen in Graph 5, approximately 54% of respondents have heard of CRM, and 20% have heard of the acronym at some point.

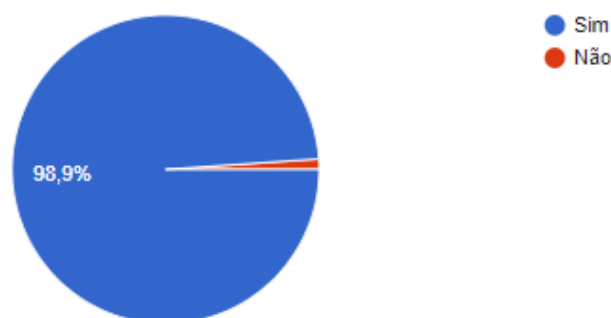
Chart 5 - Do you know what CRM (Customer Relationship Management) is?



Source: Authors (2024)

For knowledge purposes, the total sample of the public makes some type of purchase through digital means (online purchases); however, a few still prefer physical means of purchasing, Chart 6.

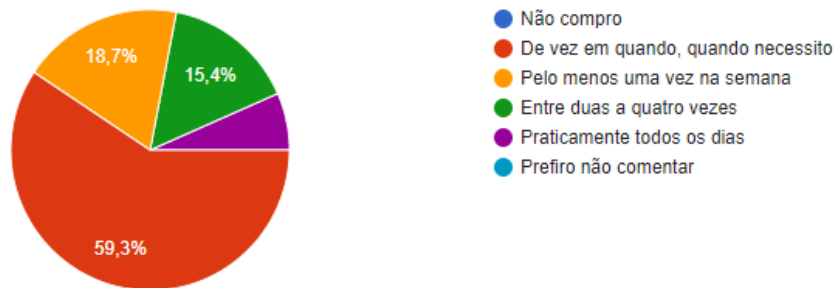
Chart 6 - Do you usually make purchases online?



Source: Authors (2024)

Graph 7 shows that more than half of the respondents usually buy at least something online when necessary or once a week. It is worth noting that just over 15% of the public make more frequent purchases online.

Chart 7 - How often do you usually buy?



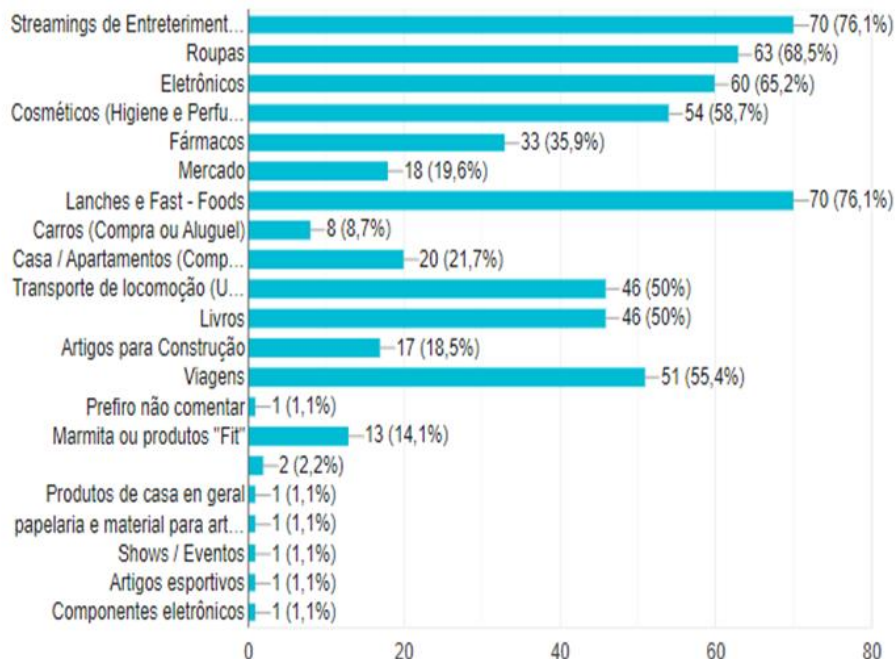
Source: Authors (2024)

It stands out in the types of consumption. We had diverse responses, evident for the current days, of which Streamings, Clothing, Electronics, Cosmetics and Snacks/ Fast Food have more significant predominance. Next, for transportation applications, pharmaceuticals, books, and travel, see Chart 8.

The open question regarding the receipt of communications from companies with which the participants had some interaction impacted practically the entire sample of the participating public.

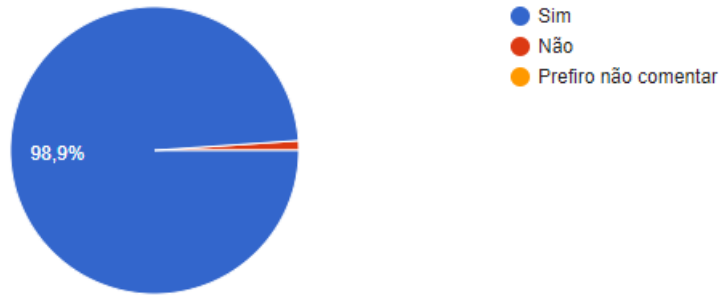
In Chart 9, more than half of the public receives daily or thrice weekly communications. Another portion (23%) indicates that they are impacted sporadically from time to time.

Chart 8 - What do you usually buy/subscribe/rent?



Source: Authors (2024)

Chart 9 - Do you usually receive communications through channels such as e-mail, SMS, or Push from companies or services you have interacted with?

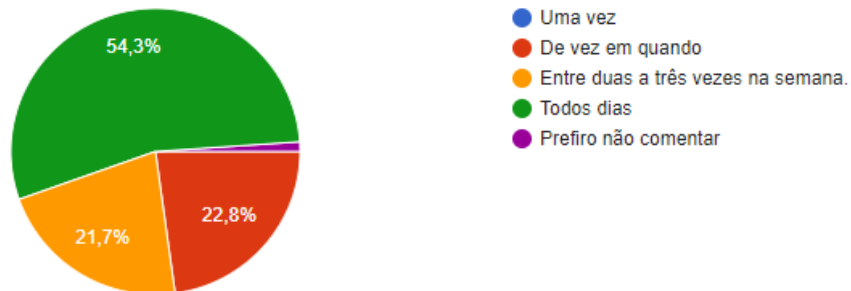


Source: Authors (2024)

The question was raised as to whether receiving communications generates any impact or relevance in the day-to-day lives of the public surveyed. In this regard, there is a certain balance between "Not" making any difference and "Maybe" that, when necessary, can make a difference, Chart 10.

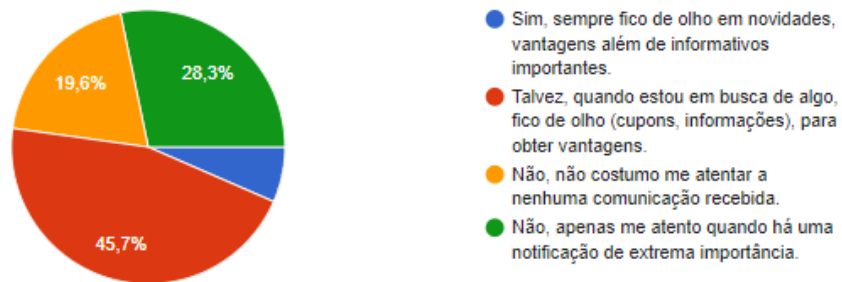
When asked what the most effective communication channel would be, respondents have a loyal relationship with the WhatsApp® platform, E-mail, followed by Push, Social Networks and SMS. Telemarketing, Letter and URA are completely disposable for the public, Chart 11.

Chart 10 - Frequency of impacts of communications from companies that had some interaction



Source: Authors (2024)

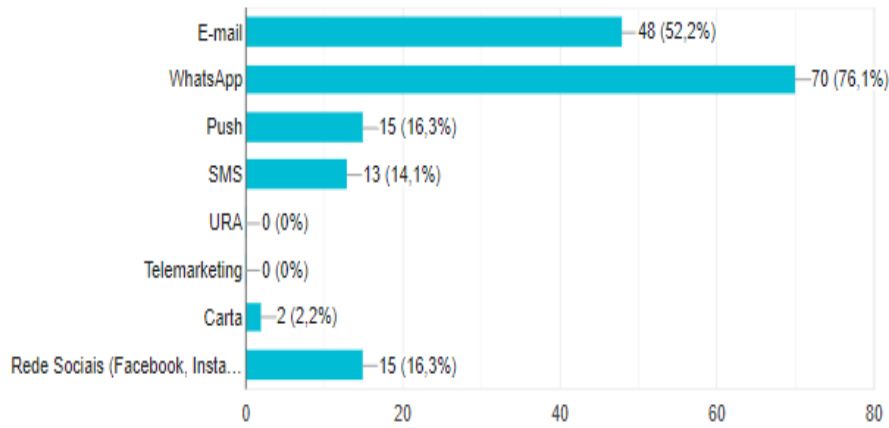
Chart 11 - For you, does receiving these communications have any significant impact or difference in your day-to-day life?



Source: Authors (2024)

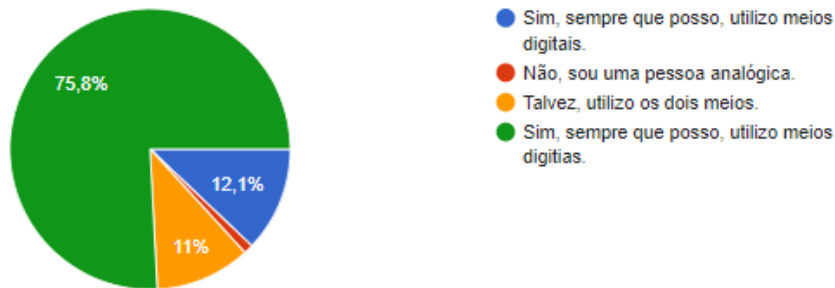
Of those interviewed, almost all of the public consider themselves digital people, that is, those involved in online shopping, electronic banking, distance education, entertainment, remote work and other forms of interaction and transactions that can occur online Chart 12.

Chart 12 - When purchasing or receiving a vital notification, which communication channel do you consider most effective?



Source: Authors (2024)

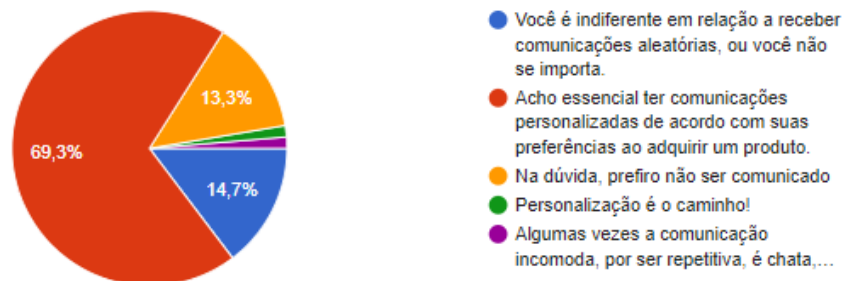
Chart 13 - Do you consider yourself a digital person?



Source: Authors (2024)

It can also be observed that, despite some considerations made by some research participants, they believe it is essential to receive personalized communications according to their preferences when purchasing a product (Chart 13).

Chart 14 - In terms of communication, what is your preference?



Source: Authors (2024)

4.2 LESSONS LEARNED

Knowing your end customer's fundamental problems and, from there, helping them in a human and more effective way is, in fact, not one of the simplest activities to carry out, given that this must be a practice used by the CRM area.

It is not enough to have an extensive database without its proper application. Convincing stakeholders within the ALFA company was a challenging undertaking requiring time, effort, and a well-thought-out strategy.

The company's size established organizational structure and employees' resistance to change make the process even more complex.

According to ZANONE (2007, p. 65), "the concept of CRM comes from a paradigm shift within the company; it is based on a cultural change, which is the shift from a product vision to a customer vision." ALFA's company probably has many employees distributed across different departments and hierarchical levels. This means that any cultural change needs to be implemented consistently and comprehensively, reaching all sectors and teams. Effective communication is essential to ensure everyone understands the reasons behind the change and how it will affect their day-to-day work.

Furthermore, a company's culture is shaped over time by various factors still being addressed today, including leadership, organizational values and established practices, such as a communications policy.

Often, employees may resist change due to fear of the unknown, lack of results achievement, ingrained habits of old practices, and a lack of understanding of the benefits of the new way of working.

Another point that ALFA Company faces is the emergence of new challenges in the business environment, especially when there is no longer a culture of unbridled communication (regardless of the channel), changes in consumer preferences, and competitive pressures.

5. FINAL CONSIDERATIONS

Through the information presented, together with the research carried out (as shown in the Graphs above), ALFA has worked hard to win over, increase profitability, build loyalty and retain its customers, seeking ever greater efficiency. The growing role of CRM in people's daily lives highlights the importance of having well-structured data and effective tools for collecting and analyzing it. By investing in these resources, companies can make information more accessible and interpretable, facilitating a more simplified and humanized approach to managing customer relationships. That said, seeking this excellence can, therefore, help countless companies, including ALFA, to make the CRM area a differentiator, especially when it comes to customer relationships.

In the organizational structure of ALFA, adopting a customer-centric perspective emerges as a powerful enabler, especially in targeted communications. This approach aims to ensure that each interaction with the customer is meaningful and aligned with their individual needs. Central to this process is a sophisticated

decision tree, which acts as the core of the gear, coordinating and directing communications in a personalized manner. By carefully mapping the preferences and characteristics of each customer, this decision tree enables each customer, in theory, to receive communications that are more tailored to their profile, ensuring that these resonate more effectively, establishing the main idea of a stronger and more lasting bond with the customer, as seen in the first results presented in the previous topics for the Capitalization product offered by the company.

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