

# [Harrah?s entertainment inc essay](https://assignbuster.com/harrahs-entertainment-inc-essay/)

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Question 1: Choose one or more definitions from the theory discussed in class to describe CRM as implemented by Harrah? s Entertainment Inc. I believe that the combination of Kotler? s and Zigmund, McLeod, Gilbert definition of CRM perfectly describes the situation of Harrah? s Entertainment Inc. Kotler refers to CRM as: “ the process of managing detailed information about individual customers and carefully managing all customer touch points to maximize customer loyalty”. Zigmund, McLeod, Gilbert definition is a bit more detailed: “ A business strategy that uses information technology to provide an enterprise with a comprehensive, reliable, and integrated view of its customer base so that all processes and customer interactions help maintain and expand mutually beneficial relationships.

” In this case the use of information technology in all stages of customer interaction clearly provides HEI (Harrah? s Entertainment Inc. ) with a competitive advantage. The use of different software programs and applications creates an efficient and effective CRM tool. Managers and employees know the information of any customer and they can customize individual offerings even at real time. This way of working creates the feeling of importance and recognition to the customer and leads to customer loyalty.

Question 2: Is CRM as implemented by HEI focused on IT or it comprises a total business strategy? Where would you position Harrah? s CRM on the relevant continuum? Explain your answer. CRM as implemented by HEI is clearly comprises a total business strategy. HEI not only created a new marketing strategy but also changed the organization itself.

Before the IT systems implementation, the different casinos used to run their own marketing programs and offerings for the customers. This decentralization led to different CRM approaches that tried to retain the customer locally. This changed after Phil Satre managed to convince local managers and CRM became centralized. By combining different IT solutions which first began with simple customer retention programs and data gathering procedures and later evolved to the point of real time offerings, HEI became the leading performer in the industry. The outcome of this continuing evolution and integration of marketing ideas and newly available date and techs was impressive for the company which vastly improved customer loyalty. The connection of the company? s vision (Serve your customers well and they will be loyal) with all the new dynamic processes led to a customer-oriented organizational culture.

From reducing the average talk time to the point of on the spot customized offerings the company not only maintained mutually beneficial relationships with the customers but also expanded them. Regarding the CRM continuum I believe we should position HEI at the right end of the continuum which is CRM defined broadly and strategically. HEI? s CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. HEI unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders.

Furthermore, provides enhanced opportunities to use data and information to both understand customers and create value with them. This requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology and applications. I believe the example of John and Sarah in the case clearly depicts the results of the overall CRM strategy.

The surprise of Sarah at the end is the value created for the customer which leads to brand loyalty. Question 3: Critically evaluate and discuss the components/elements of CRM in the case of Harrah? Entertainment Inc. Since the total rewards program, HEI tried to invest on the customer life time value. By providing rewards according to the frequency of the products used and by segmenting the customers according to 100 different criteria, HEI customized offerings and tried to maintain each customer forever.

This was done by the use of many different sophisticated IT technologies and specifically by different operational systems, a data warehouse and CRM software’s which were integrated in an active business environment. This customer knowledge led to HEI know exactly what each customer wants at any time during any transaction. HEI aimed at building through this relationship strategy to communicate the offerings and create individual value proposition for each customer. The success of HEI? s CRM program is beyond criticism. The efficient and effective use of IT led the company to become the leading industry in the sector. The targeted offers led to positive reactions from the customers and by the good feedback utilization, HEI managed to tweak offers even for under-performing segments.

After the integration of business systems in real-time, HEI had the ability to more easily and faster enable and manage interactions among their internal systems, employees, partners and customers. Even the slightest update would flow bi-directionally between the systems within seconds! This case clearly shows what a company can achieve if it overcomes obstacles such as resistance to change or economic restraints and concentrate on a centralized strategy that utilizes new technologies to create customer value.