Recommendations from President of Smartwill Inc., a Leader of CRM in Fashion Industry.
"Co-Create Management" with Customers is the Key to Survive

With the popularity of commerce through Omni Channels, recently CRM is attracting more attention. CRM stands for Customer Relationship Management that refers to system/strategies for advanced sales promotions and campaigns. Masashi Sakamoto, President of Smartwill, a leader of CRM in fashion industry and providing management consulting for luxury brands etc., is ringing the bell on the trend in which CRM making use of lots of technologies is considered as an all-purpose tool. Regarding the usage of CRM in digital age, President Sakamoto had conversation with digital communication consultant Nagisa Ichikawa.

Nagisa Ichikawa: Why CRM is attracting attention these days?

Masashi Sakamoto, President of Smartwill Inc. : The main reason behind this is the popularity of internet and progress of ICT. Amount of information has increased dramatically, in addition to traditional advertising, SNS such as Facebook & Twitter is also becoming popular and the consumer values are getting diversified. For winning competition it has become necessary for companies to move the direction of their ears, more than before, towards the voice of customer. If CRM is described in a few words, it is a structure to increase customer satisfaction level. Even in the field of fashion, apart from gorgeous goods or advertisements, it is necessary to increase customer satisfaction efficiently and effectively. However, if we go further in its core then I should say, the definition of CRM is "for companies to make whole management structure focusing on customers". The need in fashion world now is to have a concept to "co-create" the brand value at the core of management together with customers.

Ichikawa: Fashion industry is running behind in this aspect. There are many big brands where store managers still manage handwritten customer cards on paper.. I think digital technology can fairly boost up this section if handwritten customer cards are digitized and customer information at each store get integrated online.

Sakamoto : Agree. First step in CRM is to "Identify 1 Customer under 1 ID". If we don't know exactly what, when, where and how much the customer bought in stores all over the world or at online stores, then we will never be able to provide suitable products to satisfy the customer's needs. For this it's necessary to proactively utilize digital tools.

Ichikawa: Even in the field of CRM, new technologies, such as marketing automation tool, are emerging rapidly.

Sakamoto: I get anxious about CRM that freely uses technologies is taken as all-purpose tool. The important thing in actual CRM is to have a structure in which the industry or the whole brand properly comes face to face with each customer. Although marketing automation tools can execute the programs but they are never good enough to create the main scenario. On top of the steady work of A/B testing or repeat hypothesis & verification, the person in charge of marketing must create it on his own.

Ichikawa: True. So what will be the key to come out of this situation?

Sakamoto: Most important thing is to define and create "excellent customers = loyal customers". For example, in one of the top brands, they were taking the customers who purchase their key item 'coat' in the category of their loyal or potential loyal customers; however, after seeing the results of data analysis/ verification, they have come to realize that the customers who purchase 'inner' items are actually the ones who can easily become their loyal customers. The reason behind this is that, in most of the cases the customers who purchase inner items tend to recognize the essential value of the brand more than those customers who purchase "the face" item "coat" of the brand. Actually in that brand, the total number of entire customer had suffered a fall, however, by increasing the number of loyal customers to 1.5 times they have been able to increase the sales for two years in a row. In the recent market research, it is said that efficient CRM thoroughly analyzes loyal customers. Traditionally the focus was on how to foster those customers who "buy less frequently but large amount" or "purchase less amount but frequently" into loyal customers, however, now the focus is how to find " the customers who have high potentiality to become loyal customers".

Ichikawa: On the other hand, I believe the person selling items at the store plays the most important role as well in practicing CRM. Good personal touch and handling with customers at the stores can result in unexpected discovery and that part cannot be substituted by even AI (Artificial Intelligence). If CRM is applied, sales person can focus on taking care of customers well and the productivity of store would increase.

Sakamoto: Exactly. In the fashion field, CRM's role is to ensure salespeople are armed with IT force. In our company, in addition to business strategy based on data management/ analysis we focus on educational support of sales people at the site. For actually achieving results, it is necessary to intervene in creating manual on customer support or the method of explanation to customers, at times we have been even supporting the establishment of appraisal system of sales staff. Such initiatives are possible with us because we have been well equipped with the knowhow of taking CRM to the level of business or management strategies and not just marketing level. I feel we have entered an era in which we are competing on how to face customers in order to survive.

Nagisa Ichikawa／Digital Communication Consultant
PROFILE：
After learning fashion designing she worked as PR of overseas luxury brand and Communication Manager of creative agency. In 2013 she became an independent consultant. She is working as

Digital Communication Consultant and connecting fashion with digital technology. She is the first chief editor of Web media "DiFa". She also works as part-time lecturer at Kyoto Seika University

Masashi Sakamoto/ President Smartwill Inc.

PROFILE：

Born in 1971 and native of Yokohama city. He graduated from Aoyama Gakuin University and its Graduated School. He was involved in retail marketing strategies of Nippon Life Insurance Company for 12 Years. In 2005 after managing retails tasks of management support for investment destination with Nikko Principal Investments Japan Ltd., he worked as MD/COO in BELLSYSTEM 24 Inc. In 2010 he established Smartwill Inc. He has been serving as part-time lecturer at Aoyama Gakuin Graduate School since 2012. He is also the author of "Understand everything in just one book – The Basics of Customer Relationship Management" published by Nippon Jitsugyo Publishing.

GLOSSARY

CRM – Customer Relationship Management. Management techniques for delivering efficient sales promotion activities for customers

Marketing Automation Tools – Automation tools for Mail magazine, Campaign, Marketing Analysis etc.

A/B Test – It is a method to compare/validate examples of two different patterns.

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Business Outline: CRM Strategy creation, Designing & Planning/ Development/ Operations of CRM Program, DB analysis of customer/purchase, Designing & Planning/ Development/ Operations of customer management system, Membership program development, Appraisal program creation for CRM penetration, Planning/ implementation/ Effect Evaluation of new customer acquisition promotion, Training services, Market researches.

URL：www.smartwill.co.jp