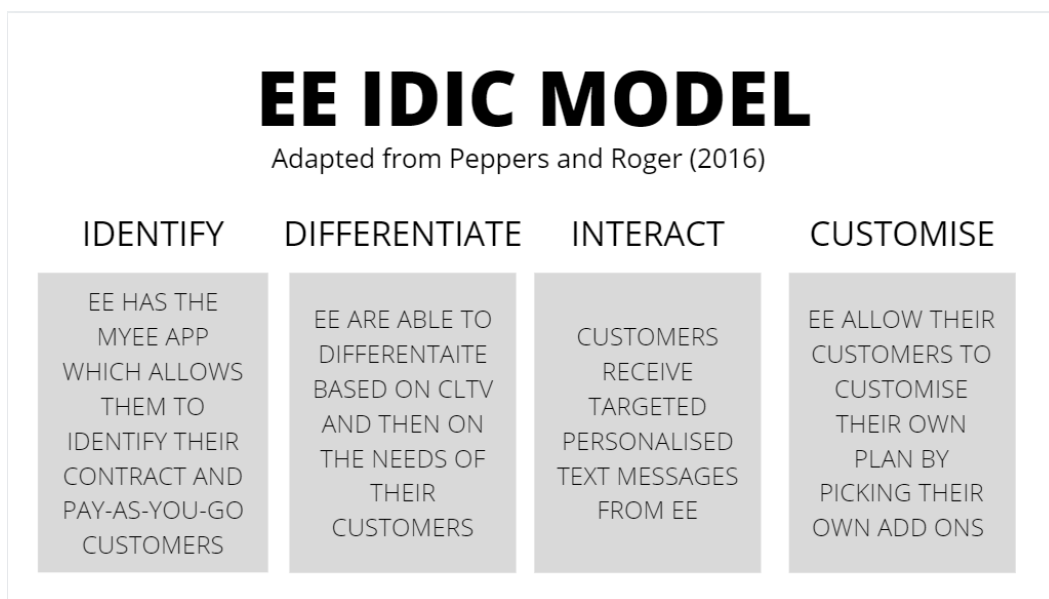


Examples of Applications of IDIC Model

IMPORTANT NOTE: These are examples from past years. You should use these examples as part of your learning to understand how to develop a discussion. In these examples, the assessment brief, structure and word count were different than your coursework. You MUST follow the presentation, structure and word count outlined in your brief. We expect you to learn from these examples, and develop your own creativity and approach to the coursework.

1. Application of IDIC to EE



Peppers and Rogers (2016) developed the IDIC model which describes four areas which can develop a customer-centric marketing approach. The model looks at ways a company can build unique personal relationships with customers.

1.1 Identify

Companies should have an understanding of who their individual customers are, however Payne and Frow (2013) state this can be difficult when products are sold through third-parties. EE have customers that buy direct and others who purchase through third-parties such as Carphone Warehouse. EE have developed the 'MyEE' app which can track customers usage and behaviour. The app also allows pay-as-you-go customers to be identified as they can use the app to manage their account. This is important as these customers don't provide any information upon purchase which makes them unidentifiable. Peppers and Rogers (2016) state the importance of a company being able to identify their individual customers. The app allows the customer's behaviour to be assigned to their account making them more identifiable.

1.2 Differentiate

EE are able to differentiate their customers by value and needs. Customers can be grouped together based on their monetary value, such as monthly contract prices. Blimegger (2017) discusses how customers' needs vary in the mobile network market. EE are able to speculate their customer needs through their choice of add-ons and the contract plan they select. However, this may not always be accurate as the customer manages their own add-ons without the help of EE. The amount of data a customer chooses can allow EE to predict how the customer uses their phone for the internet or if they select data roaming they use their phone abroad. This differentiation can allow EE to send their customers more targeted and personalised messages, that are more likely to provoke a response.

1.3 Interact

EE's main method of communication with customers is through text messages. EE use target media which is specific to the customer in hope it will promote a response (Egan, 2015). Customers receive messages based on their behaviour and personal characteristics (see appendix 2). Personalisation is important for customer management as it shows the customer that they are understood (Kingsnorth, 2016). Personalised messages can help the customer feel valued as it shows that they are known as an individual.

1.4 Customise

Coelho and Henseler (2012) discuss the importance of customisation, so offerings can be tailored to individual needs. Customers are able to tailor their own customer benefits, as they are able to select their add-ons. The 'MyEE' app allows ongoing customisation as customers are able to change their benefits throughout the course of their contract. Peppers and Rogers (2016) state customisation is important as it adapts to a customer need. An example of EE's customisation is data roaming as an add-on, customers are able to select it for the duration of a holiday and remove it upon return as it no longer meets their need. This can increase satisfaction as the offering can be customised to their changing needs.

2. Application of IDIC to MTS Russia

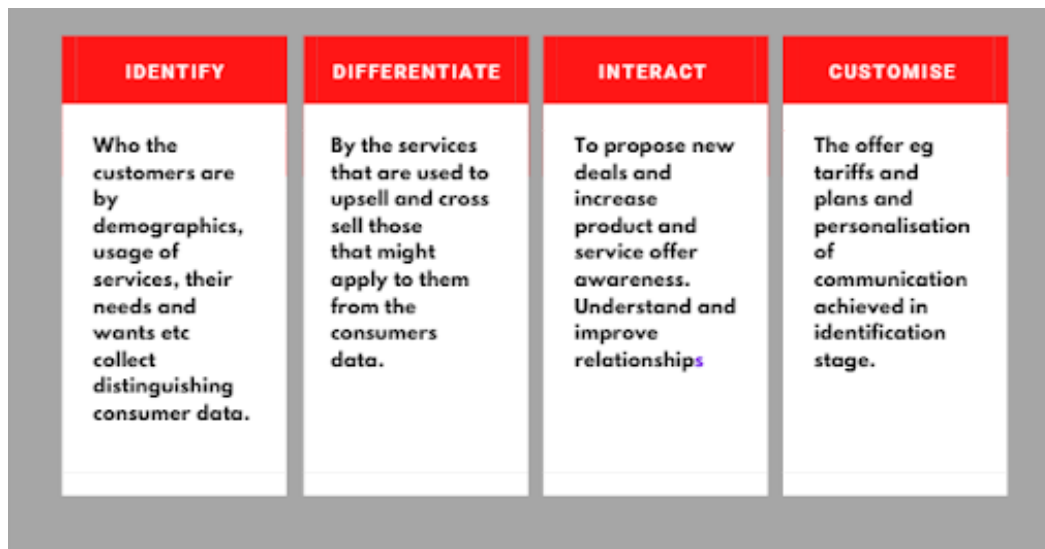


Image 1 IDIC model adapted to MTS

The IDIC model by Peppers and Rogers is representation of ‘mechanics of any genuine relationship and generating customer trust’ (Peppers and Rogers, 2016 p.73). It is useful to evaluate current strategies, and notice gaps which can be improved upon.

2.1 Identify

Identifying the customers and their needs and wants is crucial to deliver the most suitable services and product, improvements, and brand positioning (Shimomura, 2018). Various methods can be used including using already existing data, mapping customer process and journey (Sauro, 2015). MTS gathers customer data such as age, region, usage during services sign up, and follows customer’s behaviour through Client ID and MyMTS app. However, it’s important to involve techniques such as observation, focus groups, interviews and customer feedback to further identify needs and continue the relationship. As simply collecting data is not enough to explain consumer behaviour (Solomon, 2012). Simply by looking at the comment sections of MTS’ posts it is obvious that customers have similar issues and by identifying and addressing these in their further service developments is beneficial for both customers and the company.

2.2 Differentiate

Differentiating in order to focus certain resources on certain customers and implement customer specific strategies (Peppers and Rogers, 2016). Differentiating customers by their needs and wants enables upselling and cross-selling products and services that apply to them. It is all about identifying their needs and differentiating them from others based on their need to communicate the company's value. For instance, by identifying extensive use of mobile internet on entertainment platforms can upsell MTS TV with offline downloads of films and shows. Instead of using a single way

of promoting products. This will allow MTS to offer enhanced experience and provide better customer value.

2.3 Interact

Key in a company-customer relationship is interaction. It's a way to build, maintain and improve relationships and with the current digital situation it has created numerous possibilities (Maskaric, 2020). MTS uses phone calls and emails on their website as well as social media to communicate with their customers, however, it would also be useful to use live customer support chat. According to recent research (McLean, 2019) live chat/virtual agents and chatbots services are a beneficial recovery tool due to instant and constant availability. It is beneficial for the MTS as it is low cost, effective and does not require a large number of personnel.

2.4 Customise

A level of customisation of customer interaction and products and services is important for customer acquisition, retention and development. MTS has numerous product and service plans to suit different needs, including a fully customised plan. They also tend to have a personalised service from observational evidence on social media and customer review sections. This is seen through the language they use with their customer and using their first name. Another example is the use of their app that enables customers to view their personal records, payment requirements and history. This way customers have more trust and confidence in services they use through artificial intelligence while the company has a single view of their customer and media (Pearson, 2020).

3. Application of IDIC to Vodafone

The IDIC model by Peppers and Rodgers (2016) is used to evaluate customer relationships and manage their needs. Utilising this model (See Fig.5) will allow Vodafone to enhance their customer experiences, tailor their services and effectively monitor customer management.

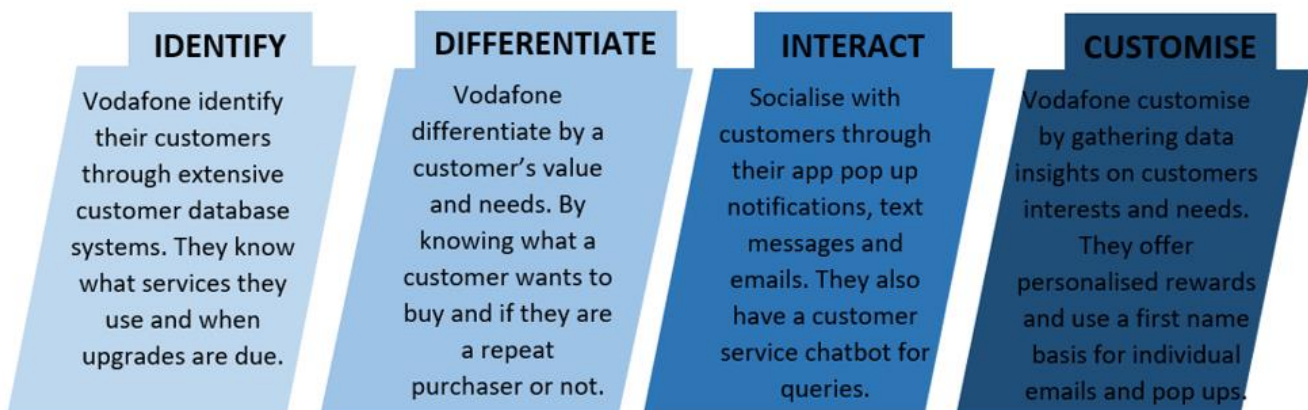


Figure 5

Source: Peppers and Rodgers (2016)

3.1.1 Identify

Vodafone have an extensive customer database and use account-based segmentation to identify each customer and their exact purchases (Monireh and Mostafa, 2015). Vodafone also offer many rewards for existing customers; this allows them to identify customers more frequently by tracking their activity and segmenting those active customers (Ngai et al., 2009). This helps to gather customer engagement insights, allowing Vodafone to identify loyal customers. With big data assisting customer identification, it has been stated by Anshari et al., (2019) that customer experiences can be improved through personalisation.

3.1.2 Differentiate

Vodafone differentiate by segmenting customers based on their values and needs. Firstly, altering direct communication as per consumers purchases, payment methods or contracts. This is important to do as tailoring content adds value to a customer's experience, which in turn may result in repeat purchases. Another way Vodafone differentiate is through value, having more direct and personalised contact with loyal customers. For example, pushing offers via text (See Fig.6) to customers who they want to create exclusivity for. This is a good way for Vodafone to create customer satisfaction and focus on maintaining relationships (Berry, 2008).

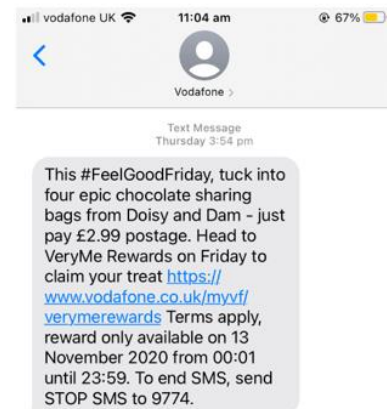


Figure 6

3.1.3 Interact

Once identifying and differentiating their customers, Vodafone then engage with customers through communication, interacting with customers through pop up notifications, texts, and emails. This engaging communication also works as a call-to-action technique to interact with consumers (For example see appendix 2) (Stewart, 2006). Implementing this stage of the IDIC model will be beneficial for Vodafone as having this consistent contact and communication creates social bonds and trust with consumers, which in turn generates long lasting valuable relationship (Buttle and Maklan, 2019). Tuten and Solomon (2018) also discuss how creating constant engagement and two-way conversations showcases a brands commitment.

3.1.4 Customise

Vodafone operate in an aggressive market, with competitive consumer deals (Mintel, 2020). For Vodafone to secure new and existing customers they most focus on customising their offerings. They do this by using customer insights to individually tailor content, making offers more attractive (See Fig.7). They have also created VeryMe Rewards which is a personalised consumer-focused platform, which heightens satisfaction by emphasizing the mutually beneficial relationship (Frank and Brown, 2017). Implementing this part of the IDIC model emphasises the benefits it will bring to Vodafone, such as, increasing customer value which will create satisfaction. This in turn will increase customer lifetime value resulting in more profitable customers (Craft and Leake, 2002).



Figure 7
Source: Vodafone App (2020)

4. Application of IDIC to BT

The IDIC Model, developed by Peppers and Rogers (2017) explores four stages to establish superior one-to-one relationships with customers. Figure 2 shows IDIC applied to BT, illustrating how their services relate to each of the stages.

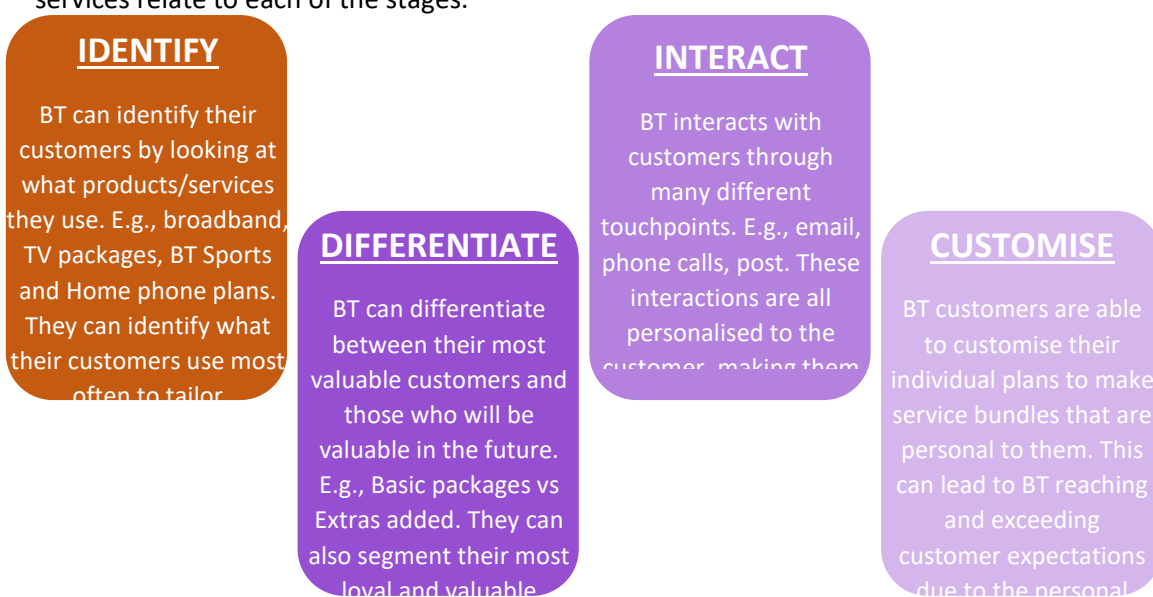


Figure 2
(Peppers and Rogers, 2017)

4.11 Identify

BT can identify the needs of customers through existing company data. For example, BT can identify exactly what services customers are using. To find out more about customers' experiences, they can review past customer surveys, customer-support call logs and partake in social listening. By delving into current data, BT can determine customer needs, with the aim of delivering more of what their customers want. By finding out who their customers are and establishing a sound understanding of their needs, BT can deliver more value, resulting in increased satisfaction and customer commitment (Hofmeyr and Rice, 2000).

4.12 Differentiate

In terms of differentiation, BT can segment customers into those that are most valuable and those that will be valuable in the future. One of the main benefits to differentiating existing customers based on their needs is that it can help to strategize future promotions more effectively (Charantimath, 2011). Further, differentiation helps to extract loyal customers. This is important as their feedback can be helpful regarding company conduct and revenue generation (Srivastava, 2013). Therefore, BT can use differentiation to separate loyal customers and offer more precise benefits to them.

4.13 Interact

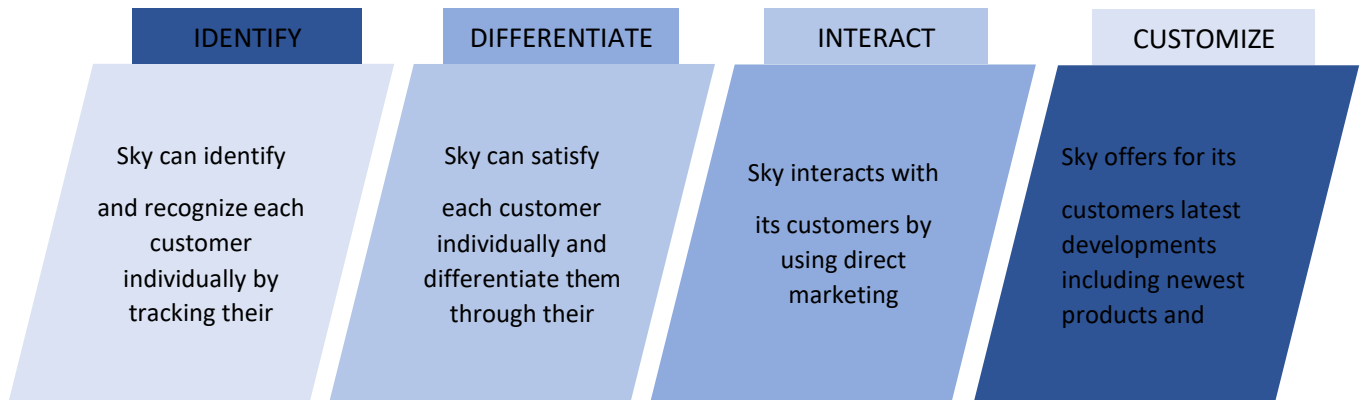
Once BT have identified and differentiated their customers based on their value and loyalty, they are more equipped to interact with these customers, providing valuable communications on a more personal level. BT (2020b) state that 'standout customer experience' is part of their business strategy. They use interaction with customers through many different touchpoints such as email, phone and social media to put customer's needs first and aim to create a flawless experience.

4.14 Customise

To keep up with competitors and exceed customer expectations, BT offer customisation to their services. For example, customers can choose broadband packages based on their household needs – they can choose to add 'complete wi-fi' which provides extra benefits, amongst other customisations (see Appendix 8.5). This allows customers to experience more benefits from the brand, which can elevate their satisfaction and instil trust in BT's capability to provide multiple products alongside quality service.

5. Application of IDIC to Sky

Figure 1.



The IDIC Model above (Figure 1.) provided by Don Peppers and Martha Rogers is used in order to develop better relationship with customer, primarily to generate customer’s trust. The model above is required for Sky to “build customer value through managed relationships” (Peppers and Rogers, 2004, p.65).

3.0.1 Identify

Sky can improve sustainable customer management by identifying its customers and recognizing them individually when they come back, Sky needs to be prepared and know each customer in detail (Peppers and Rogers, 2004, p.69). The company can track each customer individually, for instance, the amount of time they spend on using Sky’s Internet data, or what customers do, search and websites they visit (Adobe, 2017). This data has a positive impact on identifying Sky’s customers as individuals and helps Sky to segment its audience better.

3.0.2 Differentiate

Customers can be differentiated by the level of their value and different needs from the company (Songsom et al., 2019). Therefore, Sky can match provided services and products with customers desires, in particular customers can be differentiated by the variety of data plans for Sky Mobile users, TV entertainment packages and Sky Broadband, from standard speed to super-fast. This can help Sky to achieve customer-specific strategies to satisfy different need of each individually customer (Peppers and Rogers, 2004, p.69) and help the company to define the most valuable clients, who are defined as willing to buy more.

3.0.3 Interact

Sky is improving the performance of its interactions and relationships with customers (Peppers and Rogers, 2004, p.69). The company is interacting with existing customers systematically through all Sky apps, whereby the customers can stream content with no limit and receive relevant notifications (Mintel, 2020). Sky is also sending direct e-mails with some attractive offers and packages that can be suited to individual customer' needs. In 2017, Sky also launched in a text message option to get better connection with customers and improve its customers' service (LivePerson, 2017). This contributes to the growth in the customer life-time value and the increase of customer's loyalty.

3.0.4 Customize

To keep up with the good quality of products and services, Sky needs to improve what it has, and implement what the company does not have yet. The company should "adapt its behaviour to satisfy the customer's expressed needs" (Peppers and Rogers, 2004, p.69). Currently, Sky provides up-to-date products and services, for instance the Sky confirmed that they will set to their offer new 5G technology this year (Mintel, 2020). Sky can maintain customers satisfaction by offering them newest developments adapted to individuals' needs.