

# CLIENT LIFECYCLE MANAGEMENT: SPECIFIC FEATURES (A CASE STUDY OF WESTERN UNION COMPANY)

Student: Rakhimova Manizha

Advisor: Shaposhnikov S.V., Ph.D



**The aim:** to provide recommendations concerning tools and schemes that could help company increase quality of the client lifecycle management.

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**Main tasks:**

- To consider theoretical aspects of customer lifecycle
- To conduct an analysis of the customer portfolio and distinguish their main traits that might help to build up an effective client lifecycle management
- To propose tools that will help to build up customer loyalty
- To conduct an interview with the company's representative
- To provide general client lifecycle management scheme

**The subject** of the provided work is customer lifecycle management.

**The object** of the work is money transfer company Western Union.

# Content

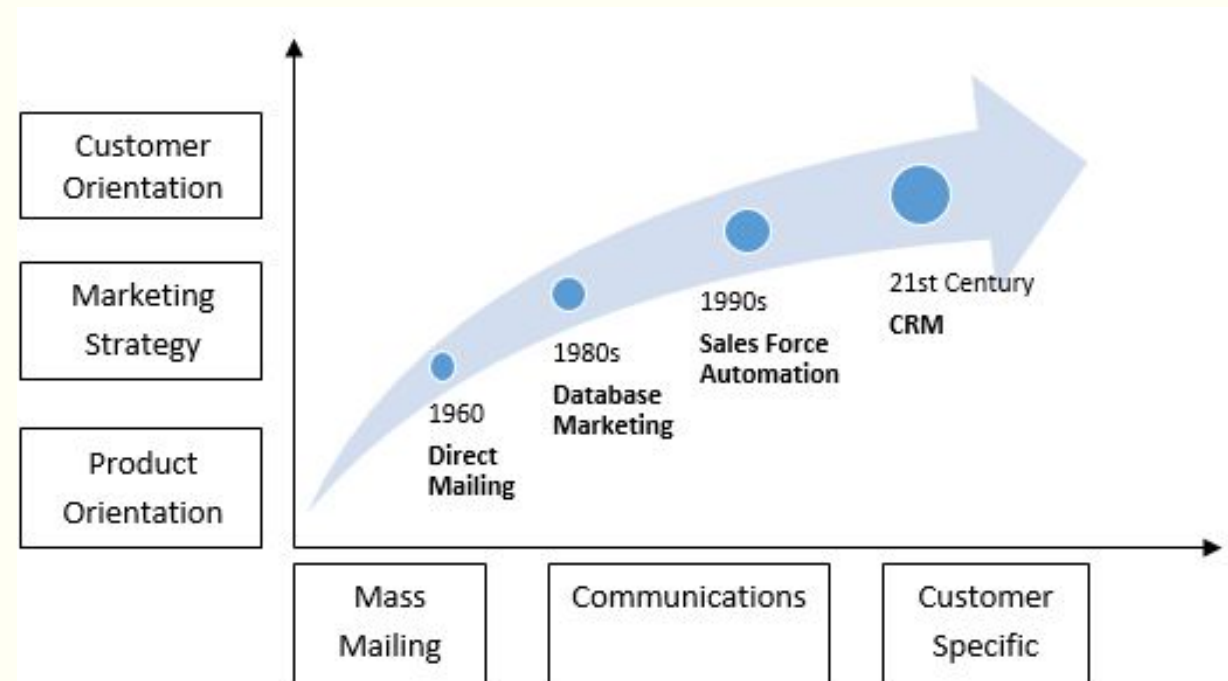
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- Customer-centric approach
- Case company and Industry
- Recommendations

# Customer-Centric Approach

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## Customer Relationship Management (CRM)



# Customer-Centric Approach

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## Customer Service

- Customers have a problem that needs to be solved
- Customers are more attracted to places where they feel somehow 'special'

## Customer Satisfaction

Meeting expectations  Satisfaction

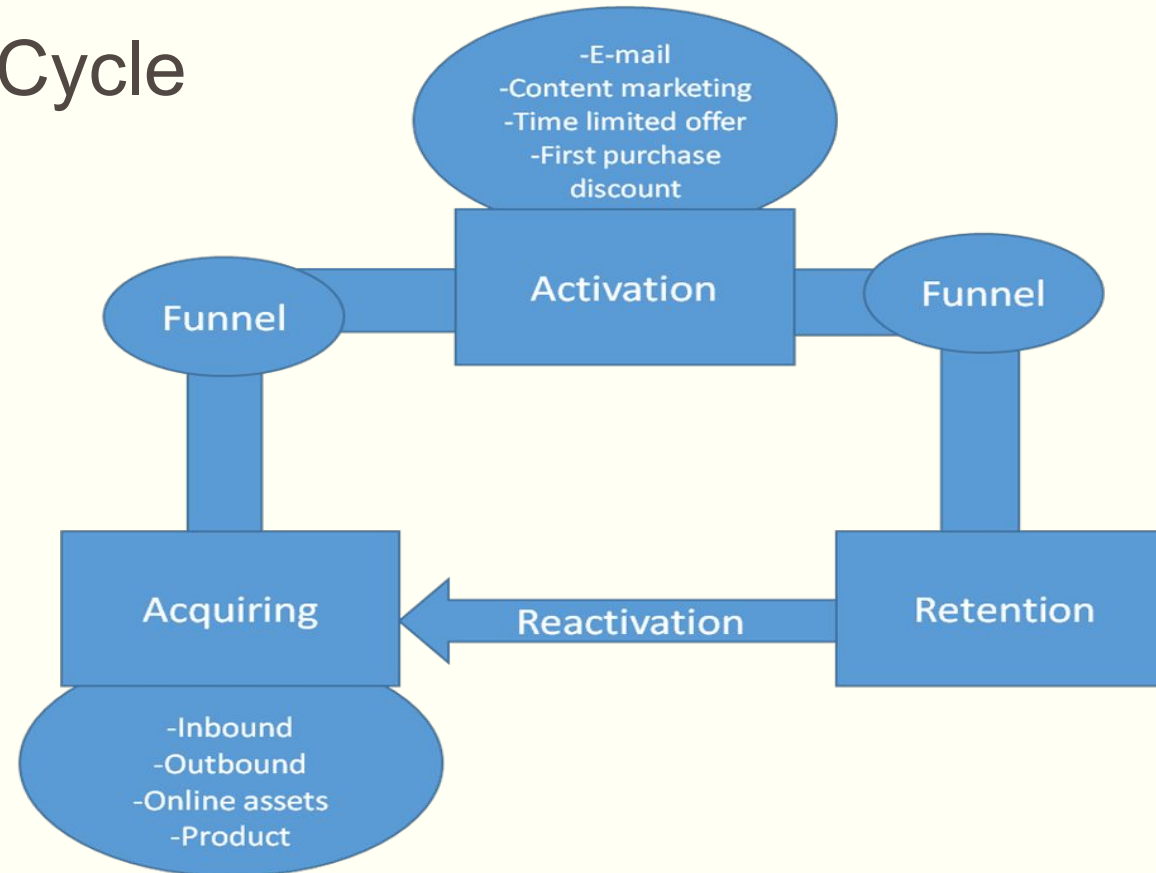
- Listening to customers
- Fair and honest treatment
- Involvement with the company

(Roberts-Phelps, 2001)

# Customer-Centric Approach

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## Client Life Cycle



(Cleverism,  
2017)

# Customer-Centric Approach

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## Customer Portfolio and Development

- Demographic
- Geography
- Psychographic
- Shopping behavior



- Profitable customers;
- Break-even point customers;
- Unprofitable customers

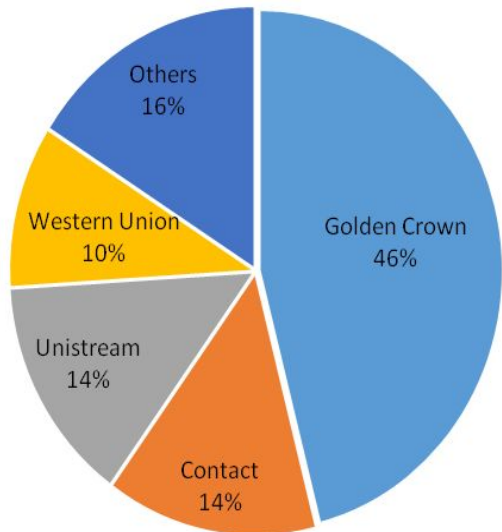
## Loyalty programs

- Bonus programs
- Multilevel loyalty programs
- Paid loyalty program
- Loyalty programs with intangible benefits
- Affiliate loyalty programs



(J. Novo, 2001)

# Case company and Industry



(Sedikh,  
2016)

## Customer segments:

- C2C
- C2B
- Business Services

## Value Proposition:

- International network
- Safety and Security
- Accessibility and flexibility
- Brand recognition

## Channels:

- Web-sites
- Apps
- Agents' Network

## Customer relationship:

- Self-service
- Customer Support (FAQ)
- Social Networks



|               | Comission Fee, %                                                                                                                                                                           | Time            | Network Geography |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------|
| Western Union | Minimum: 1%<br>Maximum: 3%                                                                                                                                                                 | Few minutes     | 200 countries     |
| Golden Crown  | Within the Russian Federation - <b>1%</b><br>Foreign currency transfer - <b>0%</b><br>To Azerbaijan,<br>Ukraine, Armenia - from<br><b>0.5%</b><br>To other countries - from<br><b>1.5%</b> | Few seconds     | 200 countries     |
| UniStream     | Within the Russian Federation - from<br>- <b>1%</b><br>To the CIS countries - from <b>1%</b>                                                                                               | 10-15 minutes   | 95 countries      |
| Contact       | Within Russian Federation - <b>1.5%</b><br>To the Near Abroad countries<br>foreign countries - <b>2%</b><br>To far abroad - <b>3%</b><br>For large amounts less than                       | From 15 minutes | 84 countries      |

## Case company and Industry

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### WU client portfolio

#### **Mainstream**

- higher financial literacy
- higher income
- actively use bank cards
- active Internet users
- send money irregularly
- prefer to use online money transfer services

#### **Migrants**

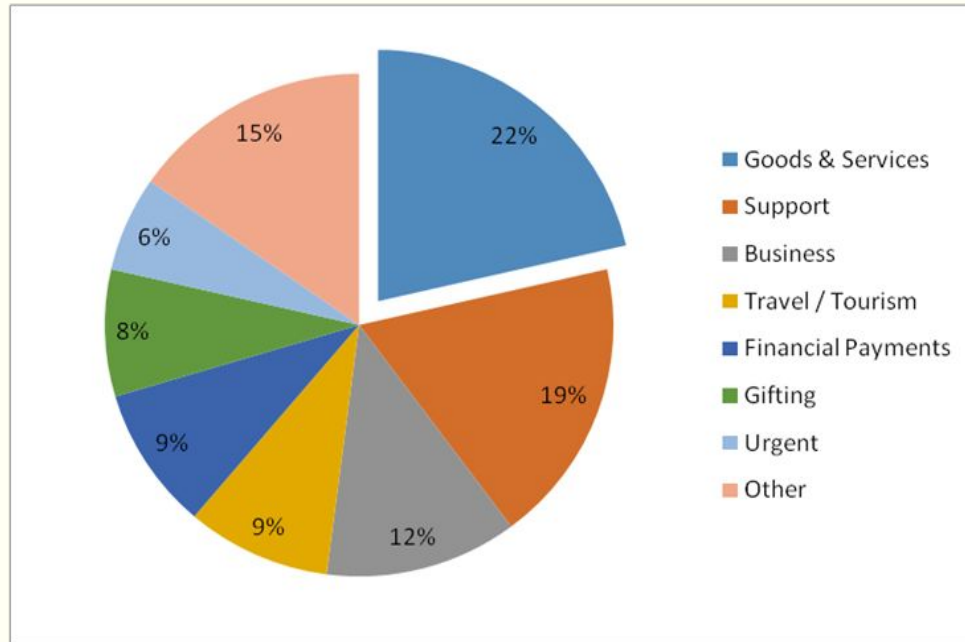
- low financial literacy
- low income
- restrictions in the use of financial products (bank cards / Internet banks)
- low digitalization (insecure Internet users)
- in Russia are solely for the purpose of making money, to send money home
- regularly send money (as a rule, most of the earnings)
- they prefer to send money in the salons of cellular communication

# Case company and Industry

## WU client portfolio

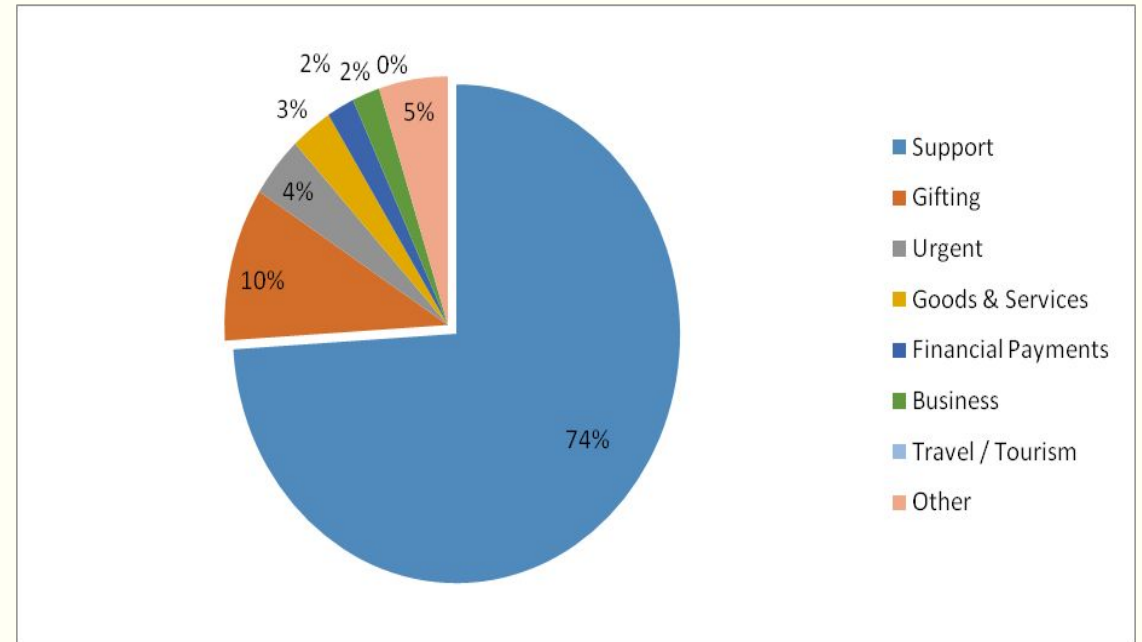
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### Mainstream



Transfer Frequency: 11,5% send once a month

### Migrants



Transfer Frequency: 14,75% send once a month

# Case company and Industry

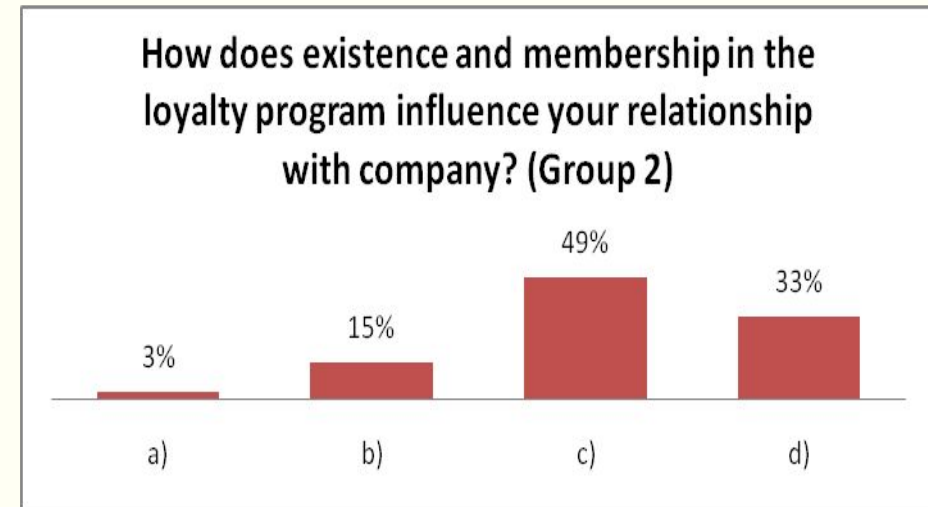
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## WU client life cycle

| Acquiring                                                                                                                                                                                                                                                                                                                    | Activation                                                                                                 | Retention                                                                                                                                                                                                                           |                               |                               |                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <ul style="list-style-type: none"><li>• Search engines (organic search, contextual advertising)</li><li>• Referrals / Native advertising / Content marketing</li><li>• Banner advertising/ retargeting</li><li>• Social Media</li><li>• Online videos (OLV)</li><li>• Out of Home (OOH)</li><li>• Special projects</li></ul> | <ul style="list-style-type: none"><li>• BTL activities</li><li>• Promotional codes (e-mail, SMS)</li></ul> | <ul style="list-style-type: none"><li>• My WU loyalty program<table><tr><td>1000 WU points = 10% discount</td></tr><tr><td>2000 WU points = 25% discount</td></tr><tr><td>4000 WU points = 50% discount</td></tr></table></li></ul> | 1000 WU points = 10% discount | 2000 WU points = 25% discount | 4000 WU points = 50% discount |
| 1000 WU points = 10% discount                                                                                                                                                                                                                                                                                                |                                                                                                            |                                                                                                                                                                                                                                     |                               |                               |                               |
| 2000 WU points = 25% discount                                                                                                                                                                                                                                                                                                |                                                                                                            |                                                                                                                                                                                                                                     |                               |                               |                               |
| 4000 WU points = 50% discount                                                                                                                                                                                                                                                                                                |                                                                                                            |                                                                                                                                                                                                                                     |                               |                               |                               |

# Case company and Industry

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## Answers:

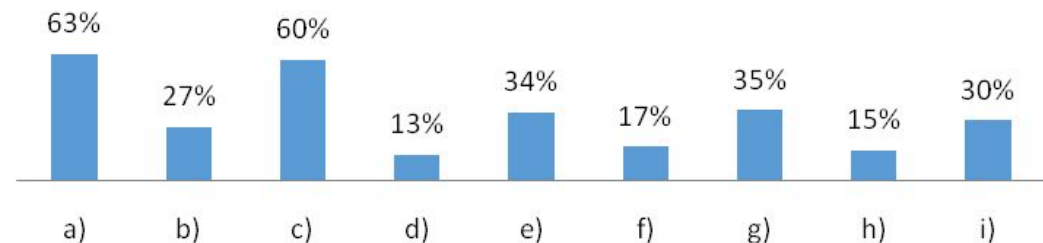
- a) This is the main factor that influenced my long-term relationship with company
- b) This factor has significant influence on my relationships with company
- c) This factor does not have significant influence on my relationship with company, but I perceive it as beneficial
- d) This factor has absolutely no influence on my relationship with company

# Case company and Industry

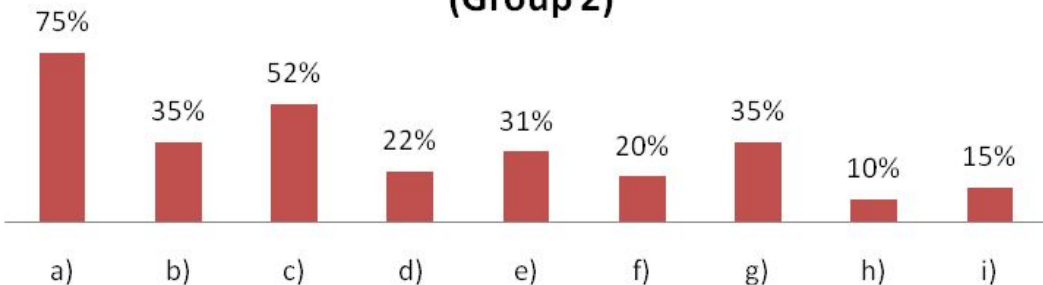
## Answers:

- a) Points/ rewards for purchases, regardless of how they were committed - in the store, on the site or on a mobile device;
- b) Flexibility of rewards or the ability to choose from several types of remuneration;
- c) Personal discounts or promotions based on history of customer's purchases;
- d) Personal recommendations for choosing products or services;
- e) The possibility of obtaining bonuses for certain actions;
- f) Points/ rewards for attracting new customers;
- g) Structured programs with exclusive rewards, available only to consumers of a certain level / status in the program;
- h) Points / rewards for posting about product on social networks;
- i) Own mobile app store with loyalty program

**Which of the following features and conditions of loyalty programs you find most appealing?  
(Group 1)**



**Which of the following features and conditions of loyalty programs you find most appealing?  
(Group 2)**



# Recommendations

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1. Conduct deeper segmentation of customer portfolio
1. Diversify quantity of tools used on Activation and Retention stages

