Stages of Marketing Evolution

Beads exchanged for Manhattan marked the beginning of marketing in America. Till the late 1800s, marketing was local and personal, consisting of local production, custom-made products, local general store, town markets. The main marketing tools were direct communication, knowledge of individual customers, and personal selling.

Marketing revved up in the last half of the 19th century with the advent of the Industrial Revolution, and evolved in stages. The *Product-Oriented Stage*, which prevailed into the early 1930s, functioned in a world of rapidly expanding population where the main need was an adequate supply of undifferentiated commodities. Customer wants were uniform and predictable (i.e., necessities) and businesses focused on efficient mass production. Price was dictated by production and the sales force was the readiest means of completing transactions. Success was measured by production.

In the Great Depression, quality products went unsold due to limited consumer resources. Business' focus shifted to a *Sales-Oriented Stage* of low quality goods sold using stigmatizing marketing tools: aggressive pricing, unprincipled advertising, poor quality customer service, and success measured by sales.

The *Market-Oriented Stage* exploded on the scene after WWII when war-time shortages and increased post war productivity sent Supply scrambling to meet Demand and eventually overshooting it. Efforts to build Demand using the sales-oriented approach didn't work with post-war consumers who were worldlier, less male, more knowledgeable, and exercised their power to choose. Business entered the Age of Mass Communications: mass media advertising and promotion were the tools of choice, allowing companies to reach wide audiences but separating companies from their end-users, often with several middle men in the mix. Big budget Marketing Departments stressed the "4Ps" of producing, pricing, placing and promoting their products or services. Success was measured by market share.

Manufacturing gave way to a service-based economy in the last quarter of the 20th century, with services comprising over 75% of the US gross national product by 2002. Services always require interaction between buyers and sellers because no service is provided unless there is a buyer to consume it. The result is a *Customer-Oriented Stage* where direct marketing has replaced mass media, and the emphasis is on personalized selling and follow-up. In effect, we have come full circle from pre-Industrial times, but with technology that allows businesses to identifying consumers' wants and satisfying those wants efficiently. Marketing is an integral part of long-term customer-oriented planning and success is measured by customer satisfaction and customer retention.

See Etzel, Stanton & Walker (2004) and Duncan (2002) for additional information.

CRM Activities and Tools in Audiology Practices

Architecture	Goals and Activity Environments	CRM Software and Devices
Operational	• Capture patient demographics, preferences, types • Schedule appointments by office situation, service type, provider, and recurrence • Record contacts between patients/customers and practice • Personalize patient information (preferences, segmentation, interests, support person or group) • Multi-user, real time access to central charting • Customized pricing, invoicing, payments, statements, insurance billing and payments automatically created and posted to customer accounts and patient records, according to office site and provider • Orders and vendor payments logged and linked to patient transactions • Create tailored announcements, invitations, newsletters, and other communications • Order supplies based on inventory	• Integrated calendar and calendar alerts • Manager synchronization with accounting software and Outlook and Outlook Express • Manager maintenance of patient history, contacts, notes, and groups • Accounting software Chart of Accounts, customer and vendor lists • Accounting software groups by Classes • Sort and merge capabilities in Manager • Manager integration with word processor, spreadsheet software, publisher software, and other databases that can be imported using comma separation
Analytical	• Performance management of employees • Segment patients, customers, potential customers for targeted campaigns (e.g., acquisition, retention) • Manage & schedule maintenance, repair, support • Identify problems before they become problems • Analyze customer satisfaction • Analyze costs • Set pricing, review pricing • Analyze seasonal trends	• Manager sorts by groups, demographics, dates, etc. • Reports (inventory tracking, employee and/or site productivity, cost of goods by manufacturer/type; patients by referral sources, etc) • Technology Updates to targeted groups • Integrated calendar • Periodic satisfaction surveys • Transaction histories by patient, time period • Projects notes, history, emails in Manager
Collaborative	• Appointments • Phone contacts • Letters • e-mails • Website contacts and links • Timely, relevant, and regular information to patients and customers • Individually tailored service strategies • Annual transaction histories for patients' income tax planning	• Reports to referral sources • History and notes in Manager • Merge function and synchronization function in Manager with accounting software and Outlook/Outlook Express • Transaction reports by patient, time frame • Email mere with Manager • Outlook Email filed in Manager by Project and contact name

Three parts of CRM Architecture applied in a dispensing audiology practice

OPERATIONAL	ANALYTICAL	COLLABORATIVE
Mrs. Jones calls for an initial appointment in June 2002. The receptionist uses Customer Manager to enter Mrs Jones' demographics, chief complaints, referral source, and schedule the appointment. The Manager automatically notes the call time in Mrs Jones contact history	Automatic tracking of: Referral source Primary complaints Zip code Age Insurance	Receptionist clicks the "New Patient Letter" template, merges it with Mrs Jones, prints and mails an introductory letter, brochure, map, and HIPAA information to Mrs. Jones, confirming her appointment time.
Mrs. Jones arrives for her appointment with her husband. The audiologist notes in the Customer Manager that they prefer to be addressed as Irene and Jim. The patient's history is taken as a note in Customer Manager, and tennis is noted as a favorite activity.	Automatic updates for future tracking of: Medical/audiologic factors (e.g., middle ear surgery hx, blood thinners, diabetes, H&N cancer, progressive hearing loss) Cerumen mgmt history Hearing aid use (e.g., new user, experienced user) Patient activities Patient limitations	Patient is greeted by name and referral source acknowledged
Testing and counseling are performed. In the canal amplification is recommended and ordered. Mrs Jones is placed in "Mild to Moderate SNHL" and "ITC" groups in Customer Manager. The next appointment time and type is scheduled through Customer Manager.	Patient's data automatically grouped for future tracking according to hearing loss type, degree, word recognition ability, amplification make/model/style, and other factors (e.g., directional, multiprogram)	Audiologist merges test data with report and referral source information, sends automatically generated report by fax, email, or hard copy, according to referral source's stored preference Audiologist sends test information and order to hearing aid manufacturer via internet
Manager creates invoice linked to patient, takes a credit card swipe, gets internet authorization, prints the bill, notes the transaction in Irene's history, and updates her balance.	Revenues automatically assigned in Chart of Accounts to test types (e.g., 92557, 92567), test site, tester, hearing aid type/manufacturer, etc	Patient provided with invoices, statements, contracts, etc
The hearing aids are received and entered into Customer Manager, including manufacturer, model, serial number, and warranty expiration.	Chart of Accounts automatically updates for future tracking: Cost of goods by manufacturer/model, provider, dispensing location	Hearing aids preprogrammed by linking to Noah manufacturer's module
At scheduled fitting appointment, the audiologists notes in Manager that Irene complains of occlusion	Patient's data automatically grouped for future tracking of Occlusion Complaints Automatic tracking of fitting date for future needs (satisfaction survey, annual evaluation, warranty expiration/renewal)	Audiologist and Irene go through fitting check list customized by Manager, stored in patient's history, merged, and printed for patient.
Over the next 3 months, Irene is seen weekly for the 1st month, calls on two occasions and drops in once for batteries in the 2nd month, and comes in for 3 month follow-up with completed Satisfaction Survey. Manager stores all events by type and Audiologist records satisfaction level(s).	Tracking of estimated fitting and follow-up time, according to type of interactions Tracking of acceptance and rejection rates by dispensing site, provider, manufacturer/model/style, and patient demographics Ongoing tracking of repairs, loss, damage	At 2.5 months post-fitting, the calendar alerts the receptionist to send Irene a satisfaction survey Audiologist and patient analyze satisfaction survey and revise fitting solution as needed, customizing template in Manager which is printed for patient

Irene is seen in future months according to revised fitting solution at 3 month check. Manager records all interactions by type.	Ongoing tracking of estimated fitting and follow-up time, according to type of interactions Ongoing tracking of repairs, loss, damage	At 11 months post-fitting, the calendar alerts the receptionist to merge the "Annual Follow-up Letter" with Irene's data and mail it with an appointment time reminder.
Manager records scheduled appointment for annual evaluation along with new data and revised complaints needs/wants. Warranty status updated Manager produces invoice, receives payment, produces statement	Tracking of revenues by site and provider, tied to patient record Tracking of warranty renewal by manufacturer/model/style/repair history, etc.	Audiologist and Irene review 1st year history of amplification performance, decide on warranty options, future appointment timing, areas for improvement, etc. Patient given copy of invoice and warranty information if renewed
Irene is seen periodically over next few years and Manager keeps track of events and changes. Irene receives Quarterly Newsletters from the practice. Irene and Jim are invited to the practice's annual holiday party, etc. "Open Ear Fitting Opportunity" letter is created, merged, and mailed to Irene and other patients in selected groups (e.g., Occlusion, Mild-Moderate, Cosmetic).. Receptionist receives calls, schedules patients, Manager records calls and scheduled appointments.	Tracking and analysis of responses to quarterly newsletter mailed to all patients. Marketing Event for Open Ear Fittings Post-event analysis of event success in terms of # of contacts, # of appointments, # of test procedures, # of changes in amplification, total revenues, total costs, 3 month satisfaction surveys, etc.	Irene drops in and purchases batteries using coupon from newsletter she received by mail. Irene and Jim receive invitations and attend the annual holiday party. Irene responds to Open Ear Letter by coming in with Jim to meet with the audiologist. They evaluate and discuss present and future hearing aid options customized to Irene's history and needs, as evidenced in Manager history and notes.