

IDIC Implementation Process

Miftahur Rizky

Sultan Thaha Saifuddin State Islamic University of Jambi
miftahurrizky@gmail.com

Inputed : July 31, 2024
Accepted : August 22, 2024

Revised : August 15, 2024
Published : August 27, 2024

ABSTRACT

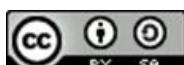
Amidst increasingly tight business competition and increasingly critical customers in choosing products or services, companies are required to build more personal and sustainable relationships through Customer Relationship Management (CRM) strategies. The IDIC (Identify, Differentiate, Interact, Customize) model developed by Peppers and Rogers is one of the effective approaches in implementing CRM in a structured and strategic manner. This study aims to analyze the application of the IDIC Model in improving the effectiveness of customer relationship management. The approach used is qualitative with descriptive-analytical methods, through literature studies and literature analysis from various relevant sources. The results of the discussion show that the IDIC Model facilitates companies to recognize customers comprehensively, differentiate them based on value and needs, build meaningful interactions, and customize offers individually. Identify and Interact are included in the operational CRM realm, while Differentiate and Customize are part of analytical CRM that relies on customer data analysis. This model enables large-scale personalization, which is strengthened by big data technology and artificial intelligence (AI), so that companies can increase customer engagement, loyalty, and business profits sustainably. The application of the IDIC Model reflects a shift from mass marketing to a more relevant one-to-one marketing approach in the digital era.

Keywords: Customer Relationship Management, IDIC Model, CRM, one-to-one marketing, analytical CRM.

INTRODUCTION

In an increasingly connected and competitive business world, customers have many choices in choosing products and services. This phenomenon requires companies to not only offer superior product quality, but also provide an extraordinary customer experience. Therefore, understanding customers deeply and building sustainable relationships are key elements in modern business strategy.

Customer Relationship Management (CRM) is a strategic approach used by companies to



manage interactions with customers systematically and in an integrated manner. According to Buttle & Maklan (2019), CRM focuses on increasing profitability, revenue, and customer satisfaction by building long-term relationships based on data and personal interactions. CRM is no longer seen as just a marketing tool, but as the main foundation in creating shared value (co-creation of value) between companies and customers.

One model that can enrich CRM implementation is the IDIC Model, which stands for Identify, Differentiate, Interact, and Customize, introduced by Don Peppers and Martha Rogers. Although it has similarities with the acronym "Infinite Diversity in Infinite Combinations" philosophy from the Star Trek franchise, in the context of CRM, IDIC is an important framework in creating an individualized customer-oriented approach:

1. Identify: The first step in CRM is to identify who your customers are. Companies must be able to collect relevant data, such as demographics, purchase history, preferences, and customer behavior patterns.
2. Differentiate: Not all customers have the same value. Therefore, it is important to differentiate customers based on value (value differentiation) and needs (needs differentiation). This allows the company to prioritize resources on the most potential customers.
3. Interact: Interaction with customers must be done relevantly and consistently. Through effective communication channels such as social media, email, or mobile apps, companies can build a two-way dialogue that strengthens loyalty.
4. Customize (Personalization): Based on the results of identification and differentiation, companies can customize customer offerings, services, or experiences to suit each individual's preferences and expectations.

The integration of the IDIC approach into CRM marks a paradigm shift from mass marketing to one-to-one marketing, where digital technology enables companies to create more intimate and responsive relationships with customers. This is where the concept of diversity and individual uniqueness becomes very important. This model reflects the understanding that customers are complex entities and cannot be treated homogeneously.

From a scientific perspective, the IDIC model is very relevant in the study of customer relationship management and relationship marketing strategies. Payne and Frow (2005) emphasize that the success of CRM depends not only on technology, but also on the organization's ability to manage customer information strategically, and create value in every interaction.

Furthermore, the implementation of the IDIC model is also in line with the development of Big Data Analytics and Artificial Intelligence technology in the context of CRM, which enables companies to manage and analyze customer data on a large scale to support more personalized and predictive decision making.

In other words, integrating the IDIC model into a CRM strategy creates opportunities for companies to strengthen customer engagement, increase customer lifetime value, and create sustainable competitive advantage in today's digital era.

METHOD

This study uses a qualitative approach with a descriptive-analytical type, which aims to describe and analyze the application of the IDIC Model (Identify, Differentiate, Interact, Customize) in customer relationship management (CRM). Data were obtained through literature studies from various relevant literature such as books, journals, and documentation of organizations that implement CRM based on the IDIC Model. Data collection techniques were carried out with documentation and literature analysis, and interviews if possible. Data analysis used content analysis with the stages of data reduction, data presentation, and drawing conclusions. Data validity was maintained through source triangulation to ensure the accuracy and consistency of the information analyzed.

DISCUSSION

A. History and Definition of IDIC Model

IDIC Model is a blueprint or framework for implementing CRM effectively in an organization. IDIC Model was developed by Don Peppers and Martha Rogers from the US in 2004. They are members of the Data & Marketing Association Hall of Fame. Peppers is an author and speaker. He and Martha Rogers founded Peppers & Rogers Group, a customer-based management consulting firm. Martha is a professor, nurse, researcher and author.

The IDIC Model was introduced by Don Peppers and Martha Rogers in 2004. The main

concept is that in order for a company to manage customer relationships, the company must identify customers, differentiate customers, interact with customers, and adjust several aspects of the company's behavior towards customers.

B. Implementation of IDIC Model

The IDIC Model itself is an abbreviation of Identify, Differentiate, Interact and Customize which is used for CRM implementation that is tailored to the culture and values of the organization.

1. Identify

The first step taken by the organization is to identify customers thoroughly, including customer name, address, telephone number, email address and purchase history. The more customer data, the better it is to better understand customer desires, needs and behavior. It is better from the beginning of the business organization to start creating customer data. Data can be stored in the cloud which is big data.

2. Differentiate

Differentiation is a strategy that can maintain customer loyalty where by using a differentiation strategy, customers get more value compared to other products. According to Kotler (2009), one of the competitive advantages of a company is the difference (differentiation) of the company's offerings that will provide more value to consumers than those brought by competitors.

According to Kartajaya (2000), differentiation can be built based on several aspects or dimensions, namely:

1. Content. The dimension of differentiation that refers to "what" value the company offers to consumers. This is the tangible part of differentiation. Content differentiation as the main offering of the product and company to customers.
2. Context. This is a dimension that refers to the "how" (how to offer) the company offers value to customers. Where the company differentiates itself from competitors based on how to offer value to customers.
3. Infrastructure. Enabling factors for the realization of content differentiation, the context above, where this dimension shows the differences against competitors based on technological capabilities (technology), human resource capabilities (people) and ownership of facilities (facilities) to support the creation of content differentiation and the context above.

Differentiation is an effort to create differences in terms of content, context and infrastructure and differentiation is formed not only differently but must have solid differentiation in the long term.

According to Kartajaya (2004), there are criteria or conditions that serve as a reference in building differentiation, namely:

1. Creating excellent value. Differentiation must be able to create excellent value to customers so that the difference has meaning in the eyes of customers.
2. Competitive advantage. A company's differentiation must be an advantage over competitors. A differentiation is strong if it reflects a difference from competitors and the difference reflects the superiority of the company's offering.
3. Having uniqueness. In order for differentiation to be strong and sustainable, it must have uniqueness so that it is not easily imitated by competitors. In order not to be easily imitated, differentiation must be composed of a set of interrelated activity systems where these activities support each other constructively.

3. Interact

Companies must interact with their customers to ensure that they meet their expectations. Effective customer interactions provide more insight into customer needs.

4. Customize.

Customize is an effort to adjust the product to consumer desires. Meredith explains that customization refers to the process of offering products or services that consistently match the wants and needs of consumers. No two people are exactly the same in this world. Likewise with their desires. Each person has different desires. Marketers try to provide offers that are in accordance with market desires. Customize is a business activity carried out by a company by creating and providing products/services to consumers that suit the needs and desires of consumers. Companies must be able to see and know quickly what their consumers need or want. On the other hand, companies must be capable and agile in implementing marketing concepts that support customization activities in order to accommodate consumer needs and desires. The needs and desires of customers/consumers are very important to be known by a company that implements the marketing concept. For the success of the company, all marketing activities carried out must be directed to provide satisfaction for the fulfillment of the needs and desires of customers/consumers.

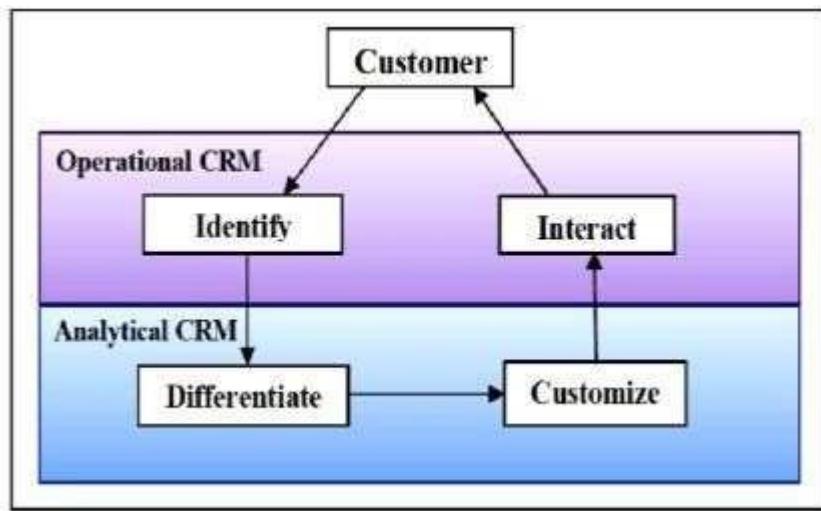
Human needs are organized into a series of levels that are interrelated. Abraham Maslow called it a hierarchy, from the lowest to the highest.

- a. Physiological Needs Physiological needs are very basic in human life, such as; people need food, water, clothing, cosmetics, and so on.
- b. Safety Needs When physiological needs have been satisfactorily met, other needs demand and they begin to dominate behavior. A person needs safety, needs protection from threats, and so on.
- c. Social Needs If the need for safety has been satisfactorily fulfilled, it will not be long before social needs follow, which become the motivator of behavior with a sense of acceptance in the midst of social interactions, giving and receiving affection and

friendship.

d. Ego Needs Needs that are egoistic in nature, involve two important points, including:

- 1) Needs related to self-esteem, namely the need to stand alone, the need to achieve work achievements, competence and knowledge.
- 2) Needs concerning good name, need for status, recognition, appreciation, respect for one another



As can be seen in the chart above, Identify and Interact are in the Operational CRM section.

Operational CRM is a centralized system that supports various business functions, such as marketing, sales, and customer service of a company by storing information about prospects, customers, and the business as a whole. By using operational CRM, companies can increase business efficiency optimally through service automation and maximum resource utilization. Meanwhile, Differentiate and Customize are in the Analytical CRM section.

Analytical CRM is a type of CRM that focuses on analyzing customer data to gain important information in order to improve decision making and business strategy. In this case, Analytical CRM utilizes technology and analytical tools to collect, store, and analyze customer data from various sources, such as transaction history, product preferences, purchasing behavior, and other customer interactions. The goal is to identify patterns, trends, and other valuable information that can be used to better understand customers,

optimize customer experience, improve customer retention, and increase business profits.

The use of Analytical CRM is very important for businesses because it can provide detailed information about customers. By analyzing customer data, you can better understand customer preferences, needs, and behavior. This information allows your business to optimize marketing and sales strategies, as well as increase customer retention. In addition, you can identify market trends, purchasing patterns, and customer preferences that can be used to make quick and accurate decisions.

CONCLUSION

CRM (Customer Relationship Management) IDIC (Identify, Differentiate, Interact, Customize) is a method that aims to build strong relationships between companies and customers. The process includes four main stages: Identify: Companies must be able to identify customers individually, including their preferences, needs, and behaviors. Differentiate: Companies need to classify customers into different segments based on their characteristics to help customize the appropriate approach for each segment. Interact: This process involves interacting with customers in a relevant way, using the data collected to provide a better experience. Customize: Companies must be able to customize products, services, and communications to each customer according to their needs. IDIC can help companies to improve customer retention, understand customers better, and ultimately improve customer satisfaction.

BIBLIOGRAPHY

Buttle, F., & Maklan, S. (2022). Customer relationship management: Concepts and technologies (5th ed.). Routledge.

FernándezCejas, M., PérezGonzález, C.J., & RodaGarcía, J.L. (2022). CURIE-O: CRM Ontology & EA architecture aligning IDIC steps with Digital Transformation. *Business & Information Systems Engineering*, 64(3), 245–261. <https://doi.org/10.1007/s12599-021-00712-8>

Mishra, S., & Chikweche, T. (2020). Reinventing CRM Systems in Higher Education in Africa: IDIC adaptation and constituent relationship management. *International Journal of Educational Management*, 34(4), 699–717. <https://doi.org/10.1108/IJEM-10-2019-0375>

Ozan, S. (2021). Case studies on using NLP techniques in CRM software. arXiv preprint.<https://arxiv.org/abs/2107.08987>

Sudirjo, F., Kushariyadi, K., Mustafa, F., Osman, I., & Kusnadi, IH (2024). Analysis of the effectiveness of integrated CRM strategy implementation on customer loyalty. *Journal of Information and Technology*, 6(1), 223–228.

WhatIsCRM.net. (2022). The customer relationship management frameworks: IDIC Model. Retrieved from <https://www.whatiscrm.net/crm-idic-model>

WhatIsCRM.net. (2023). CRM Models: How the IDIC Model Drives Customer Loyalty. Retrieved from <https://www.whatiscrm.net/crm-models/idic>

CyberInsight. (2023). Discover the 4 proven CRM models for business success. Retrieved from <https://cyberinsight.co/crm-models>

Creating Change Magazine. (2023). CRM Models: A guide for SMB owners. Retrieved from <https://creatingchange.com/crm-strategies-idic>

McKinsey & Company. (2020). One-to-one marketing maturity through CRM & IDIC. McKinsey Insights.<https://www.mckinsey.com>

Gartner Research. (2021). CRM trends 2025: From mass marketing to personalization via IDIC. Gartner Reports.

Microsoft Corporation. (2023). Customer engagement transformation through IDIC and Dynamics 365 CRM. Microsoft Case Studies.

AI CRM Solutions. (2022). Role of AI in personalizing CRM interactions through the IDIC model. Retrieved from <https://aicrm.solutions/articles/idic-ai-crm>

Consulting Insights. (2021). Measuring CRM effectiveness: KPI-based IDIC framework. ConsultingFirm.com.

Peppers, D., & Rogers, M. (2020). Managing customer relationships: A strategic framework (3rd ed.). Wiley.

Payne, A., & Frow, P. (2021). Strategic customer management: Integrating relationship marketing and CRM. *Journal of Business Strategy*, 42(2), 10–21.

Adiwangsa, RD (2021). Implementation of the IDIC model on a CRM system in the e-commerce sector: A case study of Tokopedia. *Journal of Industrial Engineering*, 23(1), 15–22.

Lestari, D., & Handayani, R. (2020). Application of CRM IDIC model in digital-based UMKM

customer relationship management. *Journal of Digital Economy*, 2(2), 88–96.

Nugroho, BH, & Rahmawati, D. (2023). Analysis of CRM strategy based on IDIC model to increase customer loyalty in the service sector. *Journal of Marketing Management*, 15(1), 34–45.

Widodo, RA (2024). IDIC framework implementation in customer experience optimization: A conceptual review. *Asian Journal of Business and Management*, 6(2), 101–109.