

CUSTOMER RELATIONSHIP MANAGEMENT

¹RAJA SANKAR.S, ²R.RAMKUMAR

¹Assistant Professor, ²PG Scholar
Department of Management Studies,
Bharath Niketan Engineering College,
Affiliated to Anna University

ABSTRACT: Customer Relationship Management is a combination of people process and technology that seeks to provide understanding of customers needs, to support a business and to build long term relationship with customers. Successful utilization of the integrated technology requires appropriate business process and organizational culture to adequately address human behavioral elements. Because it is not simply a technology solution success in CRM business revolves largely around people. In order to build a clearer understanding of the content and role of the people driven processes of customer relationship management this study analyze the literature of on CRM processes and people dependencies and forms propositions about need for people driven processes in CRM. It emphasizes the responsibility of executives and operational staff in critical decisions and using intimate communications to conduct relationship management with their customers.

INTRODUCTION:

Marketing historically has undergone various shifts in emphasis from production through sales to marketing orientation. However the various orientations have failed to engage customers in meaningful relationship mutually beneficial to organization and customers with all forms of the shift still exhibiting the transaction approach inherit in traditional marketing (Kubil and Doku 2010). However coltman (2016) indicates that in strategy and marketing literature scholars have long suggested that a customer competitive advantage and that customer relationship management programmes are increasingly being used by organization to support the type of customer understanding and connectedness required to effectively execute a customer strategy.

Customer relationship management is a combination of people process and technology that seeks to understand a company customers it is an integrated approach to managing relationship by focusing on customer retention and relationship development. Customer relationship management has evolved from advance in information technology and organizational changes in customer centric processes. Companies that successfully implement customer relationship management will reap the rewards in customer loyalty and long run profitability however successful implementation is elusive to many companies mostly because they do not understand that customer relationship management requires business wide cross functional customer focused business process re-engineering. Although a large portion customer relationship management is technology viewing customer relationship management as a technology solution is likely to fail managing a successfully CRM implementation requires an integrated and balanced approach to technology process and people.

The marketing community has been more conscious of the need to manage customer relationship in the long term as well as prior to the first sale. The argument has been further by data on the low cost of better retention as compared with better acquisition (Blatters and Desightion 1996 filiatrault and lapierre 1997) the increasing profitability of customer the longer the relationship lasts (Reich held 1996).

Definition of CRM:

customer relationship management is a term that refers to practices strategies and technologies that companies use to manage and analyse customer interactions and data through the customer lifecycle, with the goal of improving business relationship with customers assisting in customer retention and driving sales growth.

Concept of CRM:

As a review of the literature is likely to reveal numerous definitions of CRM have been proposed by marketing and scholars alike while some of these conceptualizations are similar there is definitely a lack of consensus as to the most appropriate way in which this emerging phenomenon should be defined.

CRM has been defined from different perspective:

1. As a process
2. As a strategy
3. As philosophy
4. As a capability

Benefits of CRM:

The following lists of desired CRM benefits were collected and summarized from an extensive survey of recent CRM studies (Keith et al 2008)

1. Improved ability to target profitable.
2. Integrated offerings across channels.
3. Improved sales force efficiency and effectiveness.

Steps to customer relationship management:

- 1 It is essential for the sales representatives to understand the needs, interest as well as budget of the customers. Don't suggest anything which would burn a hole in their pockets.
- 2 Never tell lies to the customers. Convey them only what your product offers. Don't cook fake stories or ever try to fool them.
- 3 It is sin to make customers waiting. Sales professionals should reach meetings on or before time. Make sure you are there at the venue before the customers reach.
- 4 Never be rude to customers: Handle the customers with patience and care, One should never ever get hyper with the customers.
- 5 Attend sales meeting with a cool mind. Greet the customers with a smile and try to solve their queries at the earliest.

Managing CRM to mainstream the benefits:

For firms to effectively practice CRM or be able to diagnose the root cause of failed initiatives a clear understanding of what the phenomenon entails is needed. Zablah et al (2004) has been that first step by proposing what is perhaps fully an adequate representative conceptualization of CEM and providing a brief description of the process. As a result it is now possible to outline a basic framework that identifies the key steps towards CRM success from a management perspective it is important to mention that based to efficiently build and sustain a profit maximizing portfolio of customer relationships.

The concept of customer retention in CRM:

Customer retention is a challenge in nowadays organization. Retained customer are generally more profitable than newly acquired customer based on the CRM (Buttle 2009) the major strategic purpose of CRM is to manage for profit a company relationship with customer development. A customer retention strategy aims to keep a high reducing customer defections (Churn) and a customer development strategy aims to increase the value of the retained customers to the company.

Customer retention is the maintenance of continuous trading retention which customer over the long term customer retention is the mirror image of customer defection is the churn retention is equivalent to low defection

Three fundamental components in CRM:**Operational CRM:**

Operational CRM providing automated support to front office business process (sales, marketing service,). Each interaction with a customer history and staff can retrieve information on customer from the database as necessary. According to Gartner group operational CRM typically involves three general areas.

Sales force automation:

Sales force automation some of a company critical sales activities and sales force management tasks such as forecasting sales administration tracking customer preferences and demographics performance management lead management account management contact management quote management.

Analytical CRM: Analysis of customer data and behavior using business intelligence.

A CRM analyse data in an attempt to identify means to enhance or company relationship with its clients the result of an analysis can be to design marketing for example.

- 1 Acquisition: Cross selling up selling
- 2 Retention : Retaining existing customers
- 3 Information: Providing timely and regular information to customers.

Other examples of the applications of analyse include:

1. Contact optimization
2. Evaluating and improving customer satisfaction.
3. Optimizing sales coverage.
4. Fraud detection.
5. Financial forecasts.

Collabrative CRM: Communication with customers .

Communication CRM focuses on the interaction with customer (personal, interaction letter, tax, phone, internet, email,etc).

1. Providing efficient communication with customer across various communications channels.
2. Providing online services to reduce customer service costs.
3. Providing access to customer information while interacting with customers.

REVIEW OF LITERATURE

THEORITICAL REVIEW

Here's how 21 expert define CRM.

1. A way to identify, acquire, and retain customers, a business' greatest asset. – [Siebel](#)
2. A widely implemented model for managing a company's interactions with customers, clients, and sales prospects. – [Wikipedia](#)
3. An enterprisewide business strategy designed to optimize profitability, revenue and customer satisfaction by organizing the enterprise around customer segments, fostering customer-satisfying behaviors and linking processes from customers through suppliers – [Gartner](#)
4. An application used to automate sales and marketing functions and to manage sales and service activities in an organization. – [Microsoft](#)
5. A business strategy directed to understand, anticipate and respond to the needs of an enterprise's current and potential customers in order to grow the relationship value. – [CRM Forecast](#)
6. A strategy used to learn more about customers' needs and behaviors in order to develop stronger relationships with them. – [CIO](#)
7. An information industry term for methodologies, software, and usually Internet capabilities that help an enterprise manage customer relationships in an organized way. – [MariosAlexandrou](#)
8. A comprehensive business model for increasing revenues and profits by focusing on customers. – [Martin Walsh](#)
9. The belief that customers should feel like a VIP every time they communicate with your company. – Jennifer Carnie, Customer Systems
10. A management philosophy according to which a company's goals can be best achieved through identification and satisfaction of the customers' stated and unstated needs and wants. – [Business Dictionary \(1 of 2\)](#)
11. A computerized system for identifying, targeting, acquiring, and retaining the best mix of customers. – [Business Dictionary \(2 of 2\)](#)
12. A business process of understanding, collecting and managing all of the information in a business environment relating to a customer. The goal of CRM is to more effectively communicate with customers and improve customer relationships over time. – [James Wong, Avidian Technologies](#)
13. The processes, software, and systems that help an enterprise manage its relationships with prospects, customers, distribution channels, call centers, and suppliers. – [Complete CRM Solution](#)
14. A person you have dealings with on a professional basis. A relationship as how you interact with someone, your view of them, their view of you and how this affects the way you deal with each other. Being in control of your customer relationships, defining them, steering them in the direction you decide. – [Bluesoft](#)
15. A combination of software and a customized software process to help companies gain a competitive advantage in either sales, marketing or customer service. – [MondoCRM](#)
16. The aggregation of customer-centric strategies which drive new functional activity not only for sales, marketing and service, but often back office functions such as accounting, production, and shipping which demand reengineered work processes for everyone affected which require technology support to implement. – Unknown

ANALYTICAL REVIEW

The purpose of a business is to create and keep a customer.”

This succinct truth from [Peter Drucker](#) in The Practice of Management (1954) is apt and insightful definition of CRM (Customer Relationship Management). But a lot has changed. CRM now involves technology, software, inbound and outbound marketing, lead acquisition, databases, multiple touch points, multi-channel marketing, enterprise solutions and social media.

CONCLUSION:

Customer Relationship Management at It is conclude that maintaining customer relationship is very important for the success of the organisation. As per the present study organisations are maintaining a good relationship with their customer. In order to acquire and retains the existing customers the company can adopt new technologies to face the competitions and their business growth advancement.

REFERENCE

Reference Book

- G.Shainesh, Jagdish, N.Sheth, (2005) Customer Relationship Management Strategic Perspective Macmillan .
- H. Peeru Mohamed and A. Sahadevan, (2005) Customer Relationship Management, Vikas Publishing.

