

## CRM (customer relationship management)

### Introduction

**Customer relationship management (CRM)** is a widely implemented model for managing a company's interactions with [customers](#), clients, and sales prospects. It involves using technology to organize, automate, and synchronize business processes—principally [sales](#) activities, but also those for [marketing](#), [customer service](#), and [technical support](#).<sup>[1]</sup> The overall goals are to find, attract, and win new clients, nurture and retain those the company already has, entice former clients to return, and reduce the costs of marketing and client service.<sup>[2]</sup> Customer relationship management describes a company-wide business strategy including customer-interface departments as well as other departments.<sup>[3]</sup> Measuring and valuing customer relationships is critical to implementing this strategy

CRM entails all aspects of interaction that a company has with its customer, whether it is sales or service-related. CRM is often thought of as a business strategy that enables businesses to:

- Understand the customer
- Retain customers through better customer experience
- Attract new customer
- Win new clients and contracts Increase profitably
- Decrease customer management costs

While the phrase *customer relationship management* is most commonly used to describe a business-customer relationship, however CRM systems are used in the same way to manage business contacts, clients, contract wins and sales leads.

### Customer Relationship Management Definition

Defining Customer Relationship Management is a bit ironic as its seemingly not difficult to define, however, there is no universally accepted single definition. In fact, there are nearly as many definitions of Customer Relationship Management (CRM) as there are CRM software vendors and system integrators who specialize in the industry. Nonetheless, when you recognize that CRM is a strategy focused on evolving customer relationships, a vendor neutral and industry standard definition of CRM can be easily accepted.

**‘CRM is 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.’**

In general, Customer Relationship Management (CRM) is a term representing the business strategy built around the concept of improved customer service. CRM practice involves all aspects of communication and dealing an organization has with its client, whether it is product or service linked. More clearly, CRM aims at increasing customer satisfaction, consequently increasing a business' income.

### ALTERNATE CRM DEFINITIONS

"Customer Relationship Management, CRM, aims at providing better customer service, retaining customers as long-term profitable customers, selling services/products more effectively, gaining new customers from present customers through referrals, and providing helping hand to salespeople".

"CRM is a process of building partnerships with your clients/customers, which involves technology, personal marketing techniques, strategic planning, and internal business processes from customer service, sales and marketing to build a relationship that adds to revenue margins and productivity".

## **Benefits of Customer Relationship Management**

A Customer Relationship Management system may be chosen because it is thought to provide the following advantages:<sup>[citation needed]</sup>

- Quality and efficiency
- Decrease in overall costs
- Increase Profitability

## **Challenges**

Successful development, implementation, use and support of customer relationship management systems can provide a significant advantage to the user, but often there are obstacles that obstruct the user from using the system to its full potential. Instances of a CRM attempting to contain a large, complex group of data can become cumbersome and difficult to understand for ill-trained users. The lack of senior management sponsorship can also hinder the success of a new CRM system. Stakeholders must be identified early in the process and a full commitment is needed from all executives before beginning the conversion. But the challenges faced by the company will last longer for the convenience of their customers.<sup>[citation needed]</sup>

Additionally, an interface that is difficult to navigate or understand can hinder the CRM's effectiveness, causing users to pick and choose which areas of the system to be used, while others may be pushed aside. This fragmented implementation can cause inherent challenges, as only certain parts are used and the system is not fully functional. The increased use of customer relationship management software has also led to an industry-wide shift in evaluating the role of the developer in designing and maintaining its software. Companies are urged to consider the overall impact of a viable CRM software suite and the potential for good or bad in its use

## **Importance of Customer Relationship Management (CRM)**

Looking at some broader perspectives given as below we can easily determine why a CRM System is always important for an organization.

1. A CRM system consists of a historical view and analysis of all the acquired or to be acquired customers. This helps in reduced searching and correlating customers and to foresee customer needs effectively and increase business.

2. CRM contains each and every bit of details of a customer, hence it is very easy for track a customer accordingly and can be used to determine which customer can be profitable and which not.
3. In CRM system, customers are grouped according to different aspects according to the type of business they do or according to physical location and are allocated to different customer managers often called as account managers. This helps in focusing and concentrating on each and every customer separately.
4. A CRM system is not only used to deal with the existing customers but is also useful in acquiring new customers. The process first starts with identifying a customer and maintaining all the corresponding details into the CRM system which is also called an 'Opportunity of Business'. The Sales and Field representatives then try getting business out of these customers by sophisticatedly following up with them and converting them into a winning deal. All this is very easily and efficiently done by an integrated CRM system.
5. The strongest aspect of Customer Relationship Management is that it is very cost-effective. The advantage of decently implemented CRM system is that there is very less need of paper and manual work which requires lesser staff to manage and lesser resources to deal with. The technologies used in implementing a CRM system are also very cheap and smooth as compared to the traditional way of business.
6. All the details in CRM system is kept centralized which is available anytime on fingertips. This reduces the process time and increases productivity.
7. Efficiently dealing with all the customers and providing them what they actually need increases the customer satisfaction. This increases the chance of getting more business which ultimately enhances turnover and profit.
8. If the customer is satisfied they will always be loyal to you and will remain in business forever resulting in increasing customer base and ultimately enhancing net growth of business.

In today's commercial world, practice of dealing with existing customers and thriving business by getting more customers into loop is predominant and is mere a dilemma. Installing a CRM system can definitely improve the situation and help in challenging the new ways of marketing and business in an efficient manner. Hence in the era of business every organization should be recommended to have a full-fledged CRM system to cope up with all the business needs.

## **eCRM**

As the [Internet](#) is becoming more and more important in business life, many companies consider it as an opportunity to reduce customer-service costs, tighten customer relationships and most important, further personalize marketing messages and enable [mass customization](#).<sup>[9]</sup> ECRM is being adopted by companies because it increases customer loyalty and customer retention by improving customer satisfaction, one of the objectives of eCRM. E-loyalty results in long-term profits for online retailers because they incur less costs of recruiting new customers, plus they have an increase in customer retention.<sup>[10]</sup> Together with the creation of [sales force automation](#) (SFA), where electronic methods were used to gather data and analyze customer information, the trend of the upcoming Internet can be seen as the foundation of what we know as eCRM today.

As we implement eCRM process, there are three steps life cycle:<sup>[11]</sup>

1. Data collection: About customers preference information for actively (answer knowledge) and passively (surfing record) ways via website, email, questionnaire.
2. Data aggregation: Filter and analysis for firm's specific needs to fulfill their customers.
3. Customer interaction: According to customer's need, company provide the proper feedback them.

eCRM can be defined as activities to manage customer relationships by using the [Internet](#), web browsers or other electronic touch points. The challenge hereby is to offer [communication](#) and [information](#) on the right topic, in the right amount, and at the right time that fits the customer's specific needs.<sup>[12]</sup>

### **eCRM strategy components**

When enterprises integrate their customer information, there are three eCRM strategy components<sup>[13]</sup>:

1. Operational: Because of sharing information, the processes in business should make customer's need as first and seamlessly implement. This avoids multiple times to bother customers and redundant process.
2. Analytical: Analysis helps company maintain a long-term relationship with customers.
3. Collaborative: Due to improved communication technology, different departments in company implement (intraorganizational) or work with business partners (interorganizational) more efficiently by sharing information

### **Steps to eCRM Success**

Many factors play a part in ensuring that the implementation any level of eCRM is successful. One obvious way it could be measured is by the ability for the system to add value to the existing business. There are four suggested implementation steps that affect the viability of a project like this:

1. Developing customer-centric strategies
2. Redesigning workflow management systems
3. Re-engineering work processes
4. Supporting with the right technologies<sup>[27]</sup>

### **Differences between CRM and eCRM**

Major differences between CRM and eCRM:<sup>[8]</sup>

#### **Customer contacts**

- CRM – Contact with customer made through the retail store, phone, and fax.

- eCRM – All of the traditional methods are used in addition to Internet, email, wireless, and PDA technologies.

### **System interface**

- CRM – Implements the use of ERP systems, emphasis is on the back-end.
- eCRM – Geared more toward front end, which interacts with the back-end through use of ERP systems, data warehouses, and data marts.

### **System overhead (client computers)**

- CRM – The client must download various applications to view the web-enabled applications. They would have to be rewritten for different platform.
- eCRM – Does not have these requirements because the client uses the browser.

### **Customization and personalization of information**

- CRM – Views differ based on the audience, and personalized views are not available. Individual personalization requires program changes.
- eCRM – Personalized individual views based on purchase history and preferences. Individual has ability to customize view.

### **System focus**

- CRM – System (created for internal use) designed based on job function and products. Web applications designed for a single department or business unit.
- eCRM – System (created for external use) designed based on customer needs. Web application designed for enterprise-wide use.

### **System maintenance and modification**

- CRM – More time involved in implementation and maintenance is more expensive because the system exists at different locations and on various servers.
  - eCRM – Reduction in time and cost. Implementation and maintenance can take place at one location and on one server.
- **Benefits of e-CRM for your Company:**
    - **Personalized Experience:** Each and every experience between the company and the customer is personalized. We know the person who is calling, what services or products the customer inquired about in previous interactions and what products or services may be of interest to the customer.
    - **Multi Channel interaction:** e-CRM will enable your Customer to communicate with your company through any available channel like phone,web, VOIP, e.mail, text based collaboration, video etc.. If you think that your customers won't require any service when they visit your website - think again otherwise that web-site is no good than a static product or service catalog.

- **Knowledge:** Each and every interaction with the customer, over whatever channel is duly recorded and is available to all Service professionals whenever the customer initiates the interaction again. Our knowledge of the customer's tastes, needs, requirements etc., enable us to bring to notice more of your goods and services, provide comparison of the same with your competitors and help sell more of your goods and services.
- **One to one marketing:** We use each customer interaction as an opportunity to reinforce brand loyalty and convert regular interaction into great experience for the customer.
- **Target Marketing:** Customers get information about selective new products and services based on their previous buying pattern, profile, tastes, interests, etc.
- **Real Time Interaction:** Using Cybergurus e-CRM, your customers can get service right at your site through phone, chat, e.mail, collaboration or forwarding of pages back and forth between the Representative and the Customer. Your customers will have any service available twenty four hours a day, seven days a week. Now if a customer wants to order something from your site, say at 2:a.m., the customer is scrolling at your site and needs some assistance. Right Now, the customer does not have any choice other than to proceed to check out with the Cart. In most cases, due to lack of any help, customers dump the order at check out. On the contrary, When we manage your e-CRM initiative, the customer will have the following choices: An icon will be placed on the site for customer to engage in VOIP call, regular phone call, text based chat etc. The point is, We are engaged with your customer in the buying process and we can resolve any issues, assist the customer in any way required, pass on any information about your company's product or service, right then and there, when the customer is browsing through pages at your site.
- **Prompt Service:** Our Representatives are highly trained professionals to indelibly etch superior impression and image of your company to your customer through superior service, quick resolution of Customer issues and prompt response. This promotes brand loyalty and repeat business from existing customers and emphatically try to convert potential inquirers of products and services into Customers. New Customers can be gained through web, campaigns, product promotions and marketing offers for specific product. But if these potential customers aren't provided with the service they deserve through any available channel, they won't become your customers and instead will do business with your competitors. And compare this to your current scenario, Do you know how many people visit your site? Do you know how many are your existing customers and how many are your potential new customers? Do you know why is someone visiting your site, due to some marketing promotion or just that he/she got bad service from your competitor? We will undoubtedly know and communicate it to you.
- **NO VOICE PROMPTS:** With our E-CRM solution, your customers won't have to go through endless maze and labyrinth of voice prompts. Though the Customer will have a choice to either choose an automated system for self service or have someone assist the customer. It will avoid the wastage of Customer's time which in turn, would build your company's image.

Images of CRM

