BEST: International Journal of Humanities, Arts, Medicine and Sciences (BEST: IJHAMS)
ISSN (P): 2348-0521, ISSN (E): 2454-4728
Vol. 4, Issue 2, Feb 2016, 107-116

"CUSTOMER RELATIONSHIP MANAGEMENT IS THE NEED OF TODAY"

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ABSTRACT

The aim of the article is to present the results of the research on focus on the customer in relation to the use of customer relationship management in selected business subjects in India and other countries. The main goal of the research is the mapping of current state to ensure the principle of customer orientation and utilizing of CRM in organizations and industrial enterprises in India. This is the mapping of the current situation of that problem in practical conditions and determines potential opportunities for improvement.

KEYWORDS: Customer, Customer Relationship Management, CRM Data base, Business Subject, Technology Based Market

INTRODUCTION

Meaning Customer Relationship Management (CRM)

Customer relationship management (CRM) is a term that refers to practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention and driving sales growth. CRM systems are designed to compile information on customers across different channels -- or points of contact between the customer and the company -- which could include the company's website, telephone, live chat, direct mail, marketing materials and social media. CRM systems can also give customer-facing staff detailed information on customers' personal information, purchase history, buying preferences and concerns.

Figure 1: CRM

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. The overall goals are to find, attract, and win new clients; nurture and retain those the company already has; entice former clients back into the fold; and reduce the costs of marketing and client service. Customer relationship management describes a company-wide business strategy including customer-interface departments as well as other departments.

Primary Purpose of Customer Relationship Management (CRM)

Its primary purpose is to help firms understand their customers better, to build relationships with them, and to ensure customer retention and therefore, profitability.

Secondary Purposes Customer Relationship Management (CRM)

These include:

- The identification of a firm's customers
- The creation of customer value
- The management of complex customer relationships
- The adaptation of a firm's customer offerings and communications strategy to different customers
- The cultivation of customer-firm dialogue

Advantages of CRM

CRM can help firms in many ways, including the following:

- Analyzing customer revenue and cost data in order to identify current and future high-value customers
- Targeting direct marketing efforts
- Capturing relevant product and service behavior data
- Creating new distribution channels
- Developing new pricing models
- Processing transactions faster
- Providing better information to the front line
- Managing logistics and the supply chain more efficiently
- Deploying knowledge management systems
- Tracking customer defection and retention levels
- Tracking customer satisfaction levels
- Tracking customer win-back levels

What Should CRM Database Include?

The intelligence collected on a CRM database should include:

- Products and services purchased

- Time and date of purchase (frequency of purchase)
- Price paid
- Method of purchase
- Distribution and shipping
- Delivery date
- Requests for service
- Sales calls
- Customer complaints
- All other customer- or company-initiated contact
- Demographic information
- Customer lifestyles and goals
- Detailed information for segmentation and other data evaluation aims
- Response to marketing provocation (that is, whether or not the customer responds to a direct marketing approach, a sales contact, or any other direct association)
- Website use

BOTTOM OF FORM

CRM SoftwareCRM software consolidates customer information and documents into a single CRM database so business users can more easily access and manage it. The other main functions of this software include recording various customer interactions (over email, phone calls, social media or other channels, depending on system capabilities), automating various workflow processes such as tasks, calendars and alerts, and giving managers the ability to track performance and productivity based on information logged within the system.

Common features of CRM software include:

Marketing Automation*:* CRM tools with marketing automation capabilities can automate repetitive tasks to enhance marketing efforts to customers at different points in the lifecycle. For example, as sales prospects come into the system, the system might automatically send them marketing materials, typically via email or social media, with the goal of turning a sales lead into a full-fledged customer.

Sales Force Automation*:* Also known as sales force management, sales force_automation is meant to prevent duplicate efforts between a salesperson and a customer. A CRM system can help achieve this by automatically tracking all contact and follow-ups between both sides.

Contact Center Automation*:* Designed to reduce tedious aspects of a contact center agent's job, contact center automation might include pre-recorded audio that assists in customer problem-solving and information dissemination. Various software tools that integrate with the agent's desktop tools can handle customer requests in order to cut down the time of calls and simplify customer service processes.

GEOLOCATION TECHNOLOGY, OR LOCATION-BASED SERVICES

Some CRM systems include technology that can create geographic marketing campaigns based on customers' physical locations, sometimes integrating with popular location-based GPS apps. Geolocation technology can also be used as a networking or contact management tool in order to find sales prospects based on location.

THE CRM TECHNOLOGY MARKET

The four main vendors of CRM systems are Salesforce.com, Microsoft, SAP and Oracle. Other providers are popular among small- to mid-market businesses, but these four tend to be the choice of large corporations.

On-premises CRM puts the onus of administration, control, security and maintenance of the database and information on the company itself. With this approach the company purchases licenses up front instead of buying yearly subscriptions. The software resides on the company's own servers and the user assumes the cost of any upgrades and usually requires a prolonged installation process to fully integrate a company's data. Companies with complex CRM needs might benefit more from an on-premises deployment.

With cloud-based CRM -- also known as SaaS (software-as-a-service) or on-demand CRM -- data is stored on an external, remote network that employees can access anytime, anywhere there is an Internet connection, sometimes with a third-party service provider overseeing installation and maintenance. The cloud's quick, relatively easy deployment capabilities appeals to companies with limited technological expertise or resources.

Companies might consider cloud-based CRM as a more cost-effective option. Vendors such as Salesforce.com charge by the user on a subscription basis and give the option of monthly or yearly payments.

Data security is a primary concern for companies using a cloud-based system since the company doesn't physically control the storage and maintenance of its data. If the cloud provider goes out of business or is acquired by another company, a company's data can be compromised or lost. Compatibility issues can also arise when data is initially migrated from a company's previous system to the cloud. Finally, cost may be a concern, since paying subscription fees for software can be more costly than on-premises-based models.

Open source CRM programs make source code available to the public, allowing companies to make alterations with no cost to the company employing it. Open source CRM systems also allow the addition and customization of data links to social media channels, assisting companies looking to improve social CRM practices. Vendors such as SugarCRM are popular choices in the open source market.

Adoption of any of these CRM deployment methods depends on a company's business needs, resources and goals, since each has different costs associated with it.

TRENDS

Traditionally, data intake practices for CRM systems have been the responsibility of sales and marketing departments as well as contact center agents. Sales and marketing teams procure leads and update the system with information throughout the customer lifecycle and contact centers gather data and revise customer history records through service call and technical support interactions.

The advent of social media and the proliferation of mobile devices has caused CRM providers to upgrade their offerings to include new features that cater to customers who use these technologies.

Social CRM refers to businesses engaging customers directly through social media platforms such as Facebook, Twitter and LinkedIn. Social media presents an open forum for customers to share experiences with a brand, whether they're airing grievances or promoting products.

To add value to customer interactions on social media, businesses use various tools that monitor social conversations, from specific mentions of a brand to the frequency of keywords used, to determine their target audience and which platforms they use. Other tools are designed to analyze social media feedback and address customer queries and issues. Companies are interested in capturing sentiments such as a customer's likelihood of recommending their products and the customer's overall satisfaction in order to develop marketing and service strategies. Companies try to integrate social CRM data with other customer data obtained from sales or marketing departments in order to get a single view of the customer.

Another way in which social CRM is adding value for companies and customers is customer communities, where customers post reviews of products and can engage with other customers to troubleshoot issues or research products in real time. Customer communities can provide low-level customer service for certain kinds of problems and reduce the number of contact center calls. Customer communities can also benefit companies by providing new product ideas or feedback without requiring companies to enlist feedback groups.

Mobile CRM -- or the CRM applications built for smartphones and tablets -- is becoming a must-have for sales representatives and marketing professionals who want to access customer information and perform tasks when they are not physically in their offices. Mobile CRM apps take advantage of features that are unique to mobile devices, such as GPS and voice-recognition capabilities, in order to better serve customers by giving employees access to this information on the go.

CRM CHALLENGES

For all of the advancements in CRM technology, without the proper management, a CRM system can become little more than a glorified database where customer information is stored. Data sets need to be connected, distributed and organized so that users can easily access the information they need.

Companies also struggle to achieve a "single view of the customer," where many different data sets can be seamlessly accessed and organized in a single dashboard or interface to create one view of a customer's account and relevant information. Challenges arise when customer data is siloed in several separate systems or when data is complicated by duplicate or outdated information that slows down and hampers the business process. These problems can lead to a decline in customer experience due to long wait times during phone calls, improper handling of technical support cases and other issues.

Studies show that customers, particularly Millennials, are increasingly dissatisfied with the contact center experience. They demand multiple avenues of communication with a company and expect a seamless interaction across many different channels, the most popular of which tend to be Web chat, mobile apps and social media. The main challenge of a CRM system is delivering a cross-channel customer experience that is consistent and reliable.

Social media, for example, has been touted as a more efficient channel by which customers can reach companies and get problems resolved or queries answered, rather than enduring the traditional method of waiting in a phone queue or awaiting an email response. In some cases, particularly in high-touch customer service scenarios, social platforms can fall short for customer service.

Companies also continue to struggle to identify real sales prospects with their data. New lead-generation technologies that combine CRM data with third-party data from companies like Dunn & Bradstreet and social streams have also been emerging to provide sales and marketing teams with better sales prospects. These methods work best, however, when companies spend time cleaning up their existing data to eliminate duplicate and incomplete records before they supplement CRM data with external sources of information.

HOW TO LAUNCH A CRM

Imagine the CRM (Customer Relationship Management software) as the brain or "mothership" of your sales and marketing team. The CRM is used to track every person that enters our funnel and that we interact with.

Every time a lead downloads an ebook, or speaks to us on the phone, that action is tracked in the CRM. Each time we engage with that lead, we have a record of what we have told them so far and what we need to do to move them along in the buyer journey.

Needless to say, the CRM is a primary component of your organization's sales and marketing stack (the set of tools you use), right next to your marketing automation system. For a new B2B startup just building the team and launching your first CRM, let's break down how to approach it:

Analyze your Team Structure and Sales Process

There are a myriad of different CRMs available, and each caters to different types of companies, sales processes, etc. The most widely used is Salesforce. Many other choices like Hubspot CRM, RelateIQ, Pipedrive and Close.io may also be considered. As you are evaluating which CRM is right for you, consider:

- **What Degree of Flexibility do you need?**

The benefit of a product like Salesforce is that it offers an extreme degree of flexibility and customization. The downside is that it is far more complex to work with and build. Does your team need that level of complexity, or would something automatically configured out of the box be sufficient?

- **How Large will your Sales Team Grow?**

Some products (e.g. Pipedrive) are often used by smaller teams in smaller volume sales environments. For example, if you are running an agency services business where you aren't bringing on an unlimited volume of customer transactions, a smaller, easier to use system might make sense.

- **How sophisticated or simplistic is your sales process?**

Are you selling multiple products at multiple price points, or is a sale typically the same each time? Do you expect to have a large team with many sales reps, or are more of your sales happening transactionally on your website?

- **What resources do you have available to launch and maintain the CRM?**

This one is important: who in your organization (perhaps it is you) will be technical enough to get a CRM up and running? Again, robust tools like Salesforce take a lot more energy (or require expensive consultants) to launch. Consider the timeframe needed to get your CRM operational as well.

Based on these variables, you will need to select a vendor. All of these products are billed as SaaS, typically in the range of $50 – $100 per user per month. If you have a 5 person team that continues to grow, that cost can quickly add up.

It's also important to note that both Salesforce and Hubspot offer CRMs and marketing automation systems that work together well since they are all-in-one. I use Hubspot CRM for my team.

Determine what Data Matters and Create Fields

When you are launching a CRM, you need to make some very important decisions early on about what data you want to track as your sales and marketing team grows. What data about each of your leads/customers is most valuable to you (e.g. location, other products used, industry, revenue size). Tracking this data offers several benefits for your team:

- **Insight for Customizing the Sales Process**

What information would be valuable to a sales rep when s/he is speaking to a lead for the first time? What information gathered during that discovery call could be helpful later in the process? These are the questions that you and your head of sales should think through, and build a list of fields to track.

Let's consider a quick example: suppose you sell education software into three verticals: K-12, Community College and Four Year Universities. In this example, you'd want to create a field "Education Type" with three drop down options that are each of the verticals describe above.

- **Ability to Identify Trends and "Ideal Customers"**

Following our education example, suppose that after 2 months of selling, you find that the majority of deals you are closing are in the K-12 vertical. By tracking that field, you can access this type of insight effortlessly and in real-time. This insight can help you cater your marketing collateral, event strategy and a myriad of other revenue activities to your highest impact selling areas.

- **Flexibility as you Grow and Change**

As you grow, your sales process will evolve, you will add new products and you will want to track different types of data. Following our same example, perhaps you also expand to create software for use in home school environments. You'll want to make sure that the fields you create don't make it difficult to record data for that vertical as well, even though it may have different parameters from the other three. You can do that by ensuring that your fields are based around drop-down values, and not free text entry. This is also important because standardized dropdown values enable far more robust reporting and reduce human data entry error.

Configure Integrations

Your CRM will likely integrate with multiple internal tools, particularly your marketing automation system. Your vendor has likely already built this integration for you, so typically you just need to do a bit of configuration between the two systems. A few things to note:

- **Consider a CRM and Marketing Automation System all-in-one**

Some of the vendors (e.g. Salesforce and Hubspot) offer both the CRM and marketing automation systems. This typically means that you will have very little integration work to do, and that the two stages of the funnel (marketing and sales) will play nicely with each other.

- **Connect your Own Product to your CRM**

If you sell a software product, consider leveraging your own APIs to integrate it with your CRM. For example, there may be certain actions your customers could take (e.g. not logging into your product for a certain period of time) that should be logged in the CRM and flagged for your customer success team to support.

Import Data

Once you have selected a vendor, decided what data is most important to track and connected your CRM to other relevant tools, it's time to import your historic data. There are typically 3 sets of data that you need to import:

- Contacts (people)
- Companies (organizations)
- Deals (sales transactions)

In most CRMs, these 3 data types are connected together in the sense that a Deal is transacted with a specific company, who may have multiple contact people involved in the transaction. Those contact people are who the sales team will be interacting with to close the deal. This means that when you import the data, it's important to be meticulous in your use of naming conventions. This often ensures that the right contacts get associated with the right companies and the right deals.

The process of importing the data itself often involves a bit of Excel manipulation and likely a support call to your CRM vendor to ensure the data is formatted correctly. Don't be surprised if the data import process ends up being tedious – it often is!

Create Extensive Documentation

If you've successfully completed steps 1-4, you should be at the point where your CRM is ready for action. The final (and very important) step is to document how you want your sales and marketing team to use the CRM, and train them accordingly. You need to ensure that they:

- Enter complete data and fill out the necessary fields
- Categorize deals, companies and contacts properly
- Follow the team's documented sales process diligently

Your team also needs specific rules dictating when a sales rep can create a deal (thus adding it to sales pipeline), etc. We won't go too deep into that one since the focus of this series is marketing!

CONCLUSIONS

In today's highly competitive environment, an increasing number of companies have realized the importance of becoming more customer-centric. They invested a large amount of time and resources in a Customer Relationship Management. However, it is increasingly more difficult for companies to know how to retain an existing customer and even harder getting new one. It is six to seven times more expensive and time consuming to gain a new customer than to keep an existing one. Not only the price is no longer critical, customers are changing their expectations and behaviour. They can easily compare the prices and change the plan from whom to buy at a minimal cost. This puts increasing demands on companies in the area of customer care and customer service. One of the ways to retain customer base and to ensure recurring purchases is adjusting to meet customer's needs, ensuring its satisfaction – customer must be at the heart of company interests. Appropriately selected IT solution of CRM can help them. Despite this fact, the majority of companies still don't use correctly all the possibilities which CRM offering or many implemented CRM projects failed to be successful. The problem is that these companies often do not know why they were not successful. Other companies will make the same mistakes if these failures are not recognized. It becomes a matter of fact that the implementation of CRM initiatives and programs have faced with failure over different industries and businesses. In addition, the understanding of CRM and its different aspects like definition, scope, processes, and technology is still limited and shallow. The fundamental theory of the CRM processes is very important to strengthen the understanding of CRM, before planning for the adoption and implementation of CRM initiative. The understanding of the main components of any CRM initiative is very essential for its success. People, technology, and process are the three main components of CRM.

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