



*Journal of Advances and
Scholarly Researches in
Allied Education*

*Vol. IX, Issue No. XVII,
Jan-2015, ISSN 2230-7540*

CUSTOMER RELATION OR MARKETING IN BUSINESS MANAGEMENT

AN
INTERNATIONALLY
INDEXED PEER
REVIEWED &
REFEREED JOURNAL

Customer Relation or Marketing in Business Management

Gagandeep Kaur

Asst. Professor in Commerce, B.P.R. College (Kurukshetra)

Abstract – Today's businesses compete with multi-product offerings created and delivered by networks, alliances and partnerships of many kinds. Both retaining customers and building relationships with other value-adding allies are critical to corporate performance. The adoption of C.R.M. is being fuelled by recognition that long-term relationships with customers are one of the most important assets of an organization. The focus of CRM is on creating value for the customer and the company over the longer term. When customers value the customer service that they receive from suppliers, they are less likely to look to alternative suppliers for their needs .CRM enables organizations to gain 'competitive advantage' over competitors that supply similar products or services.

Keywords: Customer Relationship, Marketing, Management, Organizations, Customers.

----- X -----

INTRODUCTION

Today's businesses compete with multi-product offerings created and delivered by networks, alliances and partnerships of many kinds. Both retaining customers and building relationships with other value-adding allies is critical to corporate performance. The adoption of C.R.M. is being fuelled by recognition that long-term relationships with customers are one of the most important assets of an organization. The focus of CRM is on creating value for the customer and the company over the longer term. When customers value the customer service that they receive from suppliers, they are less likely to look to alternative suppliers for their needs .CRM enables organizations to gain „competitive advantage“ over competitors that supply similar products or services.

CRM is a business strategy that aims to understand, anticipate and manage the needs of an organization's current and potential customers. It is a comprehensive approach which provides seamless integration of every area of business that touches the customer- namely marketing, sales, customer services and field support through the integration of people, process and technology. CRM is a shift from traditional marketing as it focuses on the retention of customers in addition to the acquisition of new customers. The expression Customer Relationship Management (CRM) is becoming standard terminology, replacing what is widely perceived to be a misleadingly narrow term, relationship marketing (RM). It is a model which puts the customer at the centre of the information flow which helps to maximize profitable relationships. It uses information technology to share the customer

related information across departments and analyse the information to increase the value addition to the customers. CRM organises, synchronizes and automates the business process of marketing, sales and customer service. Here all the customers are not treated as equals; rather preference is given to the valuable customers such that he feels more valuable. It helps in reducing marketing and sales expenses; and improves efficiency of sales, marketing and customer service.

CRM is a business philosophy based on upon individual customers and customised products and services supported by open lines of communication and feedback from the participating firms that mutually benefit both buying and selling organisations. The buying and selling firms enter into a “learning relationship”, with the customer being willing to collaborate with the seller and grow as a loyal customer. In return,, the seller works to maximize the value of the relationship for the customer's benefit. In short, CRM provides selling organizations with the platform to obtain a competitive advantage by embracing customer needs and building value-driven long-term relationships.

- The focus of CRM is on creating value for the customer and the company over the longer term.
- When customers value the customer service that they receive from suppliers, they are less likely to look to alternative

- Suppliers for their needs.
- CRM enables organizations to gain „competitive advantage“ over competitors that supply similar products or services.

CRM 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

CRM IN INDIA

Net scribes" latest market research report titled CRM Market in India 2014 highlights the growing importance for CRM in today's business scenario. Given the increased competition among firms these days, the adoption of a CRM strategy is starting to become more and more crucial. Irrespective of their size, businesses today are more inclined to adopt a CRM strategy to manage and create relationships with customers in an effective manner. The need for a CRM solution has now emerged as a crucial factor for success for almost all organizations. India is a developing market and most Indian firms are recognizing the importance of implementing a CRM solution that addresses the market effectively. In terms of processes & functions, CRM can be broadly categorized into four segments - Operational CRM, Analytical CRM, Sales Intelligence CRM and Collaborative CRM. CRM modules cater to three essential areas of customer relationship leading to customer retention and acquisition. Apart from the fact that it is easy to implement, integrate & use, CRM offers remote access, multi-channel interaction, analytical operation, and campaign management tools in a customized interface as required by the client.

The key factors driving the growth of the CRM market include better relationships with customers that often lead to an increase in sales, global competence and improving cost efficiencies. Given the fact that these drivers are accelerating the growth of the CRM market, there are also certain bottlenecks that might prove to be a hindrance in preventing firms from adopting a CRM solution. The expected growth rate and revenue over the coming 5 years from this market is quite high. Also, the investment in this sector is significantly high as compared to other IT services, thereby clearly indicating that the revenues that will be generated from this market are expected to be huge. The market is dominated by private players with most of them being foreign companies. But, with the market growing more and more, players with new solutions are coming up. With new trends of mobile and social CRM gaining importance and the concept of KYC gaining in

significance, the CRM market is expected to boom over the coming decade.

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 those marketing materials, typically via email or social media, with the goal of turning a sales lead into a full-fledged customer.

Sales force automation:

It is 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-up between both sides.

Contact center automation:

It is 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.

Relocation 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. Relocation technology can also be used as a networking or contact management tool in order to find sales prospects based on location.

CRM IMPLEMENTATION

The following are the guidelines to follow before CRM is implemented at the company.

Develop corporate wide CRM engagement from key shareholders:

Many CRM projects fail because critical stakeholders are not involved in setting CRM strategy, assessing requirements and selecting options.

Envision the company's CRM strategy:

CRM is more than just software. It is also about selecting appropriate methodologies and business practices to help your business enable better

relationships with customers. Set some high level customer relationship goals in areas such as increasing customer retention, speeding problem resolution, closing a higher percentage of sales etc.

Determine And Prioritize Crm Drivers And Requirements:

Priorities such include solving problems in the areas such as functional areas that are causing the most pain, cost and missed opportunity for the business, areas where employees are most or least resistant to changing business, weaknesses compared with competitors, complexity of each area that require addressing and identifying other systems with which it needs to integrate.

Develop A Crm Roadmap:

Develop a master plan consisting of several smaller steps and projects that will take you towards achieving the corporate CRM vision. For each step spell out key outcomes and metrics, roles and responsibilities, budgets and timelines. Start with low-risk/high reward projects to build momentum and success. Make sure all key stake holders in each project are included up front in solution evaluation and implementation process to ensure faster, higher user adoption at the end.

Think Integration:

Determine how, where and when CRM tools need to integrate with one another and with other applications. This includes evaluating the business processes flow, and identifying process-related customer interactions and transaction that need to be integrated.

Keep Everyone In The Loop:

Once you have made a selection, err on the side of over communicating. Get internal evangelists involved early, and encourages inputs along the way as you roll it out. Offer flexible training options to help accommodate different schedules and learning preferences. This will also speed adoption and produce benefits more quickly.

FUNCTIONS OF CUSTOMER RELATIONSHIP MANAGEMENT

- A.** Direct functions: are the basic requirements of a company that are necessary to survive in the competitive marketplace. They are Profit, Volume and Safeguard
- B.** Indirect functions: are the actions necessary to convince the customer to participate in various marketing activities like Innovation, Market Scout and access.

ADVANTAGES OF CRM

- It helps to convert buyers into profitable customers
- It act as a radar on all development on the consumer front
- It enables sharper customer selection or targeting by dissecting the difference in value needs of customers
- Supports cross selling and up selling to existing customers
- Helps customization, personalization and one to one marketing on mass scale
- Manages customer interaction and customer service
- Helps focus on profit and avoid misalignment between revenue and profit
- Gathers in depth customer information tracks, customer behavior and applies the knowledge to all marketing efforts

REASONS FOR FAILURE OF CRM PROGRAMMES

Too often management views CRM as an easy solution to their business problems. It is often initiatives begin and unfold the management realizes the gaps in the expectations. Some of the causes of failure are:

Mistaking CRM as the substitute for good marketing management:

Many marketing managers view a CRM programme as the substitute for marketing management assuming that the programme would lessen the hard work involved in marketing. They place excessive expectation on the CRM software and think the software will by itself look after their customer management tasks. No CRM programme can substitute the hard grind that marketing is all about. CRM requires superior marketing managers and staff, who are not only sensitive to the customers, but also willing to put in the needed work in the execution of the CRM programme.

Failure to appreciate the dynamic nature of marketing:

Customer's needs and the value they perceive in various offerings are subject to change overtime. Technology and environment to keep changing,

affecting the firm's customer management strategy. When CRM programme does not take cognizance of this dynamism of marketing, it fails.

Inadequate appreciation of the potential of the customer database:

The firms lack adequate appreciation of the potential customer base. Their CRM programmes remain as just, PR programmes. They stop with just quarterly customer mailings or monthly customer letters. Measurements of customer satisfaction and protocols for applying the results there of for calculating the efficacy of marketing are usually non-existent.

Failure to use brand intelligibly in the CRM programme:

Using brand intelligibly is the key to successful mass marketing. It is seen whenever the brand and its values are not utilized throughout the CRM process, the results are not favorable. The way customers interact with brands has been changing in recent years. Multiple channels have contributed to this. This means that in the present times, the brand must work in all the channels/media and all the levels/touch points at which the communication take place. CRM must first know how the customers consume its brand and how they relate to it. Using this knowledge, the brand's value proposition and the various benefits it offers should be tailored to the individual customer and communicated to him in a specific way.

Reluctance to measure customer satisfaction precisely:

Many managers are reluctant to precisely measure the level of customer satisfaction. They also fail to set clear parameters/ metrics for this measurement. Obviously, these managers have no way of finding out whether CRM implementation has brought in benefits or not.

Failure to follow up the feedback from the customers:

Analysis shows that in many cases, firms painstakingly gather feedback from customers, but afterward forget about it completely. After coercing the customers to fill in any number of feedback forms, suggestion forms and survey questionnaires, they make no attempt to action the feedback or to initiate a further dialogue with them. This is worse than not gathering feedback at all.

Reluctance to share the data on customers with all staff:

Many firms have a protectionist approach to information. Their thinking is that information should be made available only on a „need to know“ basis within the organization and must be tied closely to rank. This is anti-ethical to CRM. CRM programmes believe in making all relevant information available to all those in

the organization, who interact with the customer in one way or the other.

Poor planning affects business goals:

Poor planning affects the company's views of interaction with customers and increases the chances of addressing the wrong issues. Planning must be based on creating new initiatives that will make doing business better for the customer. It includes taking small steps to reach the larger goal.

CONCLUSION

Customer Relationship Management (CRM) can be very useful if it works. It allows companies to gather customer data swiftly, identify the most valuable customers over time, and increase customer loyalty by providing customized products and services. It also reduces the cost of serving these customers and makes it easier to acquire similar customers. But a CRM can not only fail to deliver its intended benefits, it can also damage long-standing customer relationships. The biggest problem is the assumption that CRM is a software tool that will manage customer relationship of the company. CRM is the bundling of customer strategy and processes supported by relevant software for the purpose of improving customer loyalty and in the long term, the profitability of the company. It is important to get the concept and implementation of CRM right, as it is one initiative that most companies will be tempted to pursue sooner rather than later.

REFERENCES

- Borck, James R. "CRM Meets Business Intelligence." *InfoWorld* 27, no. 2 (10 January 2005): 39.
- Bull, Christopher. "Strategic Issues in Customer Relationship Management (CRM) Implementation." *Business Process Management Journal* 9, no. 5 (2003): 592–602.
- Buttle, Francis. *Customer Relationship Management: Concepts and Tools*. Oxford: Elsevier Butterworth-Heinemann, 2004.
- Cap Gemini Ernst and Young. "CGEY and Gartner Share Secrets of ROI." (2001). Available from <http://www.crm-forum.com/library>.
- Cavenagh, Andrew. "What's the score? Is It All Hype, or Really the 'New Way' to Do Business?" *Power Economics*, 2 February, 2005, 8.
- Chan, Joseph O. "Toward a Unified View of Customer Relationship Management." *Journal of American Academy of Business* 1 (March 2005): 32–39.
- Liz Shahnam. "What's really CRM? CRM Today." [Online] [Accessed November 2008]

Adrian Payne. Customer relationship management.
Cranfield University. [Online] [Accessed June 2006, no
longer available online]

Manchester Business School. 2003. Customer
Relationship Management: Where do you start?