SARDAR PATEL COLLEGE OF ADMINSTRATION & MANAGEMENT

BCA – III

US03SBCA23 (E- commerce)

UNIT – 4

> **Customer Relationship Management**
> **CRM:meaning,types of CRM, benefits and Limitation of CRM**
> **Issues in CRM implementation**
> **Classification of CRM applications**
> **One-to-one marketing(personalization, collaborative filtering, customer loyalty, trust)**

CRM :

Customer relationship management (CRM) is a technology for managing all your company's relationships and interactions with customers and potential customers.
Ecommerce CRM may be a term that you have recently come across online. A CRM system is something that allows you to store, manage and use customer relationship data to improve your business in specific ways. What you decide to use your systems for is entirely up to you, and the goals that you have laid out for your company.

Customer relationship management (CRM) is a technology for managing all your company's relationships and interactions with customers and potential customers. The goal is simple: Improve business relationships. A CRM system helps companies stay connected to customers, streamline processes, and improve profitability.

When people talk about CRM, they are usually referring to a CRM system, a tool that helps with contact management, sales management, productivity, and more.

A CRM solution helps you focus on your organization's relationships with individual people — including customers, service users, colleagues, or suppliers — throughout your lifecycle with them, including finding new customers, winning their business, and providing support and additional services throughout the relationship.

What are ecommerce CRM systems?

A customer relationship management system is a central location or piece of software that you can use to store customer details, accounts, information, and leads that can then be leveraged for future sales opportunities. Small and large businesses will benefit from some ecommerce CRM systems in that they firmly place client data in the 'cloud' - which means that it can be accessed by multiple people, anywhere, at any time, from any number of mobile devices. For the mobile developer who has spent time, energy and money building a responsive mobile e-commerce website, CRM is more important than ever. Using select CRM practices and processes, sales on an ecommerce website with integrated CRM will help you better understand your cross-channel customers, and what makes them buy from you.

What does a CRM system do?

A customer relationship management (CRM) solution helps you find new customers, win their business, and keep them happy by organizing customer and prospect information in a way that helps you build stronger relationships with them and grow your business faster. CRM systems start by collecting a customer's website, email, telephone, social media data, and more, across multiple sources and channels. It may also automatically pull in other information, such as recent news about the company's activity, and it can store personal details, such as a client's personal preferences on communications. The CRM tool organizes this information to give you a complete record of individuals and companies overall, so you can better understand your relationship over time.

A CRM platform can also connect to other business apps that help you to develop customer relationships. CRM solutions today are more open and can integrate with your favorite business tools, such as document signing, accounting and billing, and surveys, so that information flows both ways to give you a true 360-degree view of your customer.

Types of CRM

- Operational CRM. Operational CRM streamlines the business process that includes Sales automation, Marketing automation and Service automation. ...
- Analytical CRM. Analytical CRM helps top management, marketing, sales and support personnel to determine the better way to serve customers. ...
- Collaborative CRM.

1. **Operational CRM**

Operational CRM streamlines the business process that includes Sales automation, Marketing automation and Service automation. Main purpose of this type of CRM is to generate leads, convert them into contacts, capture all required details and provide service throughout customer lifecycle.

Sales Automation:

Sales automation helps an organization to automate sales process. Main purpose of sales automation is to set standard within organization to acquire new customers and deal with existing customers. It organizes information in such a way that the business can meet customers' needs and increase sales more efficiently and

effectively. It includes various CRM sales modules like lead management, contact management, Quote-to-Order management, sales forecasting.

Marketing Automation:

Main purpose of marketing automation is to find out the best way to offer products and approach potential customers. Major module in marketing automation is campaign management. It enables business to decide effective channel/s (like emails, phone calls, face to face meeting, ads on social media) to reach up to potentials customers.

Service Automation:

Service automation enables business to retain customers by providing best quality of service and building strong relationship. It includes issue management to fix customers' problems, customer call management to handle incoming/outgoing calls, service label management to monitor quality of service based on key performance indicators.

2. **Analytical CRM**

Analytical CRM helps top management, marketing, sales and support personnel to determine the better way to serve customers. Data analysis is the main function of this type of CRM application. It analyzes customer data, coming from various touch points, to get better insights about current status of an organization. It helps top management to take better decision, marketing executives to understand the campaign effectiveness, sales executives to increase sales and support personnel to improve quality of support and build strong customer relationship.

Features of Analytical CRM:

- Gather customer's information, coming from different channels and analyze data in a structured way
- Help organization to set business methodology in Sales, Marketing and Support to improve customer relationship and loyalty
- Improve the CRM system effectiveness and analyze key performance indicators, set by business.

3. **Collaborative CRM**

Collaborative CRM, sometimes called as Strategic CRM, enables an organization to share customers' information among various business units like sales team, marketing team, technical and support team. For example, feedback from a support team could be useful for marketing team to approach targeted customers with specific products or services. In real world, each business unit works as an independent group and rarely shares customers' data with other teams that often causes business losses. Collaborative CRM helps to unite all groups to aim only one goal – use all information to improve the quality of customer service to gain loyalty and acquire new customers to increase sales.

Different types of CRM applications have different features and advantages. So before implementing CRM system, it is very much important for a business to decide future goal and strategy.

Benefits of CRM

Applying the capabilities of CRM technology into your e-Commerce platform will increase the visibility into the selling processes, linking of the interrelated records and documents, and establishing more personalized shopping experience. So with CRM for e-Commerce you will gain such advantages as:

1. **Awareness of Your Web Customer Needs**

Due to CRM software, you can have a deep insight into customer's needs. You have the enter, store and access to the user's activities and personal details across the company. Communication and buying histories with the up-to-date records will serve marketing and support managers, as well as boost the efficiency of sales reps performance.

Moreover, social media access enables you with tracking the current interests of your buyers.

2. **Workflow Automation**

Earlier sales managers were focused on the transactions and wasted a lot of time on tracking buyer's activities and sending follow-ups. With CRM, you may automate the follow-up and email sending out. Apart from different content, you can schedule the time boundaries.

For instance, customer has bought a laptop and your sales rep may plan a newsletter to this client with a proposal of different accessories for his or her purchase. Another example is setting up the alerts about customers who leave the site without any actions. You may send them a discount coupon or special offer.

3. **Effective Business Data Management**

There is no need to spend time on the search for the required contact or document. CRM enables a comprehensive data arrangement and linking of data according to the relations between the different types of records.

4. **Detailed Reporting and Forecasting**

Measuring the effectiveness of processes in the company has a vital influence on further objectives and budget planning. CRM software enables you with a set of customizable reporting options that show the successful and ineffective actions. These records give the ground for ROI and revenue levels, as well as emphasize the areas that require improvement.

5. **Improve Customer Loyalty**

The additional features of CRM will help you to provide your buyers with an accurate and, what is utmost important, secure hosting. You will be able to detect and preempt the fraudulent transactions, as well as easy checkout process. As a rule, customers have a common urgent question - 'Where is my order?'. Your clients will be pleased with the intuitive order status, and comprehensive history look up. Moreover, you can track and send special offers to your lost customers who left your shop on the storefront.

Limitations of CRM

- Any one, good or bad, can easily start a business. And there are many bad sites which eat up customers' money.
- There is no guarantee of product quality.
- Mechanical failures can cause unpredictable effects on the total processes.

As there is minimum chance of direct customer to company interactions, customer loyalty is always on a check.

- There are many hackers who look for opportunities, and thus an ecommerce site, service, payment gateways, all are always prone to attack.

Issues in CRM implementation

1. **Defining Clear Objectives:**

   An organization must define a clear set of objectives that need to be achieved through customer relationship management implementation. Ensure the objectives are measurable. By doing so, you can assess the benefits and challenges of CRM while tracking the return on investment.

2. **Appointing a Core CRM Team:**

   One of the major problems in implementing CRM is that many organizations assume it to be an IT project. You must rather employ a core CRM team that works with the company's stakeholders, senior executives, customer support professionals, and end users to understand the requirements. Once the requirements and objectives are clear, you can allow the IT team to initiate the CRM implementation process.

3. **Defining the Processes:**

   The process to implement a CRM should be defined clearly in order to ensure the success of your CRM project. One good practice is to create a central repository, accessible to all, which stores all the process definitions. This allows the document to be available for reference by anyone using the system.

   Key processes that you need to define from the start can include change management process and feature re-evaluation process. Also, the security measures with adequate access and authorization rights should be in place to prevent unauthorized access to data and security attacks.

4. **Managing the Application:**

   Once the CRM has been rolled out, it is important to re-align it with your company culture. Mapping your business operations with the CRM application lets your end users perform day-to-day operations using the CRM application by default while allowing you to keep a track of everything through a single platform.

5. **Finding a Right CRM Partner:**

A right CRM development partner helps you ensure the success of your CRM project. Ideally, you must select a partner who can cater to all your CRM requirements such as consultation, development, customization, integration, and maintenance. The partner must also blend with your work culture while understanding the potential risks and challenges of customer relationship management system and the methods to address them.

Classification of CRM

- **Customer facing Application**

Customer facing refers to the manner in which a business service feature is experienced or seen by a customer. A key customer relationship management (CRM) component, a customer facing solution is designed to deliver satisfying user experiences via all customer touch points. Many customer facing processes and technologies are significant business investment components with a strong influence on revenue generation.

- **Customer Touching Application**

These applications include customer service and support, sales force automation, marketing, and campaign management. In customer-touching CRM applications, customers interact directly with technologies and applications, typically using these applications to help themselves. Customer-touching applications (also called electronic CRM applications) include those technologies with which customers interact and typically help themselves. These applications include search and comparison capabilities, technical and other information and services, customized products and services, personalized Web pages, FAQs, e-mail and automated response, and loyalty programs.

- **Customer-Centric Intelligence application**

Customer-Centric business relationship development is the core foundation of CRM- Customer Relationship Management. Our business mission is to help our client businesses focus on their ideal target customer - to attract more, develop them into long-term relationships, and retain these profitable.

- Online networking and other application

Online networking refers to methods that provide the opportunity to build personal relationship with a range of people in business that includes chat rooms and discussion lists.

Differentiate between customer-facing CRM applications and customer-touching CRM applications. The two major components of operational CRM are customer-facing applications and customer- touching applications. Customer-facing CRM applications are the areas where customers directly interact with the enterprise. These areas include customer service and support, sales force automation, marketing, and campaign management. Customer-touching applications (also called electronic CRM applications) include those technologies with which customers interact and typically help themselves. These applications include search and comparison capabilities, technical and other information and services, customized products and services, personalized Web pages, FAQs, e-mail and automated response, and loyalty programs.

One to One Marketing

One-to-one marketing (sometimes expressed as 1:1 marketing) is a customer relationship management (CRM) strategy emphasizing personalized interactions with customers. The personalization of interactions is thought to foster greater customer loyalty and better return on marketing investment.