

CUSTOMER

RELATIONSHIP

MANAGEMENT



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DEFINITION OF CRM :

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. This definition can be defined by five views.



TYPES OF CRM

○ Types of CRM are:

1. Analytical CRM
2. Collaborative CRM
3. Operational CRM
4. Geographic CRM
5. Sales Intelligence CRM

ANALYTICAL CRM:-

Analytical CRM is designed to analyze deeply the customer's information and data and unwrap or disclose the essential convention and intension of behaviour of customers on which capitalization can be done by the organization



COLLABORATIVE CRM:-

Collaborative CRM deals with synchronization and integration of customer interaction and channels of communications like phone, email, fax, web etc. with the intent of referencing the customers a consistent and systematic way.

OPERATIONAL CRM:-

Operational CRM is mainly focused on automation, improvement and enhancement of business processes which are based on customer-facing or customer supporting.

GEOGRAPHICAL CRM:-

Geographic CRM (GCRM) combines geographic information system and traditional CRM. Geographic data can be analyzed to provide a snapshot of potential customers in a region or to plan routes for customer visits.



SALES INTELLIGENCE CRM:-Top-performing sales organizations are meeting the challenges of identifying the most likely buyers of their products and services through the deployment of sales intelligence solutions that introduce a wide variety of data streams to their front-line staff. By empowering their sellers with better information about their prospect companies, markets and individuals, these firms are able to maximize their chances of hitting quota, and at the same time create efficiencies within the sales operations environment





THE PURPOSE OF CRM :

- 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 organisations to gain ‘competitive advantage’ over competitors that supply similar products or services .





WHY IS CRM IMPORTANT?

- 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 a recognition that long-term relationships with customers are one of the most important assets of an organisation.





WHY DID CRM DEVELOP ?

CRM developed for a number of reasons:

- The 1980's onwards saw rapid shifts in business that changed customer power .
- Supply exceeded demands for most products.
- Sellers had little pricing power .
- The only protection available to suppliers of goods and services was in their relationships with customers .





IMPLEMENTING CRM:

- ❖ When introducing or developing CRM, a strategic review of the organisation's current position should be undertaken
- ❖ Organisations need to address **four** issues :
 1. What is our core business and how will it evolve in the future?
 2. What form of CRM is appropriate for our business now and in the future?
 3. What IT infrastructure do we have and what do we need to support the future organisation needs?
 4. What vendors and partners do we need to choose?



PROCESS TO IMPLEMENT CRM :





STRATEGICALLY SIGNIFICANT CUSTOMERS :

- Customer relationship management focuses on strategically significant markets. Not all customers are equally important.
- Therefore, relationships should be built with customers that are likely to provide value for services.
- Building relationships with customers that will provide little value could result in a loss of time, staff and financial resources.





IDENTIFICATION OF STRATEGICALLY SIGNIFICANT CUSTOMER :

- Strategically significant customers need to satisfy at least one of three conditions :
 - ✓ Customers with high life-time values (i.e. customers that will repeatedly use the service in the long-term e.g. Nurses in a hospital library)
 - ✓ Customers who serve as benchmarks for other customers e.g. In a hospital library consultants who teach on academic courses
 - ✓ Customers who inspire change in the supplier





INFORMATION TECHNOLOGY AND CRM :

- Technology plays a pivotal role in CRM .
- Technological approaches involving the use of databases, data mining and one-to-one marketing can assist organisations to increase customer value and their own profitability.
- This type of technology can be used to keep a record of customers names and contact details in addition to their history of buying products or using services.
- This information can be used to target customers in a personalised way and offer them services to meet their specific needs.
- This personalised communication provides value for the customer and increases customers loyalty to the provider.



INFORMATION TECHNOLOGY AND CRM:

EXAMPLES



Loyalty cards

The primary role of a retailer loyalty card is to gather data about customers. This in turn leads to customer comprehension and cost insights (e.g. customer retention rates at different spending levels, response rates to offers, new customer conversion rates, and where money is being wasted on circulars), followed by appropriate marketing action and follow-up analysis.





CRM software- “Front office” solutions :

Many call centres use CRM software to store all of their customer's details. When a customer calls, the system can be used to retrieve and store information relevant to the customer. By serving the customer quickly and efficiently, and also keeping all information on a customer in one place, a company aims to make cost savings, and also encourage new customers .





FACE-TO-FACE CRM :

- CRM can also be carried out in face-to-face interactions without the use of technology
- Staff members often remember the names and favourite services/products of regular customers and use this information to create a personalised service for them.
- For example, in a hospital library you will know the name of nurses that come in often and probably remember the area that they work in.
- However, face-to-face CRM could prove less useful when organisations have a large number of customers as it would be more difficult to remember details about each of them.





BENEFITS OF CRM :

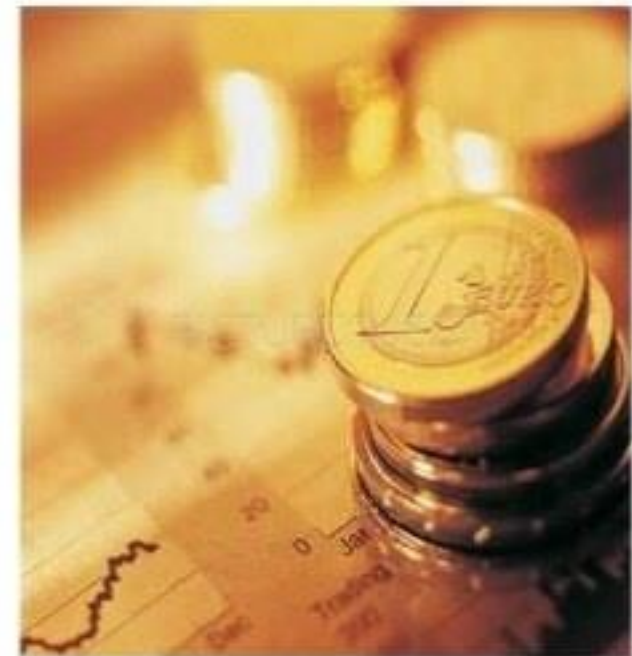
Benefits of CRM include

1. Reduced costs, because the right things are being done (ie., effective and efficient operation) .
2. Increased customer satisfaction, because they are getting exactly what they want (ie. meeting and exceeding expectations) .
3. Ensuring that the focus of the organisation is external .
4. Growth in numbers of customers .





- Maximisation of opportunities (eg. increased services, referrals, etc.)
- Increased access to a source of market and competitor information.
- Highlighting poor operational processes
- Long term profitability and sustainability





Thank you!