Chapter One

**Introduction**

1.0 Background

The term, Customer Relationship Management (CRM), has been in use since the early 1990s. Since then, there have been many attempts to define the domain of CRM. One way businesses manage their interactions with current and potential customers is by using a customer relationship management (CRM) system. These systems can analyze a customer’s history with a company and help businesses improve their relationships with their customers.

CRM is the process of managing all aspects of interaction a company has with its customers, including prospecting, sales and service. CRM is an integrated information system that is used to plan, schedule and control the pre-sales and post-sales activities in an organization[1]. CRM embraces all aspects of dealing with prospects and customers, including the call centre, sales force, marketing, technical support and field service. The primary goal of CRM is to improve long term profitability and growth through a better understanding of customer behaviour.

Generally, businesses are competitive and respond to changes in its environment. Now, a well established way is changing the traditional ways of running business. Information technology, the internet are the new trend disrupting the business environment. Given these changes, businesses have rediscovered in the face of increased competition, matured market, and ever demanding customers, treating existing customers well is the best source of profitability and sustained growth[2]. Customers are the life of business, and business survival greatly depends on customers. A long term relationship with customers to nurture its stability in today's blooming market is necessary. Having detail of organization's customers gave birth to the marketing concept known as Customer Relationship Management[2].

Customer Relationship Management is crucial for every business both small and big business as the main goal is to serve the customer effectively and efficiently and in return yield profit. When businesses in UNN properly implement a CRM system, they can benefit from its organizational and analytical capabilities. From insights into customer behavior, to where to improve their campaigns, CRMs have a large impact on a company’s decision-making processes.

Having realized the importance of Customer Relationship Management, businesses in UNN will acquire new customers, retain existing customers and maximize their life time value. Businesses like Chitis, Marlima, SUB, photocopying shops, meshai stands and many others will see great benefits in making use of this application.

1.1 Statement of the problem

The problems identified in the course of this study includes, but not limited to the following:

* Complex CRM software which cater largely for big businesses as against the small businesses which this project is aimed at.
* Low returns or patronage of businesses due to their inability to make use of the right CRM software.
* Customers not being able to disclose their data. CRM is a database marketing, thus it requires customer's details to work effectively.
* CRM system is an information technology system, which requires the use of computers like smart phones, laptops or other electronic gadgets. Most of the business owners in UNN lack such gadgets due to affordability and inability to use them.

1.2 Aim and Objectives of the study.

The aim of this research is to develop a Customer Relationship Management system that will enable business owners in UNN to have long term relationship with their Customers and I'm return yield maximum profit.

Objectives of the study are:

1) To determine important factors in implementing customer relationship management systems in SMEs in UNN

2) To identify hindrances in implementing customer relationship management in SMEs and prioritizing them.

3. To create real time feedback mechanism within the web application.

1.3 Significance of the Problem.

The significance of the work will help business owners in UNN to smoothly communicate with their customers virtually. Businesses can improve their customer service by employing the best of what CRM systems have to offer.

Reference