

## **Unit 5**

### **CRM Planning and Implementation**

#### **CRM IMPLEMENTATION: MEANING**

CRM implementation is much more than just purchasing and fitting a CRM in the organization. It involves a systematic process of installing CRM in the organization, so that organization can optimally manage its relationships with existing and potential customers. It is actually the process of deploying CRM software for the company. Successful implementation can help businesses analyse customer interactions, efficiently tracked leads and streamlined processes. Effective CRM implementation requires evaluation and mitigation of risk in all CRM execution activities. Therefore, successful implementation involves systematic management of every stage right from building a suitable team, choosing the process and plans, finalizing software, managing conflicts, and measuring the deficiencies. E-CRM involves further challenges which requires high back-office integrations.

#### **STRATEGIES FOR CRM IMPLEMENTATION**

For successfully implementing a CRM project, critical strategies must be followed seriously:

1. **Realistic CRM Objectives:** To initiate with, organization must set specific, measurable, realistic and achievable goals. Success of CRM implementation largely depends upon the nature of CRM objectives.
2. **Alignment:** Every organization introduces CRM with certain objectives, as discussed. CRM implementation must also be compatible with these pre-designed CRM objectives.
3. **Alignment with Organizational Objectives:** The objective of CRM implementation must be compatible with the overall strategic intent of the organization. Both the organizational objectives and CRM project implementation goals must be aligned in one direction such as customer satisfaction and organizational growth.
4. **Business Processes:** The work processes of organization must be analyzed by the CRM implementation manager to plan the CRM program accordingly. CRM project will be successful only if it is aligned with the business processes.
5. **Identification of Target Customers:** One of the crucial strategies is to identify target customers based on existing business model and corporate mission. It means before implementing CRM, the company must be clear about the type of customers it will be serving. In addition, the type of interactions in each customer segment must also be identified. One of the most widely methods used for target market identification is the model of Customer Centricity. It is a method of segmenting groups of customers based on similar attributes and managing those segments in such a way that it offers benefits to customers as well as profit to the organization

6. Pre-Implementation Checklist: Organization must design a checklist specifying a list of considerations covering all aspects necessary for implementing the CRM project. The pre-implementation checklist ensures that no crucial implementation aspect is skipped.

7. Realistic Budget: Implementing CRM requires huge investment of organizational funds. Therefore, the organization must have a realistic CRM budget for the project implementation. While determining a budget, the following key points must be considered: The budget must be made keeping into consideration the expected rate of return (return on investment) from the CRM project, as ROI is the indicator of project value.

- The amount of budget should be sufficient so that CRM project quality doesn't suffer at any stage.
- Budget should be designed by an expert team after taking opinions from all the parties concerned in implementation.
- The risk involved in the CRM project must also be considered seriously while deciding the budget figure.

8. CRM Development Team: The success of a CRM implementation project largely depends upon the people involved in the execution, known as CRM development team. The manager of development team must encourage two-way communication with the team mates. Team commitment is must to make CRM implementation successful.

9. Rational Approach: CRM implementation involves a systematic and rational process. The development team involved in the implementation of CRM project must think rationally at every stage.

10. Top Management Support: The success of CRM project implementation completely depends upon the executive sponsorship. Cooperation from the people sitting at the top level of organization plays crucial role.

11. User Involvement: CRM development team must ensure user involvement at every stage of implementation. CRM application users are the people for whom CRM is actually implemented, so their participation helps in effective project implementation.

## **ISSUES/PROBLEMS/CHALLENGES IN CRM IMPLEMENTATION**

CRM has become a crucial component for almost every business organization. However, there are various issues and problems that may disrupt the successful implementation of a CRM, some of which have been discussed here:

1. Resistance from Employees: It has been seen in the organizations that employees don't welcome any changes proposed by experts. They are reluctant to accept even minor alterations in their working. Employees may develop leads that will not benefit the organization in any way. It leads to negative thinking and they don't support the CRM team.

2. Data Authenticity: Successful implementation of CRM requires adequate and authentic data to take sound decisions. Access to inaccurate or insufficient data can be another problem in the successful implementation of CRM.

3. Lack of Clear CRM Definition: Sometimes, organizational heads feel that they are practicing CRM in their organization, which may not be true. Lack of clear CRM definition is another major issue in the successful implementation.

Besides this, organizational people may be focused towards their normal jobs and may lack attention towards CRM initiative due to distraction by other tasks. Lack of clearly defined roles and responsibilities in the CRM initiative is a challenge that needs to be handled carefully.

4. Lack of Clear Vision and Goals: CRM objectives and vision sets direction for the CRM team. When the CRM vision is not clearly defined and circulated among different organizational departments, it leads to conflicts and confusions in the implementation stage. Unambiguous objectives may become a big challenge in the process of effective CRM implementation. Setting measurable CRM objectives and key functionalities may be difficult, which is must to evaluate ROI and other benefits.

5. Lack of Guidance and Direction: The leaders of organization mayn't carry clear insight and direction that is needed to steer the CRM project. Insufficient business knowledge may further pose challenges.

6. Lack of Integration: Integrating the working of different departments may be another problem. Departments may be hesitant in sharing information with each other and sometimes they don't have the capabilities to integrate. Sales persons mayn't want to share their customers' information with finance and production departments. Marketing people may want to widen their reach and may resist CRM for few customers.

7. Measuring CRM Outcomes: Measuring CRM outcomes may be challenging, as it requires specific numeric meters to track CRM. Therefore, it may be complicated to enumerate the results.

8. Finding the Right Technology: Selecting the right CRM tool is another challenge. Many software are available in the market, but choosing the right one requires expert knowledge and experience.

9. Change Management: While implementing a CRM in organization, many changes have to be introduced in processes, procedures and way of working. In most of the cases it has been observed that the CRM plan only focuses on the technical aspects of the project, while the managing the change in organization is ignored, which poses a big challenge to survival and growth.

10. Issue Management: Less or no focus on risks and issues that may arise in the CRM implementation phase may hinder the success rate. If the processes to manage issues and risks is not in place, CRM team may have to face fierce challenges.

11. Stakeholders Management: Key stakeholders may be resistant to change, which necessitates updating them with CRM implementation progress. Managing the expectations of these stakeholders is another challenge.

12. Cost: One of the biggest challenges that organizations face while implementing CRM is the cost. The organization must analyze beforehand whether CRM is actually needed or not, as it requires robust planning and huge investments. Implementation must be clearly

discussed and a clear budget must be designed in advance to avoid future hassles. The cost of owning the CRM software, IT requirements, expert staff, hardware and other infrastructural needs must be analyzed.

13. Training: Another widely encountered challenge during CRM implementation is the need of company wide training. All the potential users right from early stages have to be trained regarding the use of CRM, which is a time consuming and challenging task. Insufficient help from CRM vendors can be an implementation challenge.

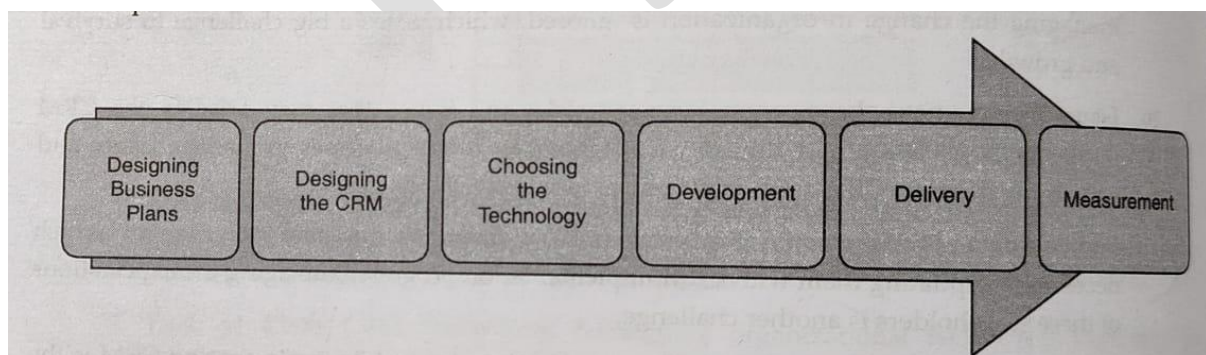
14. Lack of Communication: CRM implementation decisions are generally taken by the top management due to the budget and process changes which happens after CRM implementation. The decision and process (how to use) needs to be communicated to staff and top management needs to be supportive at every stage. Lack of communication can lead to insecurities and mental barriers in the minds of staff. Here CRM, instead to eliminating problems, gives rise to new issues.

Despite the above discussed challenges in CRM implementation, going ahead with an appropriate CRM solution unquestionably is an excellent way to show the customers that organization actually values them.

### **ROADMAP/PROCESS OF CRM PROJECT IMPLEMENTATION**

Effective Implementation of CRM project is quite crucial for the organization to operate its activities smoothly. The role of project manager is inevitable in the process of implementation, therefore, the project manager must identify the requirements of CRM project along with the expected challenges that may arise. As discussed earlier, various success factors must be considered seriously by the CRM project implementor.

CRM roadmap is a plan/process designed for CRM implementation that aligns organizational strategy with the functionality of its CRM. It is a strategic plan that identifies how an organization can meet and exceed its customers' needs. Without a clear roadmap, organization can't effectively implement CRM. Generally, the following steps are included in a CRM Project implementation roadmap:



## **1) Designing Business Plan, Justifications and Processes:**

The process of CRM Implementation program initiates with designing the business plan and processes. It is the planning stage where the organization sets vision and objective of its CRM program.

### **(A) Business Plans:**

In any organization, plans are designed at corporate level, business level and at departmental level. The process of CRM implementation program initiates with designing the business plan by top level people. Business plans are designed for aligning employees, CRM process and technology to attain goals. Here, the organizational CRM goal must be reflected in the designed Business Plan. In case of CRM implementation, designing business plan includes the following keyed aspects

- In this stage, CRM objectives are designed by the organization.
- These objectives are set at organizational level as well as at departmental level.
- At the organizational level, CRM objectives are integrated with the grand level strategy of the organization, also known as Corporate level strategy.
- At the departmental level, CRM objectives decide the limits of departmental objectives.

Therefore, a business plan is designed such that it clearly states the CRM goals of the organization.

### **Requirements of An Effective Business Plan**

An effective business plan must fulfil the following requirements:

1. Guiding action: Business plan must guide the CRM actions of organization. It should work as a guideline for designing, implementing and measuring the CRM program.

2. Specific: This criterion stresses that the business plan should be specific, not general. This means the plan should be clear and unambiguous; without confusion and chaos. To make the plan specific, the CRM team must be briefed exactly what is expected, why it is important, who is responsible, where it is going to happen and which attributes are important. A specific business plan will usually answer the five 'W' questions.

- What: What do the organization wants to accomplish through CRM?
- Why: What are the specific reasons, purpose or benefits of accomplishing the business plan?
- Who: Who is responsible for what?
- Where: Where to do the task i.e. identify a location?
- Which: Which resources are available and which requirements are to be met?

3. Achievable: The third criterion stresses the importance of business plans that are realistic and also attainable. An attainable business plan may stretch a CRM team in order to achieve it. Thus, the plan should neither be out of reach nor below standard performance. The organization must develop the attitudes, abilities, skills and financial capacities to reach their plans.

4. Relevant and Realistic: The fourth criterion stresses the importance of choosing a relevant business plan which will be compatible with CRM objectives,

5. Measurable: The fifth criterion stresses the need for concrete standards for measuring progress towards the attainment of the plan. Measurable business plans assure that the team is making progress towards its successful completion or not.

6. Time bound: The criterion stresses the importance of grounding business plan within a time frame, giving it a target date. The commitment to a deadline helps a CRM team to focus its efforts on completion of the goal on or before the due date. This criterion is intended to prevent the team from being overtaken by the day-to-day crises that invariably arise in an organization. A time-bound plan is intended to establish a sense of urgency.

Business plan must be aligned with the CRM strategy. Business model binds the strategies and processes together and functions as a link between them

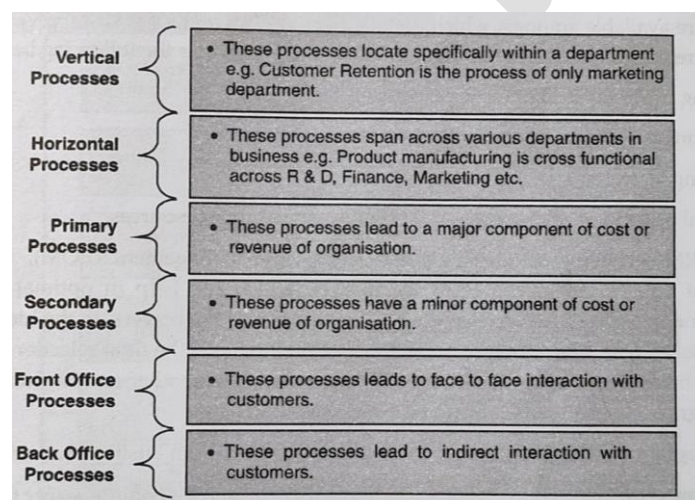
#### (B) Justifications Before CRM Implementation:

Before moving to the second stage of designing a CRM model, the organizations must justify the following aspects:

- i. Need of CRM in Organization: Does the company really needs a CRM program or can it work effectively even without CRM?
- ii. Justification of the Cost Involved: Will the benefits evolved after CRM Implementation be more than the costs incurred?
- iii. Necessary Modifications in Strategies and Processes: Are the existing process and strategies flexible enough to be modified to incorporate CRM requirements?
- iv. Suitability with Organizational Design and Structure: Will CRM be suitable with the organizational structure and design?
- v. Changes in Technology: How occasionally can upcoming technologies may affect CRM program?

#### (C) Processes:

Organizations are also required to make an assessment of the business processes that may get affected by CRM implementation. Business processes are the ways by which business gets the things done. Processes can be of the following types:



While implementing CRM, organization must analyze the transformation in these processes going to come.

## **2) CRM Designing:**

Designing an effective CRM is one of the most crucial stages of CRM implementation. Before creating a fresh CRM design, the organization must identify the need of CRM program and how to structure it. During this stage, business identifies the requirements of all stakeholders involved (Staff Channel partners, IT team etc.) and data requirements. After assessing these requirements, a CRM design is created. As large funds are involved in the CRM implementation, this designing task can be assigned to professional architectures. The design is a CRM structure that is created according to the organizational requirements. The advancements in technology must be considered and how the same can affect organizational CRM.

A CRM structure must fulfil the following conditions:

- All organizational systems must be integrated to draft a CRM structure.
- The information required for designing a CRM structure must be taken from all the organizational departments.
- The customer data required must be integrated, which is also known as EAI (Enterprise Application Integration). It assists the users in sharing strategic customer information, which results in better customer relationship. It also transfers the necessary information to other departments of the organization.

## **3) Selecting the Right Tool/Technology:**

After creating a draft of CRM structure, the organization identifies its technical requirements. Choosing the appropriate technology is the pre-condition for efficacious CRM implementation. Various tools are available amongst which the organization can make a selection depending upon the organizational requirements. Selecting the right technology provides the following benefits:

- Keeping track on customers transactions
- Achieving CRM objectives effectively
- Avoiding wasteful data and activities
- Optimal utilization of monetary and other organizational resources

Various CRM technologies such as Electronic Queue management (EQM), which assists in management of queues, are available in the market, which can help in optimal management in various areas and avoiding time wastage for the customers and the servers. In the today's competitive scenario, businesses have wide choice to select the technology, and the final selection largely depends upon nature of business vision and objectives. This step involves another crucial decision i.e. whether to select Homegrown CRM or an Outsourced CRM.

(i) Homegrown CRM: This type of CRM can be accessed from business server i.e. on premises.

(ii) Outsourced CRM: This type of CRM is assessed from the vendor's server (hosted or online) via internet.

Outsourcing decision must be taken with due care, after considering various factors such as size of operations, privacy of customers data required, funds available etc. Homegrown systems offer unique benefits as compared to those commercially available. Call centers interactions are often cited in defining customer service and most of the organizations use call center outsourcing.

Outsourcing involves three categories of people in the process:

(i) Outsourcer's People: The people of the outsourcing company who will be delivering the CRM service to organization.

(ii) Company's Own People: Organizational people can be consulted to take feedback about 'can the company develop the similar CRM tool at its own' or not. Outsourcing is recommended when company has shortage of skills/talent, seasonal demand variations are to be handled or it is not company's core competency. Every company may not be best at everything. Therefore, sometimes it is recommended to outsource.

(iii) Customers: These are the people for whom CRM has been outsourced

#### **4) Scoping and Prioritizing:**

After identifying the CRM requirements and having a clear idea about the required functionalities, CRM project has to be scoped and prioritized. Generally, this step is forgotten by the CRM project leaders and directly they move to the stage of 'delivery of all listed requirements in one go. One thing is very deal to clarify here is that without Scoping and Prioritizing the CRM projects, project managers lack a clear direction for prioritizing development activities and outcomes would be disastrous. Application developers will be free to arbitrarily include or exclude functionalities during the upcoming 'development' stage.

(a) Scoping: This activity ensures that the scope of CRM project is decided on the basis of discrete requirements. Every project is unique and based on the specific CRM project needs, a scope will be decided. This stage ensures that the boundary of CRM project is set on the basis of its delivery expectations

(b) Prioritizing: In every project, the requirements and expectations differ based on the following:

- Perceived value of the project
- Demand urgency
- Complexities involved in implementation

Due to these aspects, various activities are given priority over others, which is known as Prioritization stage. For example, some activities will be given more priority which are urgent in nature or the activities which seem to be more valuable will be performed before than less critical ones. For example, in the CRM implementation based on the urgency of customer support, certain activities may have to be prioritized such as offering web-based service support, giving a feature of live chat in website, automating salesforce to enhance customer support, while opening new call centers and appointing more sales staff may be a part of



secondary list. Similarly, if implementation complexity is an issue, CRM manager can prioritize the activities based on the level of complexities involved.

Activities must be prioritized based on the practical aspects. The task of Scoping and Prioritizing is assigned to the business representatives and CRM development team, as they well understand the value and urgency for every requirement along with the complexities involved. The staff must discuss every requirement and estimate its value to complexity ratio. Higher the value and lower the complexity ratio, better will be the requirement for prioritizing delivery. These items having high value to complexity ratio will occupy a place at the top of list and others will be prioritized accordingly.

The implementation complexities largely depend upon the availability of technology and other resources e.g. if organization is already maintaining a strong customer database, many activities will no more remain complex, while the same may be difficult for other organizations.

#### Benefits of Scoping and Prioritizing

- Scoping and prioritizing before the 'Development and Delivery stage minimizes the risks of failure.
- It helps in designing accurate CRM project plan before its development.
- Realistic requirements can be assessed such as staff required, financial needs and time frame.
- Appointing the right number and quality of staff will be easier, as scope and requirements are specific in nature.
- Taking sanctions from management would be further facilitated due to defining accurate scope of activities.

#### **5) Development:**

This stage involves the development of CRM application as per the organizational needs. Development stage is the stage of integration of the selected CRM application with the business procedures and processes. This integration would be possible only if there is a match between the organizational processes and CRM application. Development stage involves the following:

- Integrating various business processes with the chosen CRM application.
- Making the CRM application customized according to the organizational requirements.
- All the technical aspects of the CRM application are verified according to the organizational processes and methods.
- CRM application is also integrated with the other systems of the organization.
- Here, databases may be designed in new formats, if required and sometimes data may also be cleansed to fit in the needs of new CRM application.

#### **6) Delivery:**

Delivery stage involves handing over the CRM application finally to the end users, for whom it was meant. In some cases, the organizations combine together Delivery with the Development stage.

End users are the organizational people for whom CRM application is developed, therefore, it is must to deliver the same to the concerned people. Generally, this task is performed by the IT department of an organization. For example, an organization develops a customized Queue Management Tool. In this situation, the IT department will inform the service provider about this Queue Management Tool through any channel such as WhatsApp message or email that will contain the accessing link of the tool. In case there are many service providers, the CRM application must be installed at the systems of all service providers.

Following are some of the key points in Delivery stage of CRM implementation:

- The end users must be issued guidelines regarding the use of CRM application.
- Web based documents or user guides/manuals must be floated through text messages or emails to the users.
- Training sessions on the use of CRM application may further enhance the quality of Delivery stage.

## **7) Performance Measurement:**

This is the evaluation stage in CRM implementation process, where the organization measures the performance of CRM application as compared to its functional expectations. The success of a CRM application can be well measured by evaluating it.

The aim of any CRM application is to solve the existing certain problems of an organization and to facilitate the working towards relationship management. Measurement stage helps in knowing 'how far the organization is able to solve these issues and enhance the level of relationship management after the implementation of CRM application. Measurement in CRM implementation process has the following characteristics:

- Measurement involves the evaluation of CRM implementation in the organization.
- It encompasses a process involving various steps.
- It pin-points the grey areas which have the scope of improvement.
- Measurement is a tool used to refine and review the existing CRM system and strategy.

## **Process of CRM Performance Measurement**

Measurement involves Evaluation of CRM project, which is done according to the following steps:

(i) Establishing CRM Metrics: Standards are also called success metrics. The organizational experts set certain metrics for CRM program functionality based on their expectations. These standards work as the guidelines against which the actual performance of a CRM application can be assessed in the future.

(ii) Measuring Actual Performance. In this step, organization measures the improvements that came in the organization after the installation of CRM program. This measurement is generally time bound, may be after every quarter or six months.

(iii) Comparison: Then the measured (actual) performance of CRM application is compared with the pre-designed expected functionalities or metrics.

(iv) Deviations: The comparison facilitates in finding the gap areas, what was expected and what has been delivered by the CRM program.

(v) Making Changes: Finally, the deviations are identified and action plan is prepared accordingly to required improvements. This stage deals with rectifying or updating the CRM program according to requirements.

Therefore, the Measurement stage plays vital role by identifying the downsides of CRM application and making the required modifications.

## **CRM METRICS**

Companies assess the performance of CRM for different purposes. In most of the cases, performance measurement is done to see the improvements in CRM system. The performance of CRM in organization should be measurable, so that it can be assessed which areas need improvement. A number of criteria for measurement have been proposed by many authors in the form of Balanced Score Card, CRM success metrics, Six Sigma and Customer satisfaction etc

CRM metrics are the key data that companies track whenever they use CRM. Metrics measure the success of an organization in CRM implementation. These are the internal and Metrics measure the which are used to justify, monitor and track the success of organization's CRM system. They are like an organization's performance benchmarks. They serve as a feedback mechanism and help in making changes in existing CRM plans and strategies, whenever required

Depending on the business requirements, various CRM metrics can be decided. Some of the commonly used CRM metrics are being explained here:

(i) Increase in Sales: Profits are must for the survival of a business and profit depends upon sales. A well-established CRM system definitely leads to increase in direct sales revenue as well as profits.

(ii) Increased Referrals: A satisfied customer can influence other to buy, as positive word of mouth is an organic source of promotion. The rate at which positive referrals increase is an indicator of how well a CRM is performing.

(iii) Customer Retention: No doubt, attaining new customers is crucial for an organization, yet getting them connected is also necessary. Relationships are the key, and it is generally said that it costs five times more to acquire a new customer than the cost spent on retaining the existing one. If the company is able to retain customers, it shows the success of CRM system. Therefore, the number of customers that don't leave the organization can be used to check the performance of CRM.

(iv) Visits or Orders per Customer: Success of CRM can be assessed by the response rate or orders received. Well executed CRM will be able to attract more traffic and would lead to enhanced lead response rates. If the number of people who visit or place orders have increased, it shows that CRM is working well.

(v) ROI: Increased return on CRM investment, is another metric for examining the success of CRM system or software. The revenue generated on any campaign or asset must be more than the cost spent on same. When a CRM functions optimally, it can help in increasing the returns realized from investments made in marketing.

(vi) Response Rate: When companies conduct an event or organize marketing campaigns, they expect a certain level of response from existing and potential customers. An effective CRM can help in increasing this response rate from a campaign. The response rate becomes visible from customer actions.

(vii) Service Agreement Renewal Rate: Organizations have varied agreements with the service providers, which depend upon the relationships. The CRM is important when it comes to renewal of service agreements, as some customers may not be willing to renew the agreement. People/Customers who are willing to renew the service agreements is a metric of CRM performance.

(viii) Customer Lifetime Value: CLV is a prediction model which tells the revenue which can be generated by a customer from the entire duration of relationship between that customer and the organization.

CLV Monetary value of company's relationship with customer based on the current value of predicted future cash flows to be generated due to relationship between the two.

The increase or decrease in CLV would indicate whether the CRM is functioning well or not.

(ix) Number of Sales Calls: Sales call is a pre-arranged meeting between a prospective customer and the sales representative to demonstrate product/service. When the number of sales calls rise, it shows the effectiveness of a CRM.

(x) Duration of Sales Cycle: The length of sales cycle can be used as a metric to measure CRM performance. An effectively managed CRM would result in reduction of time taken to finalize a sale

## **INFORMATION TECHNOLOGY AND CRM**

The advancements in technology led to online commercial transactions i.e. e-commerce, which further led to introduction of IT (Information technology) tools in the field of CRM, formally known as e-CRM, It deals with managing customer relationships by using information technology (IT) tools, The process started in 1970s and 1980s, when organizations started offering customer support on phones, but the real transformation took place in 1990s with the developments like internet, globalization and deregulations.

The term 'e-CRM' was coined by Oscar Gomes, which encompasses all CRM functions performed with the use of net environment. One definition states that, e-CRM is an integrated online sales, marketing and service strategy that is used to attract and retain customers for an organization. It leads to improved and enhanced communication between the organization and its customers by creating and enhancing customer interaction through innovative technology.

In the words of William McKnight, "E-CRM is not just your call center, self-service website, sales force automation tool or the analysis of customers' purchasing behaviors. E-CRM is all of these initiatives working together to enable you to more effectively respond to your customers' needs and to market to them on a one-to-one basis. It's about the customer, not any individual piece of technology. If we evaluate and understand how customers behave and how we need to respond to them, then we can begin to understand the component pieces of E-CRM."

According to Gartner Glossary, "Electronic customer relationship management (e-CRM) involves integration of web channels into the overall enterprise CRM strategy with the goal of driving consistency within all channels relative to sales, customer service and support (CSS) and marketing initiatives.

### **CHARACTERISTICS OF E-CRM**

E-CRM is a term used to introduce the idea of internet and wireless technologies to all of the traditional CRM methods. It assists an organization to respond to the customers' needs more effectively. E-CRM has the following characteristics:

1. **Electronic Interaction:** E-CRM is an electronic way of interacting with the organizational customers. The customer interactions include offering quality services and getting online feedback. The customer database can also be accessed on web. It means internet access is available for internal users and extranet access for business partners, customers etc. and internet access for public at large.
2. **Customer Focused:** Modern customers are price sensitive, well informed and demanding. E-CRM is a customer focused management of e-business relationship with each customer to create customer value and enhanced revenues for an organization
3. **Individual Interaction:** e-CRM serves the customer on one-to-one basis. It assists an organization to personalize its customer interactions through various tools such as email, live chat etc.
4. **Refined CRM:** E-CRM expands traditional CRM functions by integrating new electronic channels such as web, voice technologies, wireless know-how and combines it with e business applications
5. **Methods in e-CRM:** Organizations make use of various methods such as e-messaging, e mailing, telephone, social media, live web chat, internet and digital marketing to offer quick customer service.
6. **Real Time Communication:** Companies communicate with their customers in a fast and convenient way through e-CRM. The customer queries are dealt in real time.

## **APPLICATIONS OF E-CRM**

E-CRM includes all forms of managing customer relationships through the use of IT. Therefore, e-CRM system must help the organization to coordinate or synchronize the interactions with its customers. The applications of e-CRM include the following:

1. Data Warehouse: e-CRM system in an organization is driven by a data warehouse.

Therefore, e-CRM helps in creating and maintaining a data warehouse that contains detailed customer information and makes the customer data available, as and when required.

2. Enhancing Reach: e-CRM facilitates the organization in reaching widespread customers through various channels such as online chat, emails, social media, text etc. For example, telecom companies have different channels to support the customers such as website, customer care centers, online chat etc.

3. Recording: e-CRM provides the history of each interaction taken place between the customer and organization, which makes it a crucial tool for small, medium and large organizations.

4. Updated Technology: e-CRM brings appropriate technology in the organization and reduces technological gaps.

5. Identification of Valuable Customers: e-CRM helps the organization in identification of the most valuable customers and designing the appropriate strategies.

6. Measuring the Success of Efforts: Managers can go through overall customer interaction history and measure the effectiveness of marketing efforts put in the organizations.

7. Faster Customer Service: e-CRM assists in serving the customers faster by automating various process. Instant feedback is also received and customers are dealt on the basis of their feedback.

8. Customer Life Cycle Management: With the effective implementation of e-CRM, customers' life cycles can be more effectively managed by offering them appropriate products and services at the right time. Customer retention rates can also be enhanced

9. Cost Reduction: e-CRM helps an organization to reduce costs on manual processes and to achieve maximum output/revenue.

10. Other Applications: e-CRM has the following other applications:

- Reduced lead times for product ordering
- Inventory control
- Reduced risk of stock obsolescence
- Enhanced customer satisfaction
- Close interaction with all organizational partners

## INFORMATION TECHNOLOGY TOOLS

Making use of databases, data mining, data warehousing and other IT applications can assist the organization to increase customer value and own profitability. An effective CRM tool helps an organization in identification of customers' needs and analyse customer buying behavior through data mining, product campaigns, business recreation, messaging systems and real time decision engine. IT tools can help to target customer in a personalized way. The set of CRM tools when put together are known as a complete e-CRM solution. These tools are also known as technical e-CRM capabilities. Widely used tools of e-CRM are as follows:

### 1. Contact Center Technology:

(a) IVR (Interactive Voice Response): It is a software application which allows customer to select options (a pre-recorded voice that guides) from a menu. It automates the interaction with telephone callers via IVR Platform, which recognizes the spoken/dialed input, transfers text to voice or transfers call to representatives. Customers can access 24\*7 anytime and anywhere. They just have to enter requested information in keypad or sometimes they may be requested to speak (generally Yes or No). IVR is used by majority of companies for various tasks eg. order placement, banking, surveys etc. It offers the benefits of less interaction cost, high sales, and support services etc.

(b) Speech Recognition for Customer Service: It is generally used in call centers, where computers recognize voice of natural humans and translate the same into actions/text (as required during flow of call). Instead of using set menu, here users can make request in their own voice and can complete self service transactions in easier/user friendly manner. In this IT tool, a real challenge is to design simulations which are close to real life scenario as far as possible.

(c) CTI (Computer Telephony Integration): It is an IT tool based on the integration of computer (having customer database) and telephone to handle voice, fax and data traffic. It offers better customer service because details about customer appears on screen as soon as he/she makes call. Besides this, CTI has more efficiency, as multiple calls can be taken at one time and call routing can be done, whenever required.

(d) ACD (Automatic Call Distribution): This IT tool receives the incoming calls and then calls are routed to available agents. The calls are distributed automatically on 'First Come First Served' basis. When all agents are busy, call stays in the queue. As soon as agent gets free, next caller in queue is diverted to him. When calls are in queue, they are routed to designated network treatment e.g. voice mail message or busy signal. Supervisory staff monitors agent work and provides support when needed through call transfer.

(e) Customer Complaint Management Technology: It is an IT system for managing complaints. Here work is divided in two parts: back end and front end. Front end technology is used by the staff who receive complaints and communicate the solutions back. They have customer profile page (customer details) and interaction page (complaint details). Back end technology is used by the staff who resolve the complaints. They have complaint resolution page (solution offered) and MIS page (monitor complaint progress).

2. Promotion and Marketing Tools: Promotion is an indispensable component of CRM. Modern organizations market and promote their products via digital tools (electronic devices, internet) that assists in better customer relations. It includes:

- Search Engine Marketing (SEM): It is kind of marketing in which products are promoted by increasing their visibility on organization's website in search engine result pages. Free search engine optimization tools are used for the same.
- Search Engine Optimization (SEO): It is kind of marketing in which products are promoted by increasing their visibility on organization's website in search engine through natural or algorithmic search results.
- Social Media Marketing: Products are promoted on social websites such as Instagram, Facebook, Twitter, LinkedIn etc.
- Email Marketing: Promotion is done by sending emails to the target potential customers.
- Web Banners Advertising: Products/services are promoted by placing web banners on a third party website to attract the traffic to an organization's web site.
- Video Marketing: Products are demonstrated to customers via videos.

3. CRM Software: Organizations make use of CRM software to reach large number of customers in no time. These software identify and fulfill the customer requirements. Some vendors offer e-CRM as an add-on in CRM systems.

Different software are meant to perform specialized functions, some of which have been discussed here:

(a) Customer Analytic Software: This software predicts, interprets and measures customer behavior and assists the organizations in assessing the effectiveness of e- CRM system. It also facilitates in generation of automated reports which can be utilized to take various strategic decisions.

(b) Data Mining Software: Data mining is a methodology to assess the value of data and to leverage that value as an asset to provide valuable information for decision making. Here the information is extracted from data just like discovering hidden gold. Data mining software helps in understanding, classifying and segmenting new customer data. It also builds predictive models to identify the customers most likely to perform a specific behavior. It enables an organization to extract customer's information from the entire database. It also helps in identifying the most valuable customers so that organization can offer them products accordingly. It assists in knowing customer history, fraud predictions and threat assessment. The marketing campaigns may be directed only towards the valuable customers, which reduces cost as well.

(c) Campaign Management Software: It utilizes the warehouse data to plan and execute various campaigns for targeted customers from time to time. It has the capacity to plan multiple e-campaigns at a time, which assists in attracting large customer base. It also reminds the organization about customers who have not made a purchase for long and sends them e. mail regarding new product offers. This software verifies different offers against the history of each customer.



4. **Business Simulation:** This is used in collaboration with campaign management software. Messages and reminds the customer prior to the campaign and also compares the costs and ROI with the budgeted figures.

5. **Personalized Messaging System:** It offers timely information to the customers about new offers, and payments to be made etc. It sends alerts, reminders, and text messages to customers regarding crucial dates.

6. **Real Time Decision Engine:** It coordinates and synchronizes the making use of business intelligence. It coordinates the interactions across the touch points of different customers. It also assists in making real time offers to the customers about the most suitable product and also stores customer contact history. It enables an organization to identify the source from where a visitor has come on the organization's website, generally with the help of 'cookies enabled'. communications by

## **REQUIREMENTS OF E-CRM**

e-CRM assists an organization in expanding its customer base and operations. An effective CRM requires the following pre-requisites:

1. **Data Base:** The success of e-CRM lies in a systematic and organized data base. The organization must maintain an efficient data base which can offer better customer feedback and support.
2. **Analysis of Touch Points:** Touch points are the points of customer contact e.g. a customer can find information about organization online or print media ad, ratings and reviews, visit company's website, contact customer care centers etc. The organizations must be able to analyze and integrate the data of all these touch points to make e-CRM successful.
3. **Ability to Compete:** The organization's e-CRM must be robust enough to face the fierce competition in market.
4. **Integration of Information:** CRM must collaborate the internal and external information of an organization.
5. **Empowered Customers:** The customers must be empowered to make a convenient deal and must deliver required information

## **SECURITY CONCERNS IN IT TOOLS**

Large number of customers can be tapped with e-CRM strategies, but e-CRM may have following security concerns:

- Customer information from database can be misused by hackers.
- Customers may be having doubts while dealing online with the organizations.
- Some customers might be hesitant to finalize a deal online.
- Customers may feel that product displayed online may be different from the original one.
- Customers may not be aware about data protection technologies.