

Customer Relationship management

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Abstract

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1. Introduction

CRM is a combination of policies, processes, and strategies implemented by an organization to unify its customer interactions and provide a means to track customer information. It involves the use of technology in attracting new and profitable customers, while forming tighter bonds with existing ones.

Different definition CRM is the core business strategy that integrates internal process and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high quality customer data and enabled by information technology. [1]

2. Types/variations of CRM

There are several different approaches to CRM, with different software packages focusing on different aspects. In general, Customer Service, Campaign Management and Sales Force Automation (SFA) form the core of the system (with SFA being the most popular)

2.1. Operation CRM

Operational CRM provides support to "front office" business processes, e.g. to sales, marketing and service staff. Interactions with customers are generally stored in customers' contact histories, and staff can retrieve customer information as necessary.

2.1.1. Operational CRM processes customer data for a variety of purposes. :

- Managing campaigns
- Enterprise Marketing Automation
- Sales Force Automation
- Sales Management System

2.2. Analytical CRM

Analytical CRM generally makes heavy use of data mining and other techniques to produce useful results for decision-making. Analytical CRM analyzes customer data for a variety of purposes:

- Designing and executing targeted marketing campaigns
- Designing and executing campaigns, e.g. customer acquisition, cross-selling, up-selling, add-on-selling
- Analyzing customer behavior in order to make decisions relating to products and services (e.g. pricing, product development)
- Management information system (e.g. financial forecasting and customer profitability analysis)

2.3. Sales Intelligence CRM

Sales Intelligence CRM is similar to Analytical CRM, but is intended as a more direct sales tool. Features include alerts sent to sales staff regarding::

- Cross-selling/Up-selling/Switch-selling opportunities
- Sales performance
- Customer trends
- Customer margins
- Customer alignment

2.4. Campaign Management

Campaign management combines elements of Operational and Analytical CRM. Campaign management functions include:

- Target groups formed from the client base according to selected criteria
- Sending campaign-related material (e.g. on special offers) to selected recipients using various channels (e.g. e-mail, telephone, SMS, post)
- Tracking, storing, and analyzing campaign statistics, including tracking responses and analyzing trends

2.5. Collaborative CRM

Collaborative CRM covers aspects of a company's dealings with customers that are handled by various departments within a company, such as sales, technical support and marketing. Staff members from different departments can share information collected when interacting with customers.

2.6. Consumer Relationship CRM

Consumer Relationship System (CRS) covers aspects of a company's dealing with customers handled by the Consumer Affairs and Customer Relations contact centers within a company.[1] Representatives handle in-bound contact from anonymous consumers and customers. Early warnings can be issued regarding product issues (e.g. item recalls) and current consumer sentiment can be tracked (voice of the customer).

3. The vendors

SAP was the No. 1 vendor in worldwide CRM software revenue in 2007, accounting for 25.4 percent of the market (see figure 1). Oracle maintained the No.2 spot with 16.3 percent of the market. Salesforce.com and Microsoft registered the highest growth rates of the top vendors with 49.8 percent and 88.6 percent growth, respectively.

Company	2007 Revenue	2007 Market Share (%)	2006 Revenue	2006 Share (%)	2006-2007 Growth (%)
SAP	2,050.8	25.4	1,681.7	25.6	22.0
Oracle	1,319.8	16.3	1,016.8	15.5	29.8
SalesForce.com	676.5	8.4	451.7	6.9	49.8
Amdocs	421.0	5.2	365.9	5.6	15.1
Microsoft	332.1	4.1	176.1	2.7	88.6
Others	3289.1	40.6	2,881.6	43.7	14.1
Total	8,089.3	100.0	6,573.8	100.0	23.1

Figure 1. The Vendors

4. Benefit CRM

Customer Relationship Management system, can be an extremely valuable asset. No matter what kind of business they have, the relationship with customers is of primary importance. If they do not have a CRM system in place, or are not sure the one the company have is right for them, they should consider some of the things it can and should do for them.

4.1. Stores Information in a Useful Way

One of the most important functions of a CRM system is that it stores information about the customers. This is

something that is essential, not only for being able to contact them easily but also for documenting their ordering history. The better knowing the customers, the more effectively they can retain their business. A good CRM system allow to easily retrieve relevant information about the customers.

4.2. Saves Time and Costs

CRM system does not only give a better handle on the customers, it also allows the customers to do more of the tasks that otherwise would have to be done by the employees, such as placing orders and obtaining basic information. This can save a lot of time and money.

4.3. Empowers Customers

At the same time the system saves time and money, it can make the customers feel more empowered than if they simply call in and must be taken by the hand by a salesperson. A well organized CRM system makes customers feel that they are in control of the process when they do business with owner.

4.4. More Efficient Customer Service

The best CRM systems largely automate the customer service process while also making it more efficient and user friendly. There is always going to be the need for human interaction of course, but by efficiently automating the system, much time can be saved. Customers can easily navigate their way to the right information, so that personal interactions such as phone calls or emails are saved for atypical situations.

4.5. Better Communication Within Your Company

As different departments share data, employees can work more efficiently as a team, rather than remaining in isolated units. While every department has its own specialty, it helps overall business when the employee understand they are all working towards the same goals. At a more practical, everyday level, can easily pass information from one part to another.

4.6. Increased Customer Satisfaction and Loyalty

No matter what the company provides, they have to deliver a good product or service. This is fundamental, and a CRM system cannot do this. However, in this age of information overload, many people truly value an efficient, user-friendly environment when they order something. So they are far more likely to return in the future and recommend to others if the company provide a clear and efficient way to communicate with them.

5. Conclusion

CRM is a good solution for the Government also for the private sector. But there are issues that are need to look into.

Acknowledgment

The authors would like to thank... more thanks here
[2]

References

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