

# Customer Relationship Management (CRM)

## What is CRM?

- CRM “is a business strategy that aims to understand, anticipate and manage the needs of an organisation’s current and potential customers”  
.
- It is a “comprehensive approach which provides seamless integration of every area of business that touches the customer- namely marketing, sales, customer services and field support through the integration of people, process and technology”
- CRM is a shift from traditional marketing as it focuses on the retention of customers in addition to the acquisition of new customers. • “The expression Customer Relationship Management (CRM) is becoming standard terminology, replacing what is widely perceived to be a

misleadingly narrow term, relationship marketing (RM)” .

# Definition of CRM

“CRM is concerned with the creation, development and enhancement of individualised customer relationships with carefully targeted customers and customer groups resulting in maximizing their total customer life time value” .

## The purpose of CRM

- “The focus [of CRM] is on creating value for the customer and the company over the longer term” .

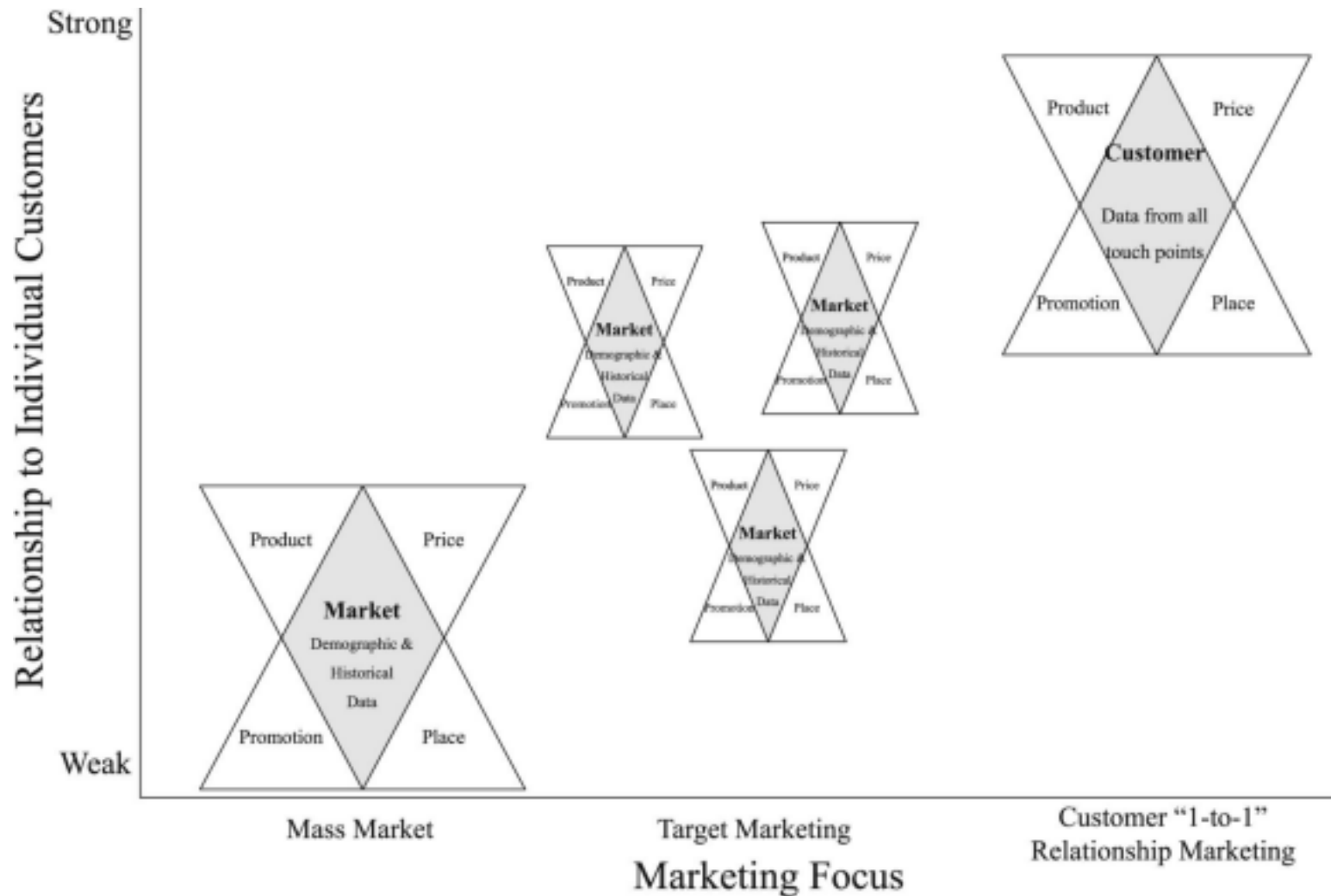
- When customers value the customer service that they receive from suppliers, they are less likely to look to alternative suppliers for their needs.
- CRM enables organisations to gain ‘competitive advantage’ over competitors that supply similar products or services.

## 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”.

# Changing Marketing Strategies



# 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

## What does CRM involve?

CRM involves the following :

- Organisations must become customer focused
- Organisations must be prepared to adapt so that it take customer needs into account and delivers them

- Market research must be undertaken to assess customer needs and satisfaction

## “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

Markers of strategically significant customers

- 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

Here are examples of how technology can be used to create personalised services to increase loyalty in customers:

- **Phone calls, emails, mobile phone text messages, or WAP services :**

Having access to customers contact details and their service or purchase preferences through databases etc can enable organisations to alert customers to new, similar or alternative services or products

- **Illustration:** When tickets are purchased online via Lastminute.com, the website retains the customers details and their purchase history. - The website regularly send emails to previous customers to inform them of similar upcoming events or special discounts.
- This helps to ensure that customers will continue to purchase tickets from Lastminute.com in the future.

## Information Technology and CRM: Examples

- **Cookies**

“A “cookie” is a parcel of text sent by a server to a web browser and then sent back unchanged by the browser each time it accesses that server. HTTP cookies are used for authenticating, tracking, and maintaining specific information about users, such as site preferences and the contents of their

electronic shopping carts” (5).

- **Illustration:** The online store, Amazon, uses “cookies” to provide a personalised service for its customers. Amazon requires customers to register with the service when they purchase items. When registered customers log in to Amazon at a later time, they are ‘greeted’ with a welcome message which uses their name (for e.g. “Hello John”). In addition, their previous purchases are highlighted and a list of similar items that the customer may wish to purchase are also highlighted.

## 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”

- **Illustration:** The supermarket chain, Tesco, offers loyalty cards to its customers. When customers use the loyalty cards during pay transactions for goods, details of the purchases are stored in a database which enables Tesco

to keep track of all the purchases that their customers make. At regular intervals, Tescos sends its customers money saving coupons by post for the products that the customers have bought in the past. The aim of this is to encourage customers to continually return to Tescos to do their shopping

- **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 :

- reduced costs, because the right things are being done (ie., effective and efficient operation)
- increased customer satisfaction, because they are getting exactly what they want (ie. meeting and exceeding expectations)
- ensuring that the focus of the organisation is external
- 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

# Characteristics of CRM

- Salesforce Automation
  - Greatly Empowered Sales Professionals
- Customer Service and Support
  - Proactive Customer Support
- Field Service
  - Improved communication with field staff from support staff
- Marketing Automation
  - Understanding Customer's Need

## Characteristics of CRM – Sales force

# Automation

- In CRM systems, current customer, deal, product and competitor information are all stored in the CRM central database for salesforce retrieval.
- The customers' sales process is configured into the application. The order placement and tracking are integrated, so that each customer's sales cycle can be monitored and tracked.
- This provides a singular view of each customer which contains all contact information and sales history, available to everyone who has access to the system.
- This also allows data to be summarized by views such as region, territory, customer and product for target marketing campaigns.

## Characteristics of CRM – customer service and support

- CRM helps companies to incorporate an exemplary customer service into its core.

- CRM improves the organization's abandonment rate by configuring the functions of tracking, monitoring and measuring customer service responses.
- It also makes it possible for the company to assign each query to the appropriate expert, who can resolve the customer call once the query from the customer comes up.
- Customer problems can be solved efficiently through proactive customer support.

## Characteristics of CRM – Field Service

- By using the CRM system, remote staff can quickly and effectively communicate with customer service personnel to meet customers' individual expectations.
- Customers' requests are logged, assigned, monitored and traced to ensure the qualities of customer services.
- Available and skilled engineers are quickly assigned to each problem. During the assignments, skill sets, availability, workload, geography, and parts and



tools availability are all sufficiently taken into consideration.

- CRM also helps the company to reduce the service inventory cost to the lowest possibilities by automating fulfillment, replenishment, and cycle-counting functions.

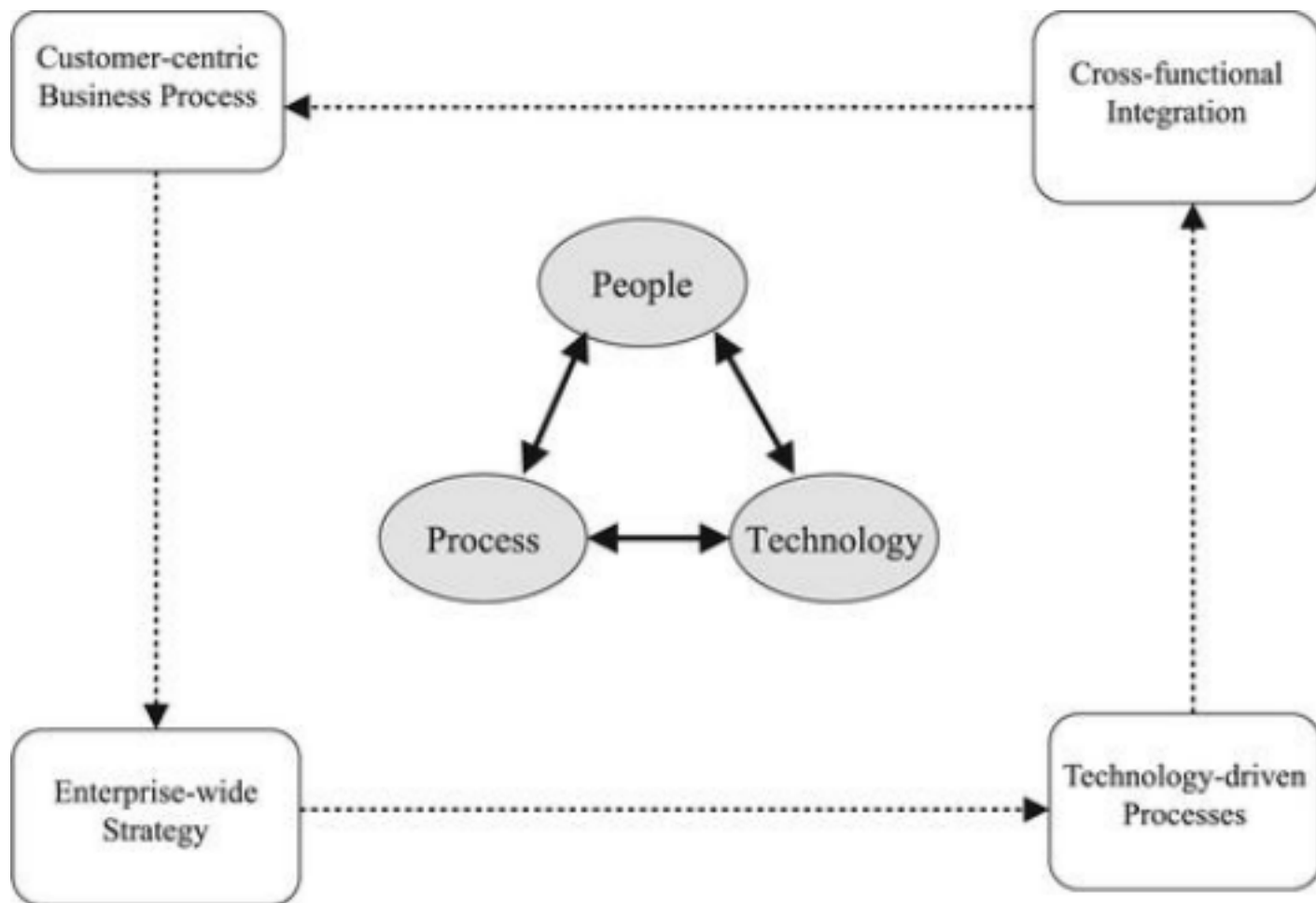
## Characteristics of CRM – Marketing Automation

- CRM provides the most up-to-date information on customers' buying habits so that the most effective marketing campaigns to cross-sell to current customers and attract new customers can be achieved.
- By using CRM, marketing intelligence, customer database and interactive communication technologies are combined to enable companies to better address customers' individual needs.
- Therefore, the company can capture a market before its competitors.

## 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 :
- What is our core business and how will it evolve in the future? • What form of CRM is appropriate for our business now and in the future? • What IT infrastructure do we have and what do we need to support the future organisation needs?
- What vendors and partners do we need to choose?

## CRM Implementation Model



# CRM Implementation Model

- A CRM implementation model that integrates the three key dimensions of people, process, and technology within the context of an enterprise-wide customer-driven, technology-integrated, cross-functional organization .

## CRM Implementation Model \_ Technology

- Information technology (IT) has long been recognized as an enabler to radically redesign business processes in order to achieve dramatic improvements in organizational performance.
- CRM applications take full advantage of technology innovations with their ability:
  - to collect and analyse data on customer patterns,
  - interpret customer behaviour,
  - develop predictive models,

- respond with timely and effective customized communications, •
- deliver product and service value to individual customers.

## CRM Implementation Model – Process

- It has become well known that retaining customers is more profitable than building new relationships.
- Consequently, relationship marketing was developed on the basis that customers vary in their needs, preferences, buying behaviour, and price sensitivity.
- Therefore, by understanding customer drivers and customer profitability, companies can better tailor their offerings to maximize the overall value of their customer portfolio.

## CRM Implementation Model – Process

- In a product-focused approach, the goal is to find customers for the products using mass marketing efforts.
- In a customer-centric approach, the goal becomes developing products and services to fit customer needs.

## CRM Implementation Model – Process

In Seybold's work, **five steps in designing a customer-centric organization** were suggested:

1. make it easy for customers to do business;
2. focus on the end customer;
3. redesign front office and examine information flows between the front and back office;
4. foster customer loyalty by becoming proactive with customers;

and 5. build in measurable checks and balances to continuously improve.

## CRM Implementation Model – People

A functional organization often takes “ownership” of customer data. Many departments and individuals see customer handling as a sales or marketing function, and regard the release of their data to another function as a loss of power.

A customer-centric model requires sharing the data enterprise-wide; this usually requires a fundamental paradigm shift in the culture to sharing information and knowledge.

## CRM Implementation Model – People

CRM initiatives require vision and each and every employee must understand the purpose and changes that CRM will bring.

Re-engineering a customer-centric business model requires cultural change

and the participation of all employees within the organization.

# CRM Technology Framework



# CRM Technology Framework

Operational CRM



Operational CRM entails collection of customer data at the different touch points of contacts through which firms interact with their customers (mail, sales force, contact center, fax, web, contact management systems, etc). The data obtained are then stored and arranged in a customer database. At technology level, operational CRM entails the automation of customer facing aspects of the business with particular emphasis on marketing automation, sale force automation, and service automation

# CRM Technology Framework

## Analytical CRM

Analytical CRM refers to firm-level processes involved in analysing customer and market-level information to provide the intelligence and insights that guide a firm's strategic marketing, CRM, service, and go-to-market choices .

Data obtained through operational CRM touch-points are analysed so as to generate customer profiles, identify their behavioural patterns, service level determination, and support the segmentation of customer.

# CRM Technology Framework

## Collaborative CRM

Collaborative CRM is a hybrid of operational and analytical CRM. The systems are integrated with enterprise-wide systems to allow a greater responsiveness to customers throughout the relationship units between customers and the firm.

## CRM Tools

- **SupportCentre Plus :**

It is a CRM with specific focus on customer interaction(Service) management. It helps to track and resolve customer issues quickly, thereby delivering superior customer support and taking customer satisfaction to the next level. Unlike other CRM tools in the market focusing on sales-force automation, SupportCenter Plus offers an integrated customer interaction

management(Customer SupportDesk),customer experience management, account & contact management, SLA management, customer self-service, and more.

## CRM Tools

- Zoho Corporation started as a network management framework provider for telecommunications and network equipment vendors.
- It is a cloud based solution that helps
  - to track sales activities,
  - predict customer behaviour,
  - automate, and keep sales processes streamlined.
- It can be integrated into Google apps, Wordpress, Mailchimp, Evernote and Unbounce.

## CRM Tools

- Microsoft Dynamics 365

- The crm tool that matches all our requirements is Microsoft Dynamics 365. Dynamics 365 unifies CRM and ERP capabilities into one or more applications that work seamlessly together across sales, customer service, field service, operations, financials, marketing, and project service automation.
- With Dynamics 365 one can :
  - • Better engage customers
  - • Empower employees
  - • Optimize operations
  - • Reinvent products and business models

## CRM Tools

- Bitrix24
- Features of Bitrix24
- Manage Interactions- The CRM will help us to create reports, import/export contacts, carry out analysis, and to perform segmentation of the target audience as precisely as needed.

- Reports and Sales Funnel- A quick look at the sales funnel gives an immediate account of transactions in progress and their respective stages.

## CRM Tools

- Salesforce
- Salesforce.com's customer relationship management (CRM) service is broken down into several broad categories: Sales Cloud, Service Cloud, Data Cloud, Marketing Cloud, Community Cloud, Analytics Cloud, App Cloud, and IoT with over 100,000 customers.
- Salesforce is the primary enterprise offering within the Salesforce1 Platform and provides companies with an interface for case management and task management, and a system for automatically routing and escalating important events.

## CRM Tools

- Salesforce

- The Salesforce customer portal provides customers the ability to track their own cases, includes a social networking plug-in that enables the user to join the conversation about their company on social networking websites, provides analytical tools and other services including email alert, Google search, and access to customer's entitlement and contracts.