Customer Relationship Management (CRM) - An Overview

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Abstract
CRM is a business technology that aids in the understanding, improvement, and management of an organization's customer relationship and engagement. It's a marketing strategy that focuses on customer retention and acquisition. CRM is critical in all major businesses, including education, finance, automobiles, and healthcare. CRM delivers important business solutions such as sales management, inventory management, channel network management, and service, among others. The aim and importance of CRM, information technology and CRM, face-to-face CRM, the benefits and drawbacks of CRM, adopting CRM, main CRM platforms, CRM's present market scenario, future, and cloud-based CRM are all covered in this article.

Introduction

The entire world has changed profoundly in every way since the industrial revolution. Trade and commerce are not immune to this, and there have been significant changes in both. Marketing and business are no longer basic and traditional; they have evolved into a professional activity. This activity necessitates a broad understanding of a variety of subjects, including social, cultural, economic, and information technology. Since the early 1990s, when the paradigm of business began to shift from transactional to relational, businesspeople have been using the term Customer Relationship Management (CRM). CRM is intimately linked to business success and customer advantages. In order to discover, access, and keep customers, information technology is critical. CRM thus plays a critical part in maintaining a strong customer relationship.

What is CRM?

Customer Relationship Management (CRM) is a marketing word that is frequently used. There isn't a single definition that everyone agrees on. However, many definitions of CRM exist from various perspectives:

- CRM can be defined as a strategic strategy used to build, manage, analyse, and maintain a lucrative commercial relationship with customers from the perspective of management.
- In terms of technology, CRM is defined by IT businesses as a software that encompasses a wide range of applications designed to manage a business-customer connection and aid in the smooth operation of a business. Employees, business relationships, contract wins, and sales leads are all managed using the software.
- According to Francis Buttle, the world's first professor of CRM, CRM is a core business strategy that integrates internal functions and processes, as well as external networks, to organise and deliver value to customers profitably. It is built on the foundation of high-quality information technology and client information.

Figure 1: https://www.kpi.com/blog/2013/05/30/7-steps-for-successful-crm-start/

History of CRM

CRM software has never been the powerful, stand-alone software that many companies today rely on. It has evolved over the last four decades from a variety of business programmes. During that time, the CRM sector underwent significant changes. CRM experts think that the evolution of CRM software may be separated into three stages. We now believe that the fourth stage of CRM software evolution has begun.

- The 1980s or The Origin stage
- The 1990s or The Expansion stage
- The 2000s or The Modern CRM stage
- The 2010 and beyond: Cloud-Social-Mobile-Integrated CRM software

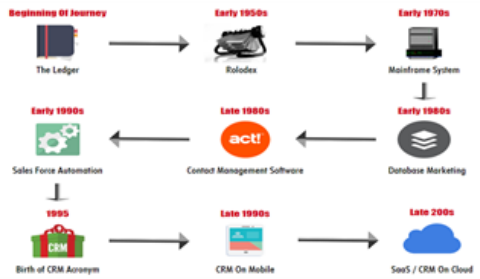

Figure 2: http://techonestop.com/history-of-crm-software

Transaction Marketing to Relationship Marketing

Transaction marketing is the exchange of limited messages between a buyer and a seller with no further relationship. The building and maintaining of long-term relationships with consumers, employees, suppliers, and other channels for mutual benefit is known as relationship marketing.

Characteristics Transaction Marketing Relationship Marketing

Characteristics	Transaction Marketing	Relationship Marketing
Time orientation	Short term	Long term
Organizational goal	Make the sale	Focus retaining customers
Customer service priority	Relatively low	Key component
Customer contact	Low to moderate	Frequent
Degree of Cust commitment	Low	High
Seller customer interactions	Conflict manipulation	Cooperation; trust
Source of quality	Primarily from production	Companywide commitment

Why CRM?

CRM is a vital and necessary piece of software for increasing business efficiency and revenue. It is necessary to have a repeatable and successful process. It is necessary to capture in order to look into the future of the firm and forecast revenue. It aids in the reduction of risk and the expense of turnover. It is necessary to engage in a continual business development cycle. CRM is also a necessary instrument for a company's survival. The following are six reasons why a company requires CRM:

- A forward view of the business
- Growing the business
- Replicating best practices
- Doing more with less
- Risk Management
- Customer intimacy

Components of CRM

Here are some of the important components of CRM

Marketing Automation

One of the most important components of Customer Relationship Management is marketing. It entails planning and implementing sales strategies

based on customer research in order to market a product.

Sales Force Automation

Customer Relationship Management is incomplete without Sales Force Automation, also known as Sales Force Management. Processing, forecasting, tracking sales, and keeping track of customer interactions are all part of it. It also inhibits a consumer and a salesman from putting in the same amount of effort.

Management of Human Resources

Human Resource Management entails the proper and efficient application of human resources at the appropriate time and place in the organisation.

Lead Management

The process of tracking and managing potential sales and channel leads is known as lead management. It aids in the delivery of goods, the finalisation of mailing lists, the creation of customised forms, and the analysis of client purchasing trends.

Customer Service

Customer service, also known as customer relations, is a method of gaining and keeping customers through corporate contacts and interactions with the general public. It is critical to comprehend customer motivation. It entails gathering and delivering the following client data to the appropriate department:

- Personal profile (name, address, age etc)
- Preferences and requirements
- Previous purchase patterns
- Suggestions and complaints

Workflow Automation

A set of rules and actions used to automate a business process is known as workflow automation. It entails coordinating and simplifying multiple activities that occur in simultaneously. It helps to save time and money by preventing the assignment of the same task to several personnel.

Analytics

Analytics comprises of all programming that analyses the customer data which helps to streamline and facilitate better business decisions. It aids in the analysis of the market by assisting in the study and representation of data in various graphical formats such as tables, trends, and charts.

Figure 3:https://www.tutorialspoint.com/customer_relationship_management/crm_introduction.htm

Features of CRM

CRM is a technique for effectively managing and administrating customers and channels in order to achieve business excellence. It mainly comprises of the following prime features;

- Customer Needs
- Customer Response
- Customer Satisfaction
- Customer Loyalty
- Customer Retention
- Customer Complaints
- Customer Service

Platforms of CRM

In the CRM, there are a number of platforms to choose from. Some of the major and important platforms are;

Master Data Management

Customer profiles, sales, leads, items, personnel, locations, collectibles, channels, service requests, and much more may all be tracked using master data management.

Assignments and Mapping

It entails allocating leads, channels, consumers, service requests, items, and receivables to staff, branches, and vendors, among other things.

Notifications and Alerts

It entails sending real-time notifications and alerts to employees, vendors, partners, customers, and other organisations about happenings. Welcome messages, order processing stages, geo-location status, and performance dashboards are just a few examples.

Daily Activity Report

With daily sales reports, field visit reports, collections reports, service reports, logistics reports, and so on, it aids in recording an employee's work.

Planning and Target Setting

It aids in the establishment of business standards for consumers, staff, channels, products, and locations, among other things. I also assist in the assignment of targets to staff, which range from effort to business results. It provides leading indicators and warning signs to ensure that the firm does not fail.

360 Degree Customer View

Customers can get a single 360-degree perspective from a single unified database. It allows you to keep track of customer leads, payment status, current relationships, references, service history, and much more all in one place.

Geo-location GPS Tracking

It provides real-time geo-location tracking for field and sales employees. It offers both GPS and cell tower-based tracking, which is connected with Google Maps. It sends out web notifications and alerts when an employee moves.

Solutions of CRM

In terms of business development, CRM software offers a variety of options. The CRM offers a variety of main services, including:

- Sales Management
- Customer Relationship Management
- Service
- Collections and Receivables Management
- Channel Network Expansion and Development
- Knowledge, Content and Learning Management

Information Technology and CRM

Collaboration between information technology and customer relationship management (CRM) would result in a more productive and effective organisation. It aids in meeting the needs of customers. It makes the customer-organization interaction more meaningful. There are three crucial factors in CRM and IT, for example.

Customer Touch Points

Customer touch points are critical since the company is marketing-oriented and focuses on the customer's current and future needs. This acts as a link between the customer and the company. To buy a new bike from a dealership, for example, you must visit a showroom. Contact points include the dealership and the salesman in the showroom. Other contact points include the telephone, video conferencing, and so forth.

Applications

The software and programmes that assist the process are known as applications.

Data Stores

Data stores hold information on every element of a customer's life. For example, the business will keep track of the things customers purchase, when they purchase them, and where they are delivered. Leads and other types of information are also maintained in the database.

Figure 4: http://www.marketingteacher.com/crm-and-information-technology/

Face to Face CRM

CRM can also be used in person-to-person

interactions without the use of technology. Face-to-face CRM is a subset of outsourced CRM. It is a rapidly expanding area of CRM in which a company must physically contact with its customers. Customers are served in a clear communication way by employees. Most software solutions these days are designed to eliminate the need for face-to-face communication, but CRM software is attempting to restore humanity to business. Even if it is now important to be online in order to run a business, CRM software makes it possible to do so without losing the value of face-to-face interaction between the company and its consumers. Face-to-face CRM, on the other hand, is less beneficial in organisations with a big number of clients because it is more difficult to remember each customer's details.

Social CRM or SCRM

The use of social media services, technology, and tactics to increase the relationship between a company and its consumers is known as social CRM. Customers use social media, thus the brand must be present where customers are. CRM2.0, or SCRM for short, is another name for social CRM (Social Customer Relationship Management).

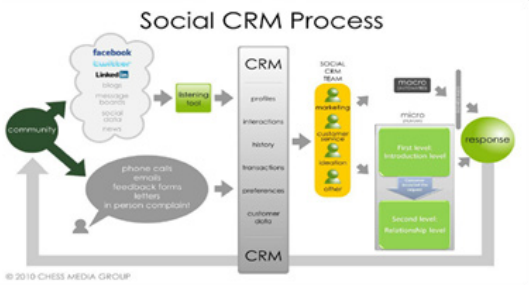

Figure 5: https://www.researchgate.net/figure/267266211_fig5_Figure-5-Social-CRM-Process-with-the-extension

Cloud Based CRM

CRM on the cloud or CRM The cloud is a technology in which an organization's CRM software, tools, and customer data are stored on the cloud and supplied to end users over the internet. Cloud CRM provides access to the application via web browser or web-based tools logins, with pre-defined access levels across the business by the CRM administrator. Employees can access the system from any internet-enabled device at the same time. Cloud CRM also offers mobile applications, making it easier for users to access the CRM on tablets and smartphones.

Cloud Based SAAS (SOFTWARE AS A SERVICE) CRM

A corporation can use a cloud-based Software as a Service (SAAS) model to use software as a web-based service (just like Gmail is a cloud hosted mail service). The entire globe is migrating to cloud-based services now. Customers benefit from the fact that;

- You only pay for the system when you use it. As a result, if you use a system less in a month, you pay less.
- No capital investment in hardware or maintenance is required. You save money on more than 6 goods that would have cost you money otherwise. This means:
- No servers
- No data centre
- No operating system
- No database licences
- No annual maintenance fees
- No hardware-system software upgrades
- No anti-virus for running the programme This saves months of work dealing with software providers, miscommunications, and important management time.

Figure 6: http://www.networksbaseline.in/2016/05/cloud-computing-software-as-service.html

Advantages of CRM

CRM software delivers a number of strategic advantages to businesses. One of the most significant advantages is the opportunity to bring a personal

touch to interactions between the company and its consumers. Small and large businesses alike benefit from implementing a customer relationship management system. The CRM's main advantages are as follows:

- Visibility
- Improves customer satisfaction
- Improves customer relations
- Facilitates discovery of new customers
- Increases customer revenue
- Maximize upselling and cross selling
- Assists sales teams in closing deals faster
- Ease of performing and recording sales activities
- Simplifies sales and marketing processes
- Makes call centres more efficient
- Enhances customer loyalty
- Facilitates opportunistic selling

Disadvantages of CRM

For most firms, the benefits of installing a CRM software system exceed the disadvantages; however, the following are some of the most common obstacles encountered:

- Expenses are high.
- Record loss
- Training
- Additional data entry effort
- Ongoing maintenance
- Frequent system upgrades and information updates
- Difficult to interface with other information management systems
- Loss of personal engagement and human contact

Implementing and Integrating CRM

There are several CRM software programmes on the market that can assist firms with CRM activities. In addition to selecting one of the market CRM packages, a business can design its own CRM to meet its own needs. Consider the following factors when putting together a CRM system:

- Develop an end-to-end plan to service customers
- Utilize customer relationship managers to gauge satisfaction
- Track all areas of sales and prospects with regard to customers
- Encourage employees to ask questions that can assist in addressing customer issues

Current Scenario of CRM

CRM has become an inevitable requirement in today's global corporation to achieve the appropriate level of success. In today's world, the customer is king. Organizations must consider how to provide a higher-quality service at a cheaper cost to their clients. Cloud is still quite popular, with only a small percentage of businesses actively using it. It has progressed to new heights. The following statistics will provide light on the current situation:

- According to Forbes, CRM software grew at a compound annual growth rate (CAGR) of 15.1 percent from 2012 to 2017
- The CRM industry is a $36.5 billion market worldwide
- The ROI for CRM system is almost 450 percent
- CRM system can increase revenue by 41 percent by sales team
- CRM system adaptation increases sales by up to 21 percent
- About 49 percent of companies have CRM system
- Cloud-based SAAS is currently dominating the market
- About 65 percent of companies have CRM system

Future of CRM

The CRM's future isn't quite certain. Organizational requirements alter throughout time. Top achievers are always raising the bar on themselves. People who understand how CRM is changing, on the other hand, will have a better idea of where it is heading. The CRM sector is expanding at a 30-40% yearly rate. The CRM market is quite fragmented. Every profile, from end user to administrator to developer, has potential in the future. There are a few key trends for CRM systems in the future, including:

- CRM ecosystem will deepen and widen
- Mobile first technology
- Moving beyond cloud-based CRM
- Customer and staff retention
- CRM will become totally social
- CRM will fine-tune content marketing
- CRM to XRM (extreme Relationship Management)

Conclusion

The CRM business has come a long way to its current state and still has a long way to go. CRM is a wonderful approach for a company to employ in order to improve their business. Because it will help the company better understand their customers, allowing them to customise products that suit them and increase client loyalty, allowing the company to develop long-term profitability with them. CRM is about to enter a revolutionary phase, promising both organisations and customers more profitable and deeper relationships. To take maximum advantage, an early adaptation and integration strategy is required. Failure to match consumer insights with business goals can result in not only missed opportunities, but also a risk to the organization's future.

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