



THE USE OF TECHNOLOGY IN CUSTOMER RELATIONSHIP MANAGEMENT

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INTRODUCTION

“If customer relationships are the heart of business success, then the CRM is the valve the pumps a company's life blood”

Customer relationship management systems are being widely across various sectors and in companies widely varying in size. It has been viewed as a process aimed at collecting customer data, find profiles of customers and use the customer knowledge in specific marketing activities An Organization interacts with their customers in a number of ways including marketing, advertising, direct mail campaigns, websites, call centers, mobile sales service, brick and mortar stores. Customer Relationship Management (CRM) is an organizational strategy to develop mutually profitable long term relationships with the customer. In service industries, the goal is especially emphasized since a repeat customer is believed to cost merely a fraction of what needs to be spent in servicing a new customer in service transaction.. The CRM strategic paradigm has gone through a three-phase generational shift over the last decade (1998-2008) with enterprises maturing from 1. Marketing to customers the best products at the best prices 2. Marketing customers with the best services 3. Marketing customers with the dynamic services and products that they want and desire as measured by customer intent. Experts opine that inefficient and improper service is one major reason. The remedy is the organizations should adopt **CUSTOMER RELATIONSHIP BUILDING APPROACHES** to improve Customer Life Time value (CLV) and Customer Delight thereby resulting in a long term relationship. The article will attempt to consolidate the theoretical basis for the use of specific technology in the implementation of CRM strategy by organizations while examining the possible tools in

CRM systems. The article will begin by examining the link between technology and CRM, and then proceed to examine specific technologies and their application within CRM.

NEED FOR THE STUDY

Today's CRM technology has evolved from a range of standalone technologies, some of which date back to the 1970s and earlier. However, since the 1980s, some organizations have consolidated these disparate technologies into unified CRM offerings. The CRM ecosystem is made-up of three major groups: CRM solutions provider, hardware and infrastructure vendor's and service providers. Most CRM solutions, whether from enterprise, midmarket or specialty providers are broadly aligned with the primary front-office functions of marketing, sales and service. CRM analytics has grown in importance over the last few years. Organizations have realized that analytics can provide a deeper insight into customers. Most effective CRM processes and strategies are so successful because of the underlying technologies that enable and support them. In our dynamic, evolving industry new technologies continue to allow us to interact with customers in ways we never imagined. This is not to say that technology is the end-all in CRM--we still need engaged people, relevant processes, and quality data. But when properly implemented, technology can take that powerful threesome even farther.

OBJECTIVES OF CRM

CRM, the technology, along with human resources of the company, enables the company to analyze the behavior of customers and their value. The main areas of focus are as the name suggests: *customer, relationship*, and *the management of relationship* and the main objectives to implement CRM in the business strategy are:

1. Understand customer needs better
2. Maintain long -term customer relationships
3. Identify individual customers' needs– Develop relationships that stretch over several transactions, – Manage that relationship to the benefit of the customer and the company
4. Be able to pursue a strategy of Relationship Marketing
5. To simplify marketing and sales process
6. To make call centers more efficient
7. To provide better customer service
8. To discover new customers and increase customer revenue

9. To cross sell products more effectively

What is CRM?

CRM is the core business strategy that integrates internal processes and functions, and external networks, TO CREATE AND DELIVER VALUE TO TARGETED CUSTOMERS AT A PROFIT. Customer Relationship Management (CRM) is a process companies use to understand their customer groups and respond quickly—and at times, instantly—to shifting customer desires. CRM technology allows firms to collect and manage large amounts of customer data and then carry out strategies based on that information. Data collected through focused CRM initiatives help firms solve specific problems throughout their customer relationship cycle—the chain of activities from the initial targeting of customers to efforts to win them back for more. CRM data also provide companies with important new insights into customers' needs and behaviors, allowing them to tailor products to targeted customer segments. Information gathered through CRM programs often generates solutions to problems outside a company's marketing functions, such as supply chain management and new product development.

Companies use Customer Relationship Management to:

1. Gather market research on customers, in real time if necessary
2. Generate more reliable sales forecasts
3. Coordinate information quickly between sales staff and customer support reps, increasing their effectiveness
4. Enable sales reps to see the financial impact of different product configurations before they set prices
5. Accurately gauge the return on individual promotional programs and the effect of integrated marketing activities, and redirect spending accordingly
6. Feed data on customer preferences and problems to product designers
7. Increase sales by systematically identifying and managing sales leads
8. Improve customer retention
9. Design effective customer service programs

How Customer Relationship Management works: CRM requires managers to:

1. Start by defining strategic "pain points" in the customer relationship cycle. These are problems that have a large impact on customer satisfaction and loyalty, where solutions would lead to superior financial rewards and competitive advantage.
2. Evaluate whether—and what kind of—CRM data can fix those pain points. Calculate the value that such information would bring the company.
3. Select the appropriate technology platform, and calculate the cost of implementing it and training employees to use it. Assess whether the benefits of the CRM information outweigh the expense involved
4. Design incentive programs to ensure that personnel are encouraged to participate in the CRM program. Many companies have discovered that realigning the organization away from product groups and toward a customer-centered structure improves the success of CRM.
5. Measure CRM progress and impact. Aggressively monitor participation by key personnel in the CRM program. In addition, put measurement systems in place to track the improvement in customer profitability with the use of CRM. Once the data are collected, share the information widely with employees to further encourage participation in the program.

GIVING CUSTOMERS WHAT THEY WANT, WHEN THEY WANT IT

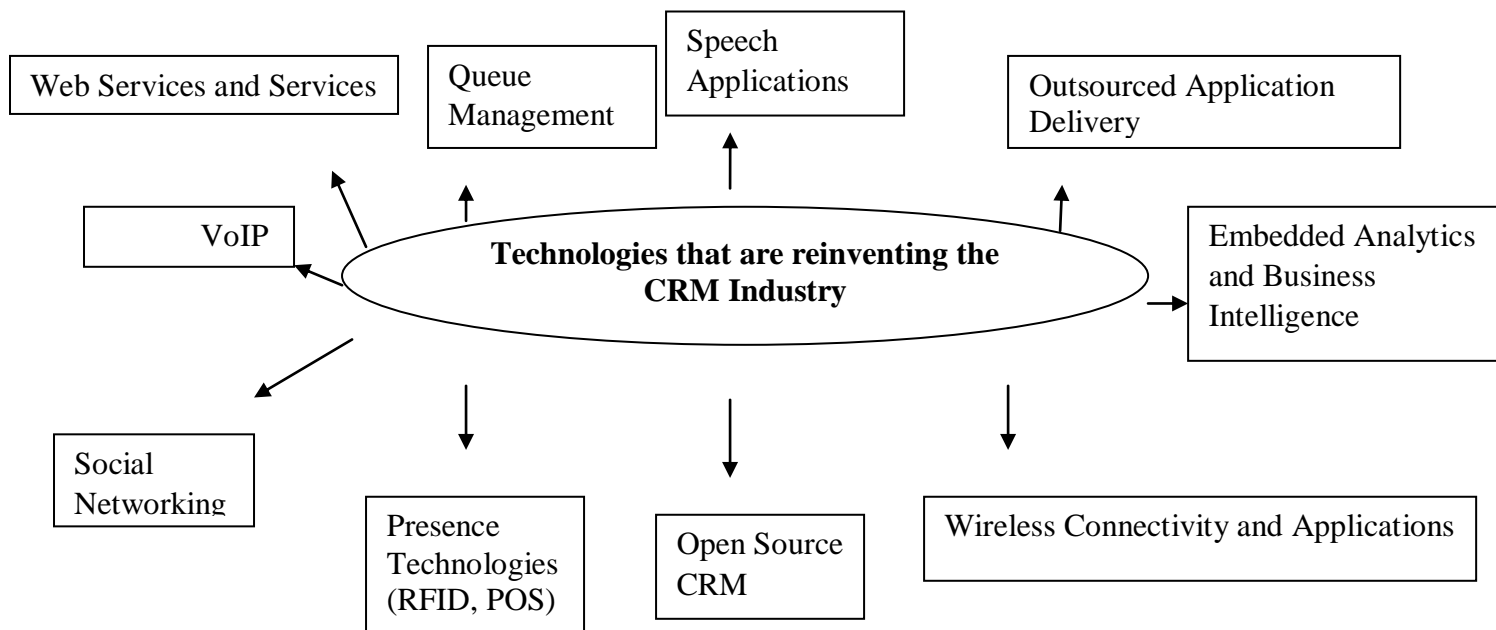
The goal of your business in terms of its customer interactions is to generate loyalty. There's no better way to do that than to offer quality products and services and to be responsive to your customers. But as new technologies have come to market to make it easier for businesses to provide customer service, they may also be increasing the number of channels through which you interact with customers and the complexity of those interactions. Accenture, the technology consulting firm, suggests that businesses that want to use technology to raise the quality of their customer service focus on the following:

1. **DATA MANAGEMENT AND ANALYTICS:** Using data collected from customer to analyze their preferences.
2. **INSIGHT-DRIVEN MARKETING:** Gaining insights into your business from customer data so you can more effectively target marketing.
3. **MARKETING AUTOMATION:** Streamlining and automating business processes to improve efficiency and keep costs low.

4. **SELF-SERVICE OPTIMIZATION:** Finding ways for customers to interact with your business when they want.
5. **WORKFORCE EFFECTIVENESS:** Encouraging your staff to embrace new ways improving customer treatment by providing tools and training to deliver better service.

The following articles will provide an overview of the ways you can use technologies to better serve your customers and, in the process, better serve your business goals.

Technologies that are reinventing the CRM Industry



CRM SOFTWARE

CRM software consolidates customer information and documents into a single CRM database so business users can more easily access and manage it. The other main functions of this software include recording various customer interactions (over email, phone calls, social media or other channels, depending on system capabilities), automating various workflow processes such as tasks, calendars and alerts, and giving managers the ability to track performance and productivity based on information logged within the system.

Common features of CRM software include:

1. **MARKETING AUTOMATION:** CRM tools with marketing capabilities can automate

repetitive tasks to enhance marketing efforts to customers at different points in the lifecycle. For example, as sales prospects come into the system, the system might automatically send those marketing materials, typically via email or social media, with the goal of turning a sales lead into a full-fledged customer.

2. **SALES FORCE AUTOMATION:** Also known as sales force management, sales force automation is meant to prevent duplicate efforts between a salesperson and a customer. A CRM system can help achieve this by automatically tracking all contact and follow-ups between both sides.
3. **CONTACT CENTER AUTOMATION:** Designed to reduce tedious aspects of a contact center agent's job, contact center automation might include pre-recorded audio that assists in customer problem-solving and information dissemination. Various software tools that integrate with the agent's desktop tools can handle customer requests in order to cut down the time of calls and simplify customer service processes.
4. **GEO-LOCATION TECHNOLOGY OR LOCATION-BASED SERVICES:** Some CRM systems include technology that can create geographic marketing campaigns based on customers' physical locations, sometimes integrating with popular location-based GPS apps. Geo-location technology can also be used as a networking or contact management tool in order to find sales prospects based on location.

TYPES OF CRM TECHNOLOGY

1. **OPERATIONAL CRM:** It provides automated support to “front office “business processes (sales, marketing and service). Each interaction with a customer is generally added to a customer’s history and staff can retrieve information on customers from the database as necessary.
2. **ANALYTICAL CRM:** Analyses data (gathered as part of operational CRM or from other sources) in an attempt to identify means to enhance a company’s relationship with its clients.
3. **COLLABORATIVE CRM:** It is an approach to customer relationship management in which the various departments of a company, such as sales, technical support and marketing share any information they collect from interactions with customers.

THE CRM TECHNOLOGY MARKET

The four main vendors of CRM systems are Salesforce.com, Microsoft, SAP and Oracle. Other providers are popular among small- to mid-market businesses, but these four tend to be the

choice of large corporations.

On-premises CRM put the onus of administration, control, security and maintenance of the database and information on the company itself. With this approach the company purchases licenses up front instead of buying yearly subscriptions. The software resides on the company's own servers and the user assumes the cost of any upgrades and usually requires a prolonged installation process to fully integrate a company's data. Companies with complex CRM needs might benefit more from an on-premises deployment.

With cloud-based CRM -- also known as SaaS (software-as-a-service) or on-demand CRM -- data is stored on an external, remote network that employees can access anytime; anywhere there is an Internet connection, sometimes with a third-party service provider overseeing installation and maintenance. The cloud's quick, relatively easy deployment capabilities appeals to companies with limited technological expertise or resources.

Companies might consider cloud-based CRM as a more cost-effective option. Vendors such as Salesforce.com charge by the user on a subscription basis and give the option of monthly or yearly payments.

Data security is a primary concern for companies using a cloud-based system since the company doesn't physically control the storage and maintenance of its data. If the cloud provider goes out of business or is acquired by another company, a company's data can be compromised or lost. Compatibility issues can also arise when data is initially migrated from a company's previous system to the cloud. Finally, cost may be a concern, since paying subscription fees for software can be more costly than on-premises-based models.

Open source CRM programs make source code available to the public, allowing companies to make alterations with no cost to the company employing it. Open source CRM systems also allow the addition and customization of data links to social media channels, assisting companies looking to improve social CRM practices. Vendors such as Sugar CRM are popular choices in the open source market.

Adoption of any of these CRM deployment methods depends on a company's business needs, resources and goals, since each has different costs associated with it.

TRENDS

Traditionally, data intake practices for CRM systems have been the responsibility of sales and marketing departments as well as contact center agents. Sales and marketing teams procure leads and update the system with information throughout the customer lifecycle and contact centers gather data and revise customer history records through service call and technical support

interactions.

The advent of social media and the proliferation of mobile devices have caused CRM providers to upgrade their offerings to include new features that cater to customers who use these technologies.

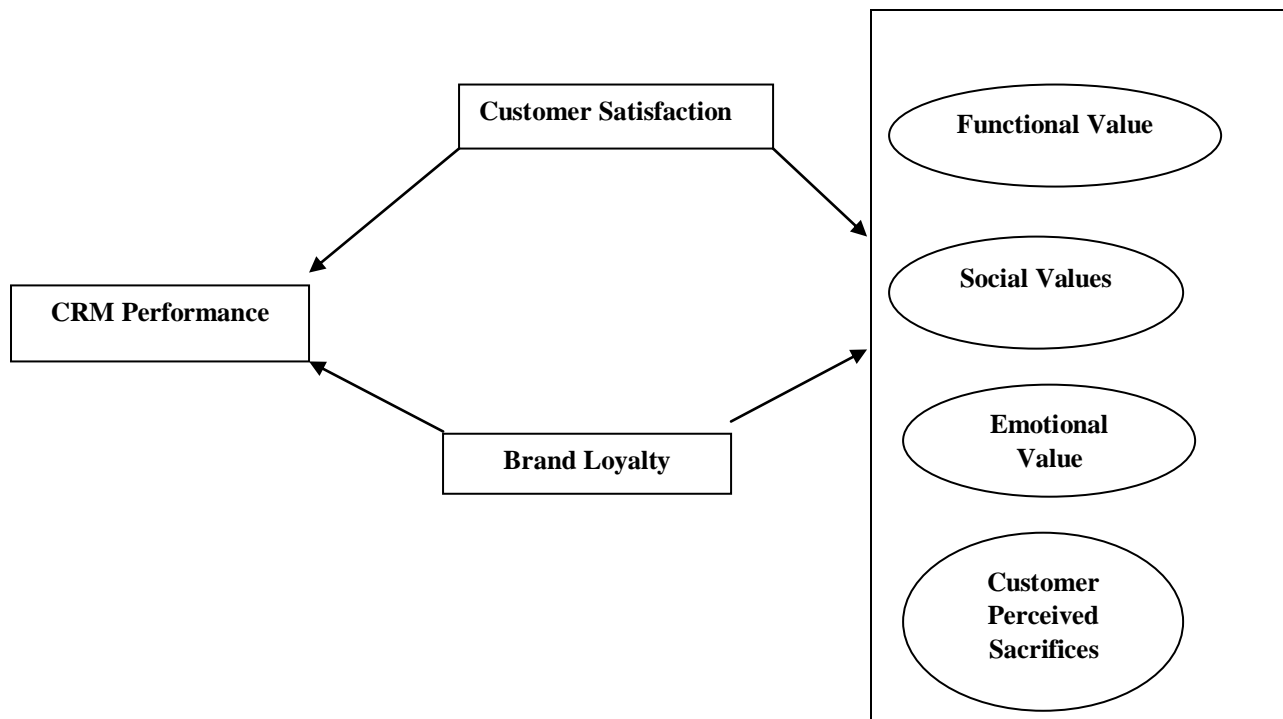
Social CRM refers to businesses engaging customers directly through social media platforms such as Face book, Twitter and LinkedIn. Social media presents an open forum for customers to share experiences with a brand, whether they're airing grievances or promoting products.

To add value to customer interactions on social media, businesses use various tools that monitor social conversations, from specific mentions of a brand to the frequency of keywords used, to determine their target audience and which platforms they use. Other tools are designed to analyze social media feedback and address customer queries and issues. Companies are interested in capturing sentiments such as a customer's likelihood of recommending their products and the customer's overall satisfaction in order to develop marketing and service strategies. Companies try to integrate social CRM data with other customer data obtained from sales or marketing departments in order to get a single view of the customer.

Another way in which social CRM is adding value for companies and customers is customer communities, where customers post reviews of products and can engage with other customers to troubleshoot issues or research products in real time. Customer communities can provide low-level customer service for certain kinds of problems and reduce the number of contact center calls. Customer communities can also benefit companies by providing new product ideas or feedback without requiring companies to enlist feedback groups.

Mobile CRM -- or the CRM applications built for smart phones and tablets -- is becoming a must-have for sales representatives and marketing professionals who want to access customer information and perform tasks when they are not physically in their offices. Mobile CRM apps take advantage of features that are unique to mobile devices, such as GPS and voice-recognition capabilities, in order to better serve customers by giving employees access to this information on the go.

RELATION BETWEEN CV, CS & CRM PERFORMANCE



CRM CHALLENGES

For all of the advancements in CRM technology, without the proper management, a CRM system can become little more than a glorified database where customer information is stored. Data sets need to be connected, distributed and organized so that users can easily access the information they need.

Companies also struggle to achieve a "single view of the customer," where many different data sets can be seamlessly accessed and organized in a single dashboard or interface to create one view of a customer's account and relevant information. Challenges arise when customer data is silted in several separate systems or when data is complicated by duplicate or outdated information that slows down and hampers the business process. These problems can lead to a decline in customer experience due to long wait times during phone calls, improper handling of technical support cases and other issues.

Studies show that customers, particularly Millennials, are increasingly dissatisfied with the contact center experience. They demand multiple avenues of communication with a company and expect a seamless interaction across many different channels, the most popular

of which tend to be Web chat, mobile apps and social media. The main challenge of a CRM system is delivering a cross-channel customer experience that is consistent and reliable.

Social media, for example, has been touted as a more efficient channel by which customers can reach companies and get problems resolved or queries answered, rather than enduring the traditional method of waiting in a phone queue or awaiting an email response. In some cases, particularly in high-touch customer service scenarios, social platforms can fall short for customer service.

Companies also continue to struggle to identify real sales prospects with their data. New lead-generation technologies that combine CRM data with third-party data from companies like Dunn & Bradstreet and social streams have also been emerging to provide sales and marketing teams with better sales prospects. These methods work best, however, when companies spend time cleaning up their existing data to eliminate duplicate and incomplete records before they supplement CRM data with external sources of information. The CRM processes should fully support the basic steps of customer life cycle. The basic steps are:

1. Attracting present and new customers
2. Acquiring new customers
3. Serving the customers
4. Finally, retaining the customers

CONCLUSION

CRM is more than technology and allow business to build relationships with customers .The last several years saw the rise of Customer Relationship Management (CRM) as an important business approach. CRM is a widely-implemented strategy for managing a company's interactions with customers, clients and sales prospects. Its objectives are to increase profitability, revenue and customer satisfaction. To achieve CRM, a companywide set of tools, technologies and procedures promote the relationship with the customer to increase sales. Information technology compress the gap between the company and customer and increase the customer satisfaction by providing the prompt services, profitability also heightened.

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