A Study on Trends in Customer Relationship Management

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ABSTRACT:
Today’s customers are increasingly moving away from conventional to more ‘next-gen’ ways in interacting with enterprises and buying products and services. To keep pace with shifting consumption patterns, enterprises must provide a unified customer experience across all touch points and channels. Customer relationship management can help organizations to manage customer interactions more effectively to maintain competitiveness in the present economy. As more and more organizations realize the significance of becoming customer-centric in today’s competitive era, they adopted CRM as a core business strategy and invested heavily. CRM, an integration of information technology and relationship marketing, provides the infrastructure that facilitates long-term relationship building with customers at an enterprise-wide level. Successful CRM implementation is a complex, expensive and rarely technical projects. This paper focus on the importance of CRM in an Organization. Like stores, call centers, websites, social networks, mobile, kiosks and interactive television. The customer experience is the major influencer when it comes to buying decisions, brand impression and sustainability of customer relationships. Adapting to a changing market dynamic and providing superior customer experience are critically important for every enterprise.

Key words: CRM, CUSTOMER

INTRODUCTION
Customer Relationship Management is one of the newest innovations in customer service today. CRM stands for customer relationship management and helps the management and customer service staff scope with customer concerns and issues. CRM involves gathering a lot of data about the customer. The data is then used to facilitate customer service transactions by making the information needed to resolve the issue or concern readily available to those dealing with the customers. This results in more satisfied many more. This information is important in providing the customer the answer that he or she needs to resolve the issue without having to wait for a long time and without going to several departments. With just a few mouse clicks, a customer support representative for example can track the location of the customer’s package or order. This is infinitely better than the cumbersome process of tracking shipments previously. Furthermore, the customer service representative will also be able to see the previous concerns of the customer. This is a great help especially if the customer is calling about the same issue since he or she will not have to repeat the story all over again. This results in less time in resolving the issue, thus, higher productivity of the support staff. Customer Relationship Management systems are also important to the top management because it provides crucial data like customer satisfaction and efficiency of service by the frontline crews. A piece of customer relationship management software will also be able to generate the needed reports for product development or new concepts. Furthermore, this system will also be a great help for the top management in deciding the company’s future course of action, whether it involves phasing out one of the products on the shelves or making adjustments to one of the products sold. Customer Relationship Management can be widely defined as company activities related to developing and retaining customers. It is a blend of internal business processes: sales, marketing and customer support with technology and data capturing techniques.
DEFINITION
Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value.

REVIEW OF LITERATURE
According to Gefen and Ridings, a CRM system consists of multiple modules including: operational CRM, which supports a variety of customer-oriented business processes in marketing, sales and service operations; and analytic CRM which analyses customer data and transaction patterns to improve customer relationships. Operational and analytic CRM modules provide the major functions of a CRM system. Successful CRM implementation often entails significant organizational transformation due to the complexity of multiple operations involved in managing customer relationships. Implementing a CRM system is only part of the needed change. To adopt the new ways of interacting with customers, firms need to align various organizational aspects with their CRM systems, e.g. business processes, strategies, top management support, and employee training. A typical CRM implementation can be classified into six iterative processes including exploring and analysing, visioning, building business case, planning and designing solution, implementing and integrating, and realizing value. Resulting from a variety of catastrophic ERP implementation failures, research on ERP systems points to the need to reduce application complexity. The likelihood of success is related to reduced project scope, complexity, and customization of the application. Defining a reasonable system scope by phasing in software functionality over a series of sequential implementation phases is an important means of decreasing complexity. Similarly, reducing or eliminating customization of the specific functionality of CRM application software is critical to lowering risk. It is business needs that should determine the CRM application functionality—the scope of functions to be implemented. Organizations are finding that implementing CRM functionality beginning with quick, clear-cut and profitable ‘hits’ helps to insure the initial success, and thus long-term success of a CRM initiative. Generally, the case study method is a preferred strategy when “how” and “why” questions are being posed, and the researcher has little control over events. The case study method, a qualitative and descriptive research method, looks intensely at an individual or small participants, drawing conclusions only about the participants or group and only in the specific context.

CHALLENGES AND OPPORTUNITIES
The proliferation of social media channel makes it all the more easy for irate customers to “bad-mouth” a particular product or offering that failed to meet their expectation. Businesses are indeed aware of what damage a customer can do to their brand on a social media channel. In today’s highly social networked world it’s essential for businesses to understand the potential opportunity to build strong and lasting bonds with customers by addressing issues around customer’s satisfaction. Zoom With rapid increase in smart handheld devices, enterprises must enthusiastically come out in support of mobile-based strategies designed to empower their customer-facing employees, as well as on-the-move customers. Given the advances in technology and increased customer touch points, it is no less important to extract actionable insights from the large amount of data generated. Enterprises need to understand and ponder the benefits and challenges of in-memory databases, platforms and analytical solutions to tap the potential of social-sourced customer data, achieve advanced data visualization and meaningful insights.

Customer relationship management as a service is also gaining market share at a faster rate than traditional on-premise applications. Enterprises must focus and leverage the voice of the customer to prioritize and optimize business processes and better understand and manage customer expectations.

TOP 5 CRM TRENDS FOR 2014
With the stock market trading near new highs, an economy, arguably in a steady growth mode, and new business formation rebounding, marketers are finding the marketplace cluttered. Old school advertising isn’t as effective as it once was. There are over 3.5 billion indexed web pages out there.
Breaking through to your customer is harder than ever before. In this complex environment, we offer 5 new trends for 2014 that will challenge marketers:

1) **Content:** Corporate web sites tend to be loaded with irrelevant content. They also often fail to meet Google’s Quality Score guidelines which power Google's Ad words. Consumers, on the other hand, are much more sophisticated today which means that companies need content that is interesting and relevant on all platforms, in order to make that emotional and rational connection that is necessary for engagement. Consumers want in-depth information, and they want it now. Hence marketers are creating shareable content and micro sites to highlight products and promotions, but also deliver targeted messages around topics relevant to the buying stages.

2) **Social Media Optimization:** This is the year that efforts are redoubled to improve the effectiveness of social media marketing and to create more shareable moments, especially as Facebook becomes a more meaningful Marketing platform. This includes segmenting your customers by social role, and using social activities to support search engine optimization and a holistic view of the customer (social CRM). Imagine, what would happen if everything you did was designed to be shared?

3) **Customer Experience:** Today, customers have more choices than ever and are more frugal. This affords them the luxury of demanding more. This is the year that the CRM Marketer will be charged with offering a holistic experience across all company touch points and developing the infrastructure that allows for knowledge sharing and smart communication. Smart organizations will hire a Chief Customer Experience Officer to identify and capitalize on unmet expectations. Tactics like content creation, loyalty programs and gamification will continue to play an integral role in the customer experience development, but so will initiatives that enable a holistic experience.

4) **Personalization and customization:** In order to be effective in this new year, companies will seek to know more about its customers and use that insight to talk, engage and interact with their customers more often and more meaningfully in new and innovative ways. Given the unique nature of mobile, Marketers can now learn customer habits and offer more proactive services, such as providing aisle numbers for searched items, custom menus in restaurants that exclude foods you clearly don’t like, or have allergies to. Marketers now have access to a tool that learns from your phone and tablet activity to make intelligent choices based on ones you have already made.

5) **Omni channel:** For many organizations, Marketing has merely focused on messaging - integrating email and display with at least one other channel. It is now incumbent upon Marketing to guide a holistic marketing strategy and customer experience. Mobile is mainstream now, and will continue to grow and dominate. Marketers now need to start their consideration with mobile and evolve the design up to larger screens, utilizing responsive design techniques. But design will only get you so far - you need to ensure that you are developing a differentiated value proposition for your organization along the way.

**STRATEGIES for CRM LONG TERM SUCCESS**

1. **Get sponsorship** from the top brass. If management doesn't believe in the new approach, why should the employees? Implementing CRM requires working across organizational boundaries and breaking down long-term siloed behaviors and attitudes. You can't do that by yourself! Many times the difference between a successful CRM strategy and a huge waste of money is backing from the executive suite.

2: **Build a team.** Prior to developing your CRM strategy or selecting your CRM software, form a CRM team with representatives from each department to make sure colleagues' needs and concerns are addressed. Too often companies neglect to include the correct stakeholders, and the initiative fails to meet the needs of those tied to its results. Pick your CRM team wisely - everyone will need to own the customer experience. Remember in forming the team, consider people, process, and technology as all will be affected.
3: **Define your business objectives?** Your CRM strategy must be designed with your business objectives and customer requirements in mind.

4: **Identify who your customer is.** Is there agreement on definition of "customer?" - The marketing department of an automobile company might consider a "customer" to be a dealer, but the call center might consider it to be a driver.

5: **Differentiate.** Identify your customer segments - your high-value and high potential customers. Know who you want to serve. Understand what that customer wants? Prioritize. What is the customer worth and what is their potential worth?

6: **Understand your Customers** - what they want, and how they want it from you.

7: **Agree on desired customer behaviors** - build consensus on how you want customers to behave differently and what the **customer experience** will be... from the customer's perspective. Design a different customer experience for each customer segment.

8: **Define customer experience goals.** Articulate the customer experience. How should your experience feel? Identify important business interactions e.g. high volume or high cost. Identify interactions that are important to the customer - high involvement and high perceived importance. Evaluate performance: How are these interactions currently handled by your company? Are there opportunities for improvement? Focus on hot spots: Identify the areas that require your greatest focus and will provide the greatest potential return. Many companies don't have a good connection with customers. That's why firms should consider developing a systematic approach for incorporating the needs of customers into the design of customer experiences.

9: **Have an integrated customer strategy.** Today interactive marketing is a fragmented discipline in which marketers work with many different vendors to develop and execute marketing programs. Recognize that disparate databases of customer information prevent companies from gaining a holistic view of the customer throughout the organization. Break down those silos. Line of business managers are often employing tactics that address products and not customers. That is because they are still looking at accounts on file, rather than at customer relationships e.g. banks that send two offers within a short time span - one that recommends consolidating their debt into a home equity loan and the other that offers a balance transfer for their credit card.

10: **Define and map data requirements** - You'll need to know what customer data is necessary and from what system it will originate. See your customer through the same lens. A firm understanding of the level of customer data - account or household level - is critical. Do you plan to append external data? If so, what types: household size, income, psychographics, ZIP, real estate information etc.

11: **Standardize data.** Various departments in your organization may see your customer quite differently from another. Using one integrated set of analytical data throughout the company can help executives to make key decisions about how much to invest in a particular customer.

12: **Dialogue with your customers.** Have a clear (and realistic) picture of who you are in the matter of serving your customer. What do you value? What are you really selling them (are you reliable? Are you the most creative?)? It's not just a list of products, you need to focus on what you're trying to be to your customers.

13: **Get personal.** Customers hate to feel like the sales agent is reading to them from a script. Learn your customers' personal needs and profiles and target your service to each individual. It will make them feel important and that you value the relationship. In order to do this effectively, you need to staff
and empower your talent pool appropriately to deliver on the customer experience. To do this effectively, focus on people, process and tools.

14: Develop success metrics - How will you know if your CRM program has been a success?

15: Create customer engagement programs Customer engagement is a process, not an event. Too often retention is treated as a project, rather than a guiding principle. Move your customers through the lifecycle... to maximize their value. Utilize business rules:

16: Collect Data - collect and use information from each customer interaction to make your chosen customers more valuable to your enterprise. Can you identify behaviors, attitudes, needs, propensities or intentions? Plan to clean your data regularly.

17: Test Troubleshoot with test customers before making your services generally available. Focus on ROI. Experiment with your Marketing.

18: Monitor the customer experience. Keep your eye on the prize. Measure the results and soothe the inevitable hiccups. Walk a mile in your customers' shoes. Don't rely on complaints from customers about how horrific it is to do business with you. Put yourself in their shoes by going through the typical customer experience. It is amazing how many companies institute processes and half heartedly mystery shop themselves. Once you suffer through what you dish out, you'll be shocked into a more customer-centric mindset. Guaranteed.

Conclusion
The ultimate purpose of CRM, like any organizational initiative, is to increase profit. In the case of CRM this is achieved mainly by providing a better service to your customers than your competitors. CRM not only improves the service to customers though; a good CRM capability will also reduce costs, wastage, and complaints Effective CRM also reduces staff stress, because attrition – a major cause of stress - reduces as services and relationships improve. In a competitive environment Organization should adopt suitable marketing skills rather than depending on the trading skills. Hence, new services should be constantly introduced to ensure the growth of the concern and to be competitive in the market and to keep up the enthusiasm of the employees and customers etc.

REFERENCES


