TRENDS IN CUSTOMER RELATIONSHIP MANAGEMENT

* Sowmya M, *Assistant Professor, GIBS Business School*
** G Prabhakaran, *Associate Professor, Government Arts College, Dharmapuri*

Abstract

Customer Relationship marketing is a combination of policies, processes and strategies implemented by an organization to unify its customer interactions to track all customer information. There are four important aspects related to CRM like front office operation, back office operation, business relations and analysis. As we know that CRM is integrated with information and communication technology, there are various CRM software packages which serves best to the companies. These depend on the requirement of the companies and their type of marketing. The trend of CRM has completely moved to the social media and networks. This change has given a positive growth trend to the companies. The growth is reflected in their profit chart. This has also changed the expectations of the customer center agents. They cannot concentrate only on calls as they did before 3 to 4 years. They should be alert enough to know from which network the customer queries hit them and should be capable enough in given them the right solutions. Cloud Experience technology and SaaS has made a remarkable change in developing and using CRM packages. Implementing the right CRM alone will not produce profits for an organization. The company should concentrate more on how effectively they use CRM and the effective strategies build on it.

KEYWORDS: CRM, Aspects, Software packages, Technology, customer center agent

Introduction

CRM is an integrated information system that is used to plan, schedule and control the pre-sales and post-sales activities in an organization. CRM embraces all aspects of dealing with prospects and customers, including the call center, sales-force, marketing, technical support and field service. The primary goal of CRM is to improve the long-term growth and profitability through a better understanding of customer behaviour. CRM aims to provide more effective feedback and improved integration to better gauge the return of investment (ROI) in these areas.

It's a model that helps the company in managing and interacting with their current and future customers. This involves the technology to organize and automate and also to synchronize marketing, sales, customer service and technical support.

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. It is grounded on high quality customer-related data and enabled by information technology.

CRM is involved in every B2B and B2C transaction. But both are created in different way. Different CRM software's are used in different B2B and B2C conditions. For the best B2B CRM, it has to be personalized and delivered at individual levels. B2B has to act dynamically in integrating contacts and other customer details from outside source. B2C has to be perfectly updated as it keeps tracks of valuable customers.

Type of CRM Dominant characteristic

Strategic - Strategic CRM is a core customer-centric business strategy that aims at winning and keeping profitable customers

Operational - Operational CRM focuses on the automation of customer-facing processes such as selling, marketing and customer service

Analytical - Analytical CRM focuses on the intelligent mining of customer-related data for strategic or tactical purposes

Collaborative - Collaborative CRM applies technology across organizational boundaries with a view to optimizing company, partner and customer value

Aspects related to CRM

- **Front office operation** – direct operation with customers eg: face to face, meeting, phone calls, e-Mail etc.,.
- **Back office operation** – operation that affect the activities of front office eg: billing, maintenance, planning, marketing, advertising.
- **Business relations** – Interaction with other companies and partners eg: suppliers/vendors, retail outlets/distributors. Business relation is the network that supports front & back office activities.
- **Analysis** – key CRM data can be analyzed in order to plan target - marketing campaigns, conceive business strategies, judge the success of CRM activities eg: market share, number & types of customer revenue, profitability etc.,.

Types of CRM

There are different CRM software packages focusing on various aspects like customer service, campaign management and sales force automation. They use mobile computing and internet technologies to automate

much information processing for sales support and management.

a) Operational CRM

It provides support to CRM front office & back office operations like interaction with customers, storing the data and contact histories. The staff can have immediate access to important information obtaining information directly or indirectly. And this will facilitate reaching customer at right time and at right place.

b) Analytical CRM

This CRM analyzes customer data for designing & executing marketing campaigns for customer acquisition, making decisions related to products and services, for financial forecasting (MIS) and customer profitability analysis.

c) Sales intelligence CRM

It works very similar to analytical CRM but it also gives more of direct sales tool. It sends alert to the sales staff. It shows information on sales performance, customer trends and customer preference.

d) Campaign Management

This combines the elements of operational and analytical CRM functions. Firstly, the target groups are been formed from the client base according to some selected criteria. Secondly, sending campaign related materials (e.g. on special offers) to selected recipients using various channels like e-Mail, telephone, SMS, Posts. Thirdly, tracking, storing and analyzing campaign statistics including tracking responses and analyzing trends.

e) Collaborative CRM

It covers aspects of a company's dealings with customers that are handled by various within a company. Eg: sales, technical support and marketing. Staff members from different departments can share information collected when interacting with customers i.e., feedback received by customer support agent can provide other staff member with information on services & features requested by customers. The ultimate goal is to use information collected by all departments to improve the quality of services provided by the company.

f) Customer Relationship CRM

Customer relationship system covers aspects of a company's dealing with customers handled by the customer affairs and customer relationships contact centers within a company. The company representatives handle in-bound contacts from anonymous customers and from existing customers. Early warnings can be issued regarding product issues and customer sentiments can be tracked

(voice of the customer).

Implementation Issues

- Some CRM project fails due to data quality and availability.

- Data cleaning is a major issue

- If strategy is to track life-cycle revenues, costs, margins & interactions between individual customers, then this must be reflected in all business processes and data must be extracted from multiple sources.

- Proper significant pre-planning is essential for smooth roll-out.

- An effective tool for CRM project is a pre-implementation checklist for problem identification and rectification.
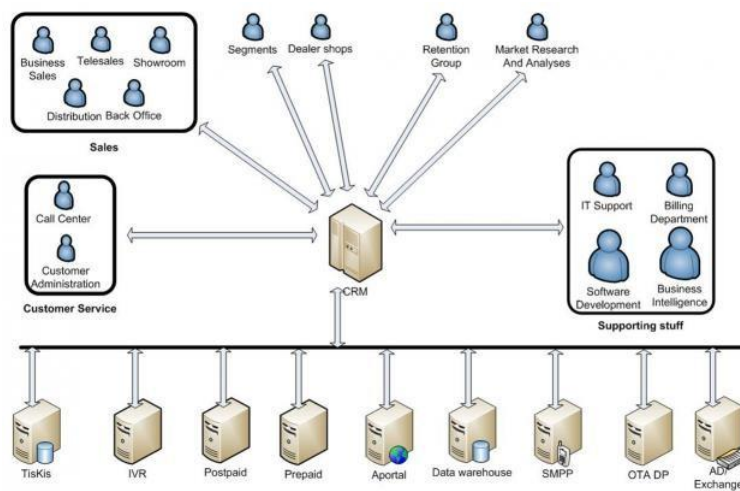
Trends of CRM

There are many CRM packages based on the need of the company. In general it may be classified as SaaS CRM Software, Sales Force, BPMonline, AmoCRM, Oracle CRM on demand etc.,. The Salesforce.com, The CRM vendor is identified as the winner in the year 2013 and the competitive players are Microsoft, SAP, NetSuite, Oracle, SugarCRM, BPM online.

With the help of web tools, the companies can subscribe the software as per their requirements. Now the era has completely changed from mobile to the social customer with the use of Facebook, Twitter, Google Plus, LinkedIn etc.,

Though many companies have implemented CRM, people in companies are not technically sound in handling the software and total implementation fails. The purity in data is very important in CRM and also

proper follow up of customers. Duplication of data has to be avoided to the maximum.Eureka Forbes an aqua guard direct sale is the maker of India's largest selling water purifier brand having 10 million customers. There were several cases against Eureka Forbes in consumer courts. Then they decided to rewire and launch SAP CRM. The employees used it very effectively as they could and withina year they reduced the number of cases to 10. The executives integrated all the customer real time requestsand solved them everything through blogs and social sites. Marzin Shroff, CEO, Eureka Forbes says that they have solved 2450 cases via internet in a year.

Several Fortune 500 companies are moving themselves from Social for Social's Sake by achieving all their strategic goals by using this social communication tools. Companies such as Airtel, HDFC and ICICI Bank have already made their Social CRM Transition in India. Tata teleservices are the early adopters of this Social CRM. Soon after implementing this concept into our business Tata teleservices were able identify a huge mass of customers moving from dissatisfied stage to volunteer subscription to Tata Docomo, Says Praveen Gupta, marketing, and head, digital business, Tata Teleservices.

The other advantage of social CRM, according to Sushil Tyagi, director, global sales and marketing at CRMNext, is that collaboration between geographically spread teams becomes easier, thanks to information being available anytime, anywhere. IT research and advisory firm Gartner predicts that the social CRM market will grow from $1.91 billion in 2013 to $9.08 billion in 2018.

Customer relationship management is repeatedly showing a greater performance by increasing the sales volume. Customer needs instant solution to his questions from the trustable source. Their approach has completely changed from waiting for solution or reply to instant solutions for query.

Nowadays, it is not enough if a call center agent can just attend calls. The in-bound calls have come down. The call center agents duties are increasing in such a way that they have to solve problems through several customer channels. People are made available with latest technologies and gadgets. The use of mobile and social platforms has drastically increased. The customers are taking up video calls or video chats. They look for live demos and feedbacks.

The various trends in general as classified as follows:

People and technology make a customer experience management strategy work

Along with CRM, the Customer Experience Management (CEM) has also have shown a tremendous growth in this CRM era. Companies should start adopting CEM strategies in answering to the questions

and complaints that customers raise.

For this every employee starting from the receptionist, IT people, marketer, executives to the management should follow the same strategy and express the same message in understanding and reaching out to customers so that CEM technology will work very effectively which will in turn give raise in the sales and profit.

Though everything is done with the use of technology, it is ultimate that it is to people to whom the companies have to convince and make them understand. So it is not only that the companies communicate with them to solve their queries, it is all the marketing they do with them.

A winning mobile engagement strategy requires integration and good design

Most of the customers have shifted themselves using smart phone's and because of these every companies are now developing their own mobile application. The customer should be able to lead themselves through the action button in their mobile app so that they can easily access the business too.

With this kind of application the customer should be able to connect to customer center agent with a hit of a button and the problem should be properly understood by the agent. The customer should not repeat his problem or need again and again. If this situation arise then there won't be an effective utilization of the mobile app, and also the customer will fed up and move to the new brand. To have a successful mobile engagement strategy, apps should have mobile-specific interfaces with action buttons that lead users through tasks, several industry observers say.

CEM marketing includes all employees

These social Medias have brought companies closer to customers, and concentrate more on winning their hearts, mind and wallet. CEM marketing becomes a key player in customer engagement strategies. Marketers work as part of a cross-organizational team with executives and contact center agents to understand and reach out to customers.

Contact center agent empowerment

If customers are empowered to communicate with companies whichever way they want, then certainly a contact center agent should also have the same array of tools at her disposal.

The contact center agent should be able to communicate and must be aware of what hit him either the

tweets or text message or live chats etc., and he must be in a position to respond with the right solution. Agents must have advanced contact center technologies to quickly access customer information and respond with the consumer's preferred channel -- whether it's social media, email or an old-fashioned phone call.
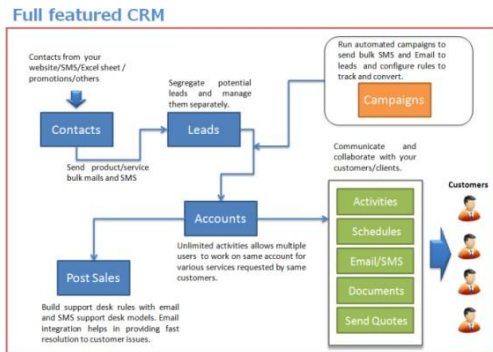
All these means we must be able to effectively manage the four key areas of CRM i.e., strategy, process, technology, people. There are various trend changes based on these 4 key areas. They are as follows:

Strategy

- **Enterprises must navigate digital disruption:** Digital platform have completely changed the customer expectation. It has been heightened and the customers are available with abundant options so that the customers can get what they want and how they want it to be, in more places and in all times.

- **Brands turn attention to CX (Cloud Experience) design:** The right customer interactions, implemented the right way, it should not just happen. Instead, they must be actively designed. Brands must understand and manage their customer experience ecosystems, which comprise all interaction points across customers' journeys.

Process

- **Untamed processes will get more attention:** More organizations are moving from isolated business process management (BPM) and/or front-office CRM projects to cross-functional transformation initiatives to support the invisible and untamed customer management processes that are critical to deliver an exceptional customer experience.

- **Agile implementation approaches will scale to the enterprise level:** Organizations are adopting agile project management and software development methodologies to help them to become more nimble and implement more flexible business management approaches.

Technology

- **Social customer engagement will move into the mainstream:** The company must be clear in their objectives which will add value to social customer engagement: 1) listening to better understand customers; 2) talking to spread messages about your company; 3) energizing to supercharge the power of word of mouth; 4) supporting your customers to let them help each other; and 5) embracing your customers by enlisting them to help design your products and improve your processes.

- **Mobile applications will empower consumers and employees:** Mobility technologies provide new ways to improve the productivity of front-line employees and engage more deeply with customers. Eg: ICICI introduces Tab Banking through which we don't have to arrange for papers and photographs, photos and documents are scanned by the officer using tab from our residence. Technology vendors are rushing to provide solutions that work across all mobility technology platforms and support all device form factors (laptops, Smartphone's, and tablets). And these solution will enable "write once, deploy on any device" capability.

- **Organizations will adopt flexible CRM management practices to capitalize on SaaS:** Organizations are rapidly adopting software-as-a-service (SaaS) CRM solutions is often referred to as CRM in the cloud. But to take advantage of these more flexible solutions, you must embrace a new solution governance approach where technology innovation is embedded in the business and not in IT.

People

- **Customer experience disciplines will cut costs and boost profits**: Companies see a substantial business benefit when they systematically hunt down and eliminate customer experience problems. This means implementing best practices in six disciplines: customer understanding, measurement, governance, strategy, design, and culture.

- **VOC programs will drive action and demonstrate results:** More than two-thirds of organizations with voice of the customer (VoC) programs say that these programs are very valuable or extremely valuable when it comes to improving customers' experience. But two-thirds also report that their VoC programs don't deliver financial results. Most of them haven't done the calculations to figure out those results or don't know how to. But those who do connect the dots successfully find that VoC efforts drive customer retention and growth metrics.

Conclusion

CRM is a very powerful tool in boosting up the company's profit. It is in the hands of officers and other executives how effectively they use it. It is not about simply storing the data. The information is considered to the bigger asset of company. So it has to be effectively retrieved and used as on when needed and new strategies are to be build in order to retain the existing customers and attract new customers. Customer privacy and data security is followed as mentioned in legislative and cultural norms. The company should assure that the data will not be shared with third parties without their consent and that safeguard is in place to prevent illegal issues.

The CRM has shown a rapid growth in past 3 to 4 years, and a wider shift in technology and people. Thanks to the communication technology which has facilitated the companies to interact more with their customers and understand the customer needs exactly as they wanted and deliver the same at the right time.

Reference

1. http://www.businessworld.in/news/business/marketing-and-advertising/when-crm-goes-social/1241839/page-1.html
2. http://searchcrm.techtarget.com/photostory/2240175337/Top-five-CRM-trends-you-should-know-about/1/CRM-industry-trends#contentCompress
3. http://blogs.forrester.com/william_band/13-01-02-the_top_crm_trends_for_2013
4. Customer Relations ship management(2011), Francis Buttle, Published by Elsevier India Private Limited, New Delhi
5. Why CRM Doesn't work(2004), Frederick Newell