CRM (CUSTOMER RELATIONSHIP MANAGEMENT) AS A MARKETING TOOL

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Abstract

Customer Relationship Management (CRM) is to create a competitive advantage by being the best at understanding, communicating, delivering, and developing existing customer relationships, in addition to creating and keeping new customers. It has emerged as one of the largest management buzzword. The goal of CRM is to make all customers repeat business. If done well, CRM can also turn repeat customers into an army of marketers via word-of-mouth marketing. Companies are developing a mix of relationship-marketing tools to establish and build profitable customer relationships. The basic concept is that the customer is not someone outside the organization; he is a part of the organization. In the course of creating a marketing plan, some businesses can get lost in the tracking of numbers, forecasts, and conversions and lose sight of relationship building. CRM systems help you to not drop the vision of the relationship. It guides you to make your customer loyal to your organization. CRM assists by organizing prospects and clients, keeping track of marketing efforts and goals, and providing a snapshot to keep track with the business plan. By creating a marketing plan that suits a particular business process, you can use CRM to customize your data to give you the greatest edge in converting prospects to customers and then your customers to life-long clientele.

Key words: Customer Relationship Management, Marketing, Relationship Marketing, Business Plans, Customer Loyalty.

Introduction

CRM will gradually reduce organization's dependence on periodic surveys to gather data. Collection of data related to buying and consumption behavior will be an ongoing process. In many cases, the transaction data is automatically collected sometimes real time as in the e-commerce transaction. This rich repository of customer information and knowledge updated through regular interactions and actual customer transactions and purchase behavior will help marketers to develop and market customer centric products successfully. Customized promotions-based customer preferences and purchase patterns will substantially reduce the wasteful expenditure of mass communication and even direct mailing. CRM aids the marketing department in several ways. Since gaining new customers

is difficult, management needs additional tools. CRM Marketing manages to achieve this with its customized marketing campaigns. CRM Marketing is not as simple as it may seem. It includes a wide range of marketing activities like web marketing, field marketing, increase market share, analyzing customers buying behavior, and creating customer loyalty.

Having a relationship with a customer increases the chances of successful sales and you cannot have relationships with prospects unless you understand them—what they value, what services are important to them, how and when they prefer to interact, and what they want to buy. In the olden days, manufacturers developed products and services and defined distribution networks, and then searched for customers. Just think of all of the product failures and short-lived successes that this model created. As you begin to understand the importance of relationships with your prospects, keep in mind their specific wants and needs as you begin marketing to them. With CRM, product and service development has to follow the customer's lead. That is why the more you interact with your customers and learn about them, the easier it is to pinpoint those of greatest value to your organization. This insight will eventually help you to quickly recognize the needs of your customers and take necessary steps to meet their needs.

Marketing practices change as businesses constantly create new ways to reach potential customers and impress the customers they already have. Since marketing is such an integral part of the business structure, many businesses are willing to spend large amounts of money on specific marketing strategies. One of the broadest and most popular marketing strategies is CRM. CRM in marketing deals with how the business treats customers and how it manages customer information. The goal is to create a pleasant experience for the customer that will leave a favorable impression in their minds and impress them with the service the business provides. CRM may use data software to track customer responses and choices, but it is based on the attitude the business has toward consumers and how it can be improved.

Focus Areas of CRM in Marketing
Web Marketing

Today business is basically on an online mode. Here the end consumer can have access to a large variety of products at a single click, it encourages them to continue with this purchase pattern. From the sellers point it's a profitable business since they don't have to physically set up a showroom and another stake is that they can meet the huge demands of large number of customers easily. Over the web, CRM techniques deal with web design, ease of use for customers and data collected on customers that can be used to improve their shopping experience.

Field Marketing

For businesses that focus more on physical storefronts than online experiences, CRM involves acquiring and initiating necessary actions to retain the customers by employing

best employee- customer relationship. The seller has one to one transaction with the end customer in this process. Here they can easily influence the customer by providing them with good customer care practices, this will entail the marketer to capture the customers attention to his product/ service and eventually make him a loyal customer.

Increase Market Share

Customer relationship management techniques are also used to increase the overall market share of the business. Essentially, treating customers well adds to the value of the business products and services. If the business impresses customers, it tends to attract more people, increasing its pool of customers. Loyal customers will then attract others through word of mouth.

Analysing the Customers Needs

The CRM process has to constantly keep a tab on the customer purchase pattern and analyse their changing needs from time to time. This will keep the seller well equipped to meet the needs of the customers at a given point of time. Meeting the customer's needs in time will create loyal customers for the organization.

Customer Loyalty

CRM is used most often to create customer loyalty. Loyal customers are those who, impressed with the service offered by the business, continue to return to the business to the exclusion of other companies. Customer loyalty is important for businesses that want to create and maintain a profit base. Loyal customers are how smaller businesses survive more trying economic times when infrequent consumers stop buying.

Types of Customer Relationship Management(CRM)

CRM consists of four key features, which are Operational CRM, Collaborative CRM, Analytical CRM and Strategic CRM.

Operational Customer Relationship Management (CRM)

Operational CRM generally refers to services that allow an organization to take care of their customers. It provides support for various business processes, which can include sales, marketing and service. Contact and call centers, data aggregation systems and web sites are a few examples of operational CRM. If a particular company has a high customer turnover, or perhaps high service costs, Operational CRM gives access to information about the customer as well as giving a clear view of the customers needs. The operational application of CRM enables effective interaction with customers.

Collaborative Customer Relationship Management (CRM)

Collaborative CRM 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. For example, customer feedback gathered from a technical support session could inform marketing staff about products and services that might be of interest to the customer. The purpose of collaboration is to improve the quality of customer service, and, as a result, increase customer satisfaction and loyalty. Collaborative CRM deals with synchronization and integration of customer interaction and channels of communications like phone, email, fax, web etc. with the intent of referencing the customers in a consistent and systematic way. The idea is not only enhancing the interactions but also to increase and improve customer retention and liberty.

Analytical Customer Relationship Management (CRM)

Analytical CRM, addresses the analysis of customer data for a host of different purposes. In general it is used to design and execute targeted marketing campaigns that optimize marketing effectiveness. Analytical CRM takes into account product and service decision-making as well as pricing and new product development. Analytical CRM provides customer segmentation. To illustrate, it divides customers into those that may or may not utilize your services again, or gives you information that helps in the process of your service. Not only does it determine profitability or which customers generally lead to the most profit over time, it also provides the ability to market specifically to individual customers based on the data collected.

Strategic Customer Relationship Management (CRM)

Strategic CRM involves almost all the departments of an organization e.g. finance, sales, manufacturing, distribution, marketing etc. Hence it is essential to get support and use their important feedback while determining strategies. For this each and every department should be kept informed about all the developments and implementation of processes carried out or performed. Everyone should also be emphasized about the positive approaches and end results of the strategies. After organizational commitment is secured the next important stage in developing CRM strategies is building a determined and valuable project team. Each and every member of this team should be experiences and dedicated professional as these members will be the key decision makers in the whole process. They will be responsible to communicate all the related details and benefits of the CRM strategies to all the members of the organization.

Implementing CRM as a Marketing Aspect

Customer relationship management is a corporate level strategy, focusing on creating and maintaining relationships with customers. CRM systems are integrated end-to-end across marketing, sales, and customer service. Here the sales staff report about the customers attitude and needs. The marketing department constantly keeps a tab on the customer's actions and takes necessary actions to support the sales staff in meeting the

needs of the customers. Customer service which is the ingredient part of marking activity makes sure there is no dejected customer. A business house who believes in CRM believe their customer are their marketers. So every measure is taken to ensure that customer retention is the first priority, which in turn will yield the business in customer acquisition.

CRM in Marketing

The concept of managing relationships with customers is not new. Companies have been interfacing with customers since the beginning of trade. However, the focus has always been to sell the products or services, as opposed to focusing on Customer Retention. Competition, driven by globalization and the Internet, has changed the face of business. Customers now have a variety of choices and, most importantly, they are becoming far more knowledgeable and demanding. The power has truly shifted to the customer. With this scenario, most companies realize that they need to treat their customers with more care. Companies are now desperately searching for different ways to manage customer relationships effectively, not only to acquire new customers, but also to retain the existing ones. According to a Harvard Business Review Study, some companies can boost their profits by almost 100% by retaining just 5% or more of their existing customers.

Marketing Benefits of CRM

CRM will gradually reduce organization's dependence on periodic surveys to gather data. Collection of data related to buying and consumption behavior will be an ongoing process. In many cases, the transaction data is automatically collected some times real time as in the e-commerce transaction. This rich repository of customer information and knowledge updated through regular interactions and actual customer transactions and purchase behavior will help marketers to develop and market customer centric products successfully. Customized promotions-based customer preferences and purchase patterns will substantially reduce the wasteful expenditure of mass communication and even direct mailing. As a customized promotion are more focused and are based on a deeper insight of existing customers, they have a greater chance of conversion to sales.

CRM Applications

The genesis of CRM is Sales Force Automation (SFA). Current CRM applications are a convergence of functional components such as sales, marketing, and customer service, advanced technologies & communication channels.

Sales Applications - The thrust of sales applications is automating the fundamental activities of sales professionals. Common applications include:
- Scheduling the meetings
- Contact and account management of their meetings
- Opportunity and pipeline management
- Sales forecasting

- Employing best Pricing strategies
- Territory assignment and management

Marketing Applications

Marketing Applications form the newest breed of applications in the CRM space. These applications complement sales applications and provide certain capabilities unique to marketing. Common applications include:

- Web-based/traditional marketing campaign planning, execution and analysis
- Prospect list generation and management
- Budgeting and forecasting of Marketing activities
- Lead tracking, distribution and management
- Take measure to meet the customer's needs based on peer informations

Marketing applications primarily aim to empower marketing professionals by providing a comprehensive framework for the design, execution and evaluation of marketing campaigns and other marketing related activities. For example, a successful marketing campaign typically generates qualified sales leads that need to be distributed to sales professionals who need to act upon them. Marketing and sales automations are therefore complementary.

Customer Services Application

The basis of customer services states that:

- The customers do not bother to complain in the vent of a bad experience but simply just take their business elsewhere.
- Generally loyal customers take time to complain. This enables the product / service provider to improve and ensure that such mistake do not recur.
- A dissatisfied customer will definitely inform her friends and family about a bad experience while she will tell only a few about a satisfying experience with an organization.
- Customers who complain will do business with a company again if it quickly takes care of a service problem.

Conclusion

In the current business scenario CRM is not considered as a product or service; it is an overall business strategy that enables companies to manage customer relationships effectively. From the business perspective, it provides an integrated view of a company's customers to everyone in the organization so that the customer can be serviced effectively. For example, if marketing runs an outbound campaign, all the information about the customers and the program should be retained for the sales people to follow up, the customer service people to answer any queries, and technical support to provide any field

support. The idea is to have the same information shareable with all in the company. This will enable the company to present a uniform face to its customers when called upon to serve their needs. Such a CRM strategy also implies that the enterprise is customer-centric.

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