

“Customer Relationship Management (CRM)”:- A Case Study on Indian Markets

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Abstract:

Customer Relationship Management (CRM) is a widely implemented strategy for managing a company's interactions with customer, clients and sales prospect. It involves using technology to organize, automate and synchronize business process-principally sales activities, but also those for marketing, customer service and technical support. The overall goals are to find points of attraction, and win new client, nurture and retain those who the company already has, entice former clients back into the fold, and reduce the cost of marketing and client service. Customer relationship management describes accompany-wide business strategy including customer interface departments as well as other departments. Loyal customers cannot only give operational companies' sustained revenue but also advertise for new marketers. To reinforce the reliance of customers and create additional customer sources, firms utilize CRM to maintain the relationship as the general two categories B2B (Business-to-Business) and B2C (Business-to-Consumer or Business-to-Customer).

In order to achieve customer satisfaction the companies try to give attention to the customer requirements and build a long-term relationship with them. A deep understanding of customer is a primary component for making a goal of CRM. CRM is all about getting, growing and keeping customers. The link between customer satisfaction and the return on investment is the profit for a company which is shown later on.

Introduction:

“Customer is the life blood of every types of business.” Without Customer Satisfaction a business cannot survive. So we can say that for Customer satisfaction, Customer Relationship Management play a vital role in business. Customer Relationship Management is a strategy which is customized by an organization to manage and administrate its customers and vendors in an efficient manner for achieving excellence in business. It is primarily entangled with following features:

Customers Needs- An organization can never assume what actually a customer needs. Hence it is extremely important to interview a customer's likes and dislikes so that the actual needs can be ascertained and prioritized. Without modulating

the actual needs it is arduous to serve the customer effectively and maintain a long-term deal.

Customers Response- Customer response is the reaction of the organization to the queries and activities of the customer. Dealing with these queries intelligently is very important as small misunderstandings could convey dissimilar perceptions. Success totally depends on the understanding and interpreting these queries and then working out to provide the best solution. During this situation if the supplier wants to satisfy the customer by properly answering to his queries, he succeeds in explicating a professional and emotional relationship with him.

Customer Satisfaction- Customer satisfaction is the measure of how the needs and responses are collaborated and delivered to accelerate customer expectation. In today's competitive business marketplace, customer satisfaction is an important performance exponent and basic differentiator of business strategies. Hence, more customer satisfaction will leads to business growth and also increases the bonding with customer.

Customer Loyalty- Customer loyalty is the tendency of the customer to remain in business with a particular supplier and buy the products regularly. This is usually seen when a customer is very much satisfied by the supplier and re-visits the organization for business deals, or when he is tended towards re-buying a particular product or brand over times by that supplier. To continue the customer loyalty the most important aspect an organization should focus on is customer satisfaction. Hence, customer loyalty is an influencing aspect of CRM and is always crucial for business success.

Customer Retention- Customer retention is a strategic process to keep or retain the existing customers and not letting them to diverge or defect to other suppliers or organization for business. Usually a loyal customer is tended towards sticking to a particular brand or product as far as his basic needs continue to be properly fulfilled. He does not opt for taking a risk in going for a new product. More is the possibility to retain customers the more is the probability of net growth of business.

Customer Complaints- There always remains a challenge for suppliers to deal with complaints raised by customers. Normally raising a complaint indicates the act of dissatisfaction of the customer. There can be several reasons for a customer to launch a complaint. A genuine reason can also exist due to which the customer is dissatisfied but sometimes complaints are launched due to some sort of misunderstanding in analyzing and interpreting the conditions of the deal provided by the supplier regarding any product or service. Handling these complaints to ultimate satisfaction of the customer is substantial for any

organization and hence it is essential for them to have predefined set of process in CRM to deal with these complaints and efficiently resolve it in no time.

Customer Service- In an organization Customer Service is the process of delivering information and services regarding all the products and brands. Customer satisfaction depends on quality of service provided to him by the supplier. The organization has not only to elaborate and clarify the details of the services to be provided to the customer but also to abide with the conditions as well. If the quality and trend of service go beyond customer's expectation, the organization is supposed to have a good business with customers.

Let it be a newly brought up enterprise or a well established organization the above aspects prove to be of prime importance in dealing with a genuine customer through a well organized CRM system.

Customer Relationship Management (CRM) Features and Functions

Customer relationship management (CRM) features and functions help improve the interactions and engagement of customers. Typical CRM features and functions include sales force automation (SFA), marketing automation, customer service and support, partner management, and enterprise marketing management. CRM solutions also include features and functions for sophisticated reporting and analytics, with configurable dashboards that help you control your view of the data. To find the best CRM system for your business, it's important to understand which features and functions you need before you compare CRM solutions.

CRM for Financial and Insurance Markets

This CRM knowledge base supports specialized criteria for groups engaged in the financial and insurance markets. In addition to many of the regular CRM features, the knowledge base has a range of criteria for policy tracking, agency management, investment tracking, and other areas of concern to professional service automation (PSA) groups.

Enterprise Marketing Management (EMM)

The Enterprise Marketing Management (EMM) Knowledge Base research helps to determine the support levels of various systems that help companies' market services and products effectively and efficiently. EMM tools helps in managing strategic planning and marketing resources (sometimes referred to as Marketing Resource Management or MRM). This EMM also covers rule-based techniques, pattern recognition and other profiling features.

Customer Care and Billing (CC&B)

Customer Care and Billing (CC&B) solutions typically support providers of utilities, telephony, cable, or other services providing companies. The CC&B software covers mediation, provisioning, rating, reporting, financial systems, and billing for voice, data, content, and utility services.

CC&B for Telecommunications Industries

Customer Care and Billing (CC&B) solutions for telecommunications providers typically provide mediation; provisioning; retail rating and billing; reporting; financial systems; packages, discounts, and promotions characteristics; and billing for voice, data, content, and utility services.

Customer Relationship Management (CRM)

This comprehensive, customer relationship management (CRM) knowledge base covers the full range of CRM functionality. Modelled especially to help clients requiring modern B2B or B2C solutions, it covers marketing automation, sales force automation, customer service and support, partner management, contract management and creation, project and team management, Internet sales, e-mail response management, analytics, and important technical criteria.

Sales Force Automation (SFA)

Sales Force Automation (SFA) systems help sales and marketing teams with functions related to taking orders, generating proposals or quotes, managing territories, managing partners, and maintaining contact data. Systems often include various levels of analytic and reporting capabilities.

Quote-to-Order (Q2O) Systems

Quote-to-Order (Q2O) solutions (sometimes known as configure, price, and quote or CPQ) enable manufacturers to mobilize their mass customization initiatives. These systems can reduce time-consuming quoting and ordering processes, decrease unit costs, and lower sales costs. Q2O suites can further help enterprises increase sales effectiveness across all channels. These solutions help companies that sell complex products and services shift their focus to customer-facing sales and service issues.



Customer Relationship Management is associated with the following marketing strategy.

Strategy of CRM

Customer relationship management (CRM) practices have traditionally included sales activities, marketing, customer care and even technical support. However, these same organizations handle collections the way they did 20 years ago – with separate customer care and accounts receivable functions. This “reactive” strategy stalls collection activity -- and payment -- until the customer is well past due.

However, a new “preventive” collections approach that combines advanced technology and sophisticated billing analytics identifies revenue recovery opportunities early in the payment cycle. This strategy, with proven success at sites in 27 countries, secures payment before the customer ever reaches the collections stage.

In many cases, customers that have receivables issues are still contacting the company's customer care representatives to conduct business. But one can route these contacts to a new type of collection associate called “universal agents” who handle customer service calls and then move the conversation to billing or collection issues. In a single call or multi-channel engagement, costs are reduced, payments are rendered, and customer relationship is preserved and revenues increased.

Here are the seven key steps to establish and manage a preventive collections strategy alongside your current customer relationship management practices:

1. Choose the right people

Screen agents for collections, with a customer care skill sets up-front. Identify individuals capable of serving as “universal” agents, able to handle virtually any issue – from standard customer care issues to past-due collections. Then, match top performers in each area to specific clients.

Universal agents can easily be identified by their customer service skills and a thick skin required for past-due collections. Simply put, you can teach a collections agent how to handle customer care, but customer care agents rarely have the skills needed to manage collections calls.

2. Provide up-front and ongoing training

Once identified, universal agents should receive special training. They must have the empathy, bridging and negotiation skills needed to open and close a customer care issue and negotiate and resolve a past-due billing issue – often during the

same call.

A certain amount of ongoing training is required. Agents must be kept abreast of the latest client offers. They must know how to change a customer's payment due date, offer credits, or waive a service fee.

If the customer recently lost a job, the universal agent must be able to show empathy and offer payment alternatives.

3. Control customer service quality and performance

With customer data and payment habits on their screen the moment the call comes in, universal agents can deliver a quality customer experience by offering empathy and sympathy – while remaining firm enough to meet the client's collection targets.

Statistics prove that empathy and the ability to offer alternative arrangements – as opposed to the traditional, bottom-line collections call enhances customer satisfaction/loyalty and increases the likelihood of receiving payment.

4. Leverage customer data to build prevention strategies

When a customer gets his or her payback, every company wants to be paid first. By having the individual's payment history on-screen at the outset, the universal agent is better able to negotiate. They may offer suggestions like: “Can we change the due date to better fit your needs?”

5. Provide access to all customer contact channels

More and more consumers and business people are using non-traditional means for communications. Communicate in the medium of their choice. Employing a multi-channel approach, the preventive collections program can leverage or combine voice communications with other direct contact channels, including direct mail, chat and email.

6. Deliver global consistency

Implement and enforce a set of operating standards for all customer care and collection interactions throughout your operation. This will ensure equally trained agents with reliable service to your clients around the world.

This program is derived from a set of highly defined standards developed from global call centre experience over the past 20-plus years. It delivers universal agents with consistent skill levels, regardless of where they are located.

7. Provide motivation and incentives

Every client has different needs. When it comes to motivating and incenting universal agents, there are a variety of client-specific compensation models.

Earnings and incentives can be based on cure, liquidation and collection rate measurements.

With this strategy, agents are able to engage late-paying customers and gradually move them away from the collections process, in some cases permanently. Identifying and resolving past-due issues before the customer reaches the collections stage is a proven way to enhance the bottom line.

Customer relationship management (CRM) is associated with the following process

Current scenario and future prospect of CRM

CRM play an effective role in today's world in India
CRM play an effective role in various prospect such as



1. The growing de-intermediation process

In many industries due to the advent of sophisticated computer and Telecommunication technologies that allow Producers to directly interact with end customers. For example, in many industries such as airlines, banks insurance, software or household appliances and even consumables, the disintermediation process is fast changing the nature of marketing and consequently making Relationship marketing more popular. Databases and direct marketing tools give them the means to individualize their marketing efforts.

2. Advances in Information Technology.

Networking and manufacturing technology have helped companies to quickly match competition. As a result product quality and cost are no longer significant competitive advantages.

3. The growth in service economy.

Since services are typically produced and delivered at the same institution, it minimizes the role of the middlemen.

4. Total quality movement

Another force driving the adoption of CRM has been the total quality movement when companies embraced TQM it became necessary to involve customers and suppliers in implementing the program at all levels of the value chain. This needed close working relationships with the customers. Thus many company such as Motorola, IBM, General Motors, Xerox, Ford, Toyota, etc formed partnering

relations with suppliers and customers to practice TQM. Other programs such as JIT and MRP also make use of interdependent relationships between suppliers and customers.

5. Customer expectation

It is changing almost on a daily basis. Newly empowered customers choose how to communicate with the companies' various available channels. Also now a day's consumers expect a high degree of personalization.



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