A PAPER ON CUSTOMER RELATIONSHIP MANAGEMENT

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Abstract—

"CONSUMER IS THE KEY OF BUSINESS"

In today's globalized world, relation is more important for any business. In business the activities which is conducted and about to conduct for making profits. Without profits there is no survivalence for making business decisions, so to attain profits you must consider the people expectations on your product. If the product performance is matches the buyer expectation, the consumer is delighted, the reverse is just as true. So if the product performance is perceived by buyer's expectations, expectation is first step to define your target. Then you have to design and develop according to the consumer's needs, wants and demands. If your product performance is matched the consumers' expectations then your product is automatically sells. Then after that your communication is starts with that potential consumer. If he finds any difficulty to attain your product then you have a chance to maintain to build your customer relation is the name of management. So management is means, how to plan, how to define strategy and how formulate that strategies in to proper mechanism. Then this management offers several chances to those who are working in the organization to develop and sustain in the competitive world. After that the consumer comes to your store again and again for his buying's and gets the products to satisfy his personal and professional needs. In this paper I need to study the relationship strategies and how these strategies will improve the customer relation to get the success of every organization.

INTRODUCTION

Marketing

Marketing is the science of meeting the needs of a customer by providing valuable products to customers by utilizing the expertise of the organization, at same time, to achieve organizational goals. According to The American Marketing Association, Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

With this definition, it is important to realize that the customer can be an individual user, a company, or several people who contribute to the purchasing decision. The product can be a hard good, a service, or even an idea – anything that would provide some value to the person who provides an exchange. An exchange is most often thought of as money, but could also be a donation of time or effort, or even a specific action. A producer is often a company, but could be an individual or non-profit organization.

Classical marketing is often described in terms of the four "P's, which are:

- **Product** – what goods or services are offered to customers
- **Promotion** – how the producer communicates the value of its products
- **Price** – the value of the exchange between the customer and producer
- **Placement** – how the product is delivered to the customer.

A complete analysis of these categories is often called the **Marketing Mix**. More detail on these categories can be found in the later entry on the Marketing Plan.

Marketing has both inbound and outbound activities. Inbound activities largely center on discovering the needs and wants of the potential customers. The collective group of all potential customers is called a market. Categorizing these needs into groups is called segmentation. Organizing markets into segments allows a producer to more logically decide how to best provide value to that group of potential customers. The analysis of market segment needs; analysis of existing sales and profitability; the descriptions, design and introduction of new products; and the analysis of competitor offerings are also inbound activities that are important but not often seen by the public.

Outbound activities include all aspects of informing the market that a product is available, delivering that product, and encouraging the purchase decision. These activities include advertising, promotion, supply chain, sales support, product training, and customer support.

To the public, the most common interaction with marketing is where it touches the discipline of sales in the form of advertising. This interaction leads to a common misconception that marketing is only this aspect of promotion. Instead, it is useful in understanding that:

The Market

The market consists of all prospective customers for a given product, service, or idea. Customers can be purchasers who intend to resell the product or end users who intend to use or consume the product. The market can be categorized into separate groups called segments. When a producer appeals to a market or market segment, the producer must take into account the distinction between the end user or consumer and the purchaser or decision maker(s). This is especially true in B2B models. The market may be individuals or organizations that are able to purchase the organization’s product. Each entity in the delivery chain will have different needs, so a complete market needs analysis must include all potential segments and all entities within each segment.

The Product

Products that can be marketed include all goods, services, and ideas that are sold or traded. Products can be either *tangible*, as in the case of physical goods, or *intangibles*, such as those associated with service benefits or ideas (intellectual property), or any combination of the three. The *producer* is the entity that offers the product to the market. The producer can be the manufacturer, the wholesaler, the retailer, the service provider, or a combination of these. For services, it is sometimes easier to use the term *provider* instead of producer.

Goods

Goods are a **physical product** capable of being delivered to a purchaser and involve the transfer of ownership from seller to customer.

Services

A service is a non-material action resulting in a measurable change of state for the purchaser caused by the provider.

Ideas (Intellectual Property)

Intellectual Property is any **creation of the intellect that has commercial value**, but is sold or traded only as an idea, and not a resulting service or good. This includes copyrighted property such as literary or artistic works, and ideational property, such as patents, appellations of origin, business methods, and industrial processes.

Product Pricing

Once an organization has its product to sell, it must then determine the appropriate price to sell it at. The *price* is set by balancing many factors including supply-and-demand, cost, desired profit, competition, perceived value, and market behavior. Ultimately, the final price is determined by what the market is willing to exchange for the product. Pricing theory can be quite complex because so many factors influence what the purchaser decides is a fair value.

It also should be noted that, in addition to monetary exchange, price can be the exchange of goods or services as in a barter agreement, or an exchange of specific behavior, such as a vote in a political campaign.

Product Promotion

Once an organization has learned the market needs, produced or procured a product, and priced it, it then needs to promote the product by letting the market know that it exists, and how it can be purchased.

Promotion involves providing information about a product, product line, brand, or company. There are many ways to promote including:

- Advertising
- Personal selling
- Sales discounts
- Public Relations/Publicity
- Sampling
- Word of mouth, including electronic endorsements
- Product placement

Product Distribution

Once an organization has produced or procured, priced, and promoted a product, it then needs to deliver that product to the purchaser. Some distribution examples:

- Direct sale to the customer from the producer
- Wholesale distribution where the producer sells in large quantities only to an intermediary, not the end user
- Retail sales where a retailer will buy large quantities, but sell smaller quantities to individual customers
- Value added resale (VARs) where an organization purchases a product from a producer and, in turn, resells it to a consumer after adding additional products, services, or expertise.

Relationship marketing

Relationship marketing was first defined as a form of marketing developed from direct response marketing campaigns which emphasizes customer retention and satisfaction, rather than a focus on sales transactions

Relationship marketing differs from other forms of marketing in that it recognizes the long term value of customer relationships and extends communication beyond intrusive advertising and sales promotional messages

With the growth of the internet and mobile platforms, relationship marketing has continued to evolve as technology opens more collaborative and social communication channels. This includes tools for managing relationships with customers that goes beyond demographic and customer service data. Relationship marketing extends to include inbound marketing efforts, (a combination of search optimization and strategic content), PR, social media and application development.

CUSTOMER RELATIONSHIP MANAGEMENT

Customer relationship management (**CRM**) is an approach to manage a company's interaction with current and potential customers. It uses data analysis about customers' history with a company to improve business relationships with customers, specifically focusing on customer retention and ultimately driving sales growth

One important aspect of the CRM approach is the systems of CRM that compile data from a range of different communication channels, including a company's website, telephone, email, live chat, marketing materials, and more recently, social media. Through the CRM approach and the systems used to facilitate it, businesses learn more about their target audiences and how to best cater to their needs.

Customer relationship management (CRM) is a term that refers to practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving customer service relationships and assisting in customer retention and driving sales growth.

CRM systems compile customer data across different channels -- or points of contact between the customer and the company -- which could include the company's website, telephone, live chat, direct mail, marketing materials and social media. CRM systems can also give customer-facing staff detailed information on customers' personal information, purchase history, buying preferences and concerns.

STRATEGIES OF CUSTOMER RELATIONSHIP MANAGEMENT

Developing a CRM Strategy That Best Fits Your Business.
With the introduction of advanced customer relationship management (CRM), businesses are finally able to place customers at the forefront. However, the technology can only do so much. In fact, even though CRM has been shown to increase revenue by 41% per salesperson on average, it is estimated that 43% of businesses that utilize CRM are failing to use even half of their CRM systems correctly.
In a report for Forrester, analyst William Band surveyed approximately 150 different companies in an effort to identify problems with their CRM initiatives. He discovered that 18% of his respondents reported issues directly relating to inadequate strategies. Without an effective CRM strategy, businesses run the risk of missing the mark on delivering superior customer value. Here are some tips to help your business develop a winning CRM strategy.
Set a destination.
More than anything else, your CRM should help your company achieve its goals. As such, your first step in implementing a CRM strategy is to identify those goals. Once you know what you are trying to accomplish, your next step is to determine how you plan on reaching your objectives. Break your goals down into smaller, achievable objectives, and then map out how and when you plan to complete these steps. This map should be flexible, allowing for revision along the way.
Prioritize your Customers.
It is common for businesses to want to treat all of their customers equally. The problem is that the business world is not a democracy; for a company to be successful, it must be willing to prioritize customers based upon how profitable (or how likely to become profitable) they are. For example, returning customers are often much more valuable, spending on average nearly double what new customers spend . Your organization may have its own definition of what makes a customer valuable, so it is up to you to identify the traits that you most look for in a buyer, so that can segment your accounts to increase metric-effectiveness.
Communicate with your employees.
Your CRM may be designed to handle large amounts of data, and to facilitate communication between various groups, but it is your staff that will determine whether or not your goals are met. Involve your employee in every step of the strategic process. This will help them not only internalize the objectives, but will also give them personal ownership over the direction that the company takes. Invested employees will be better able to integrate new policies and technologies in a way that will benefit everyone involved.
Stagger your changes.
If some aspect of your business isn’t working the way it should, you might feel pressured to implement new policies and technologies as quickly as possible in an effort to minimize any damage. The problem with this mentality is that too many changes all at once can have a negative impact on your employee’s productivity. Keep your workforce in mind, and whenever possible, introduce your new CRM policies gradually.
Start tracking your customers before first contact.
The CRM framework makes it possible for businesses to capture data at every stage of the customer journey. Despite this, many businesses fail to put their CRM to work until after the first few steps have been made. Instead, prepare for initial contact with your lead by using your CRM to catalogue what kind of information your prospective customer shares across social media channels. This will give you an edge in

understanding what your customer wants, how they expect you to deliver on those wants, and what they are likely to want in the future.

Sync everything to your CRM.

Many CRMs have their own built-in programs that mimic the functionality of other, often-used applications. When this is the case, then it is a simple matter for your system to sync together, so that any notes or appointments made throughout the system are automatically tracked through the rest of the CRM. However, for times when outside applications are necessary, be sure sync your CRM with whatever other programs are being utilized. The best CRMs will do this automatically, importing client-related appointments from your calendar, updating cancellations and other changes, and sending reminders when appropriate. Syncing everything together will help guarantee that you're utilizing your CRM to its full ability.

Evaluate and improve.

Every business has its own unique challenges, and no CRM strategy — no matter how in-depth — will be able to accurately account for every possible contingency. Accept this fact, and be willing to reevaluate your approach should it become apparent that something isn't working as well as it could be. Remember: Knowing what is ineffective can often be nearly as valuable as knowing what is effective, so be grateful for every chance you have to identify weaknesses in your system.

When all is said and done, CRM is nothing more than a highly-advanced tool. By itself, it is incapable of helping your business reach its goals. But when combined with a detailed-yet-flexible business strategy, CRM can help you place your customer in the forefront of your business focus. It may take time, effort, and a few trips back to the drawing board, but if you make it a point to develop the right strategy, you'll find that CRM has the potential to perfect your relationships with those who keep you in business.

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