

A REVIEW ON CUSTOMER RELATIONSHIP MANAGEMENT

¹Prof. Ishan P. Lade, ²Prof. Vinod P. Sakhare, ³Prof. Arvind T. Wadgure, ⁴Prof. Fanindra F. Katre, ⁵Dr. Jayant D. Supe

^{1,2,3,4}Assistant Professor, ⁵Associate Professor

^{1,2,3}Department of Mechanical Engineering, ^{4,5}Department of Civil Engineering

^{1,2,3,4}Guru Nanak Institute of Technology, Nagpur, Maharashtra, ⁵Rungta College of Engineering and Technology, Bhilai, Chhattisgarh, India

Abstract— *The objective of this paper is to provide academics and practitioners working with customer relationship management (CRM) with a review of key topics, such as advances in CRM, the shifting role of consumers, issues with conceptualization and consumer exploitation. The authors further add concepts of fairness, trust and paradoxes of one-to-one marketing, which are little researched within customer management.*

Index Terms—Customer relationship management, Trust, Success, Optimise, CRM Softwares

I. INTRODUCTION

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

One significant characteristic of the CRM concept is the systems of CRM that accumulate the data from a range of different communication media or channels, including an email, telephone, company's website, live chat, marketing materials, and more recently, social media. Through the CRM concept or approach and the systems used to assist it, businesses learn more about their target audiences and how to best provide to their needs. However, adopting the Customer Relationship Management concept or approach may also occasionally lead to discrimination within an audience of consumers, resulting in displeasure among customers and failure of the purpose of CRM.

The biggest management challenge in the liberalization and globalization for a business is to provide and maintain good relationship with the customer. In the past producers took their customers for approved, because at that time the customers were not demanding nor had substitute source of supply or suppliers. But today there is a radical transformation. The varying business environment is characterized by demanding customer, increasing competition, high consumer choice, economic liberalization, more emphasis on quality and value of purchase etc.

All these changes have completed today's producer move from traditional marketing to current or modern marketing. Modern marketing calls for more than developing a product, pricing & promoting it and making it accessible to target customer. It demands to build trust, a binding force and value added relationship with the customers. The process of developing a supportive and collaborative and mutual relationship between the buyer and seller is called customer relationship management (CRM). According to Ashoka Dutt, Head of Citi Bank "the initiative of CRM is to identify the individual customer intimately, so that the company has a customized product ready for him even before he asks for it."

II. PHASES OF CRM

1. Customer Relationship Management Software

The thought and idea of customer relationship management begin developing in the early 1970s, when customer satisfaction was measured using annual surveys or by front-line asking. At that time, businesses had to rely on individual mainframe systems to automate sales, but the extent of technology allowed them to categorize customers in spreadsheets and lists. The key year was 1982, when Kate and Robert Kestnbaum introduced the concept of Database marketing, namely applying statistical methods to analyze and gather customer data.

Four years later, Pat Sullivan and Mike Muhney from Dallas released their customer evaluation system called ACT! based on the principle of digital rolodex, offering for the first time a well-shaped contact management service. The style or trend was followed by numerous developers trying to maximize leads' potential, including Tom Siebel, who signed the first CRM product Siebel Systems in 1993. Nevertheless, CRM as a term became well-liked only in 1997, thanks to the work of Siebel, Gartner, and IBM companies. In the period between 1997 and 2000, leading CRM products were enriched with enterprise resource planning ERP functions, and shipping and marketing capabilities.

2. Mobile CRM

During 1999, Tom Siebel introduced and design the first mobile CRM app called Siebel Sales Handheld. The thought of a cloud-hosted and moveable customer bases was soon adopted by other leading providers at the time, including PeopleSoft, Oracle, and SAP software's. The first open-source CRM system was design and developed by Sugar CRM in 2004. During this period, CRM was rapidly migrating to darken, as a result of which it became accessible to single entrepreneurs and small teams, and undergo a huge wave of price declination.

3. Social CRM

Around 2009, developers began considering the options to profit from social media's momentum, and included interactive social CRM features into their customer service applications. The same year, Gartner planned, organized and held the first CRM Summit, and summarized the features systems should offer to be classified as CRM solutions.

III. LITERATURE REVIEW

Azvine and Nauck [1] propose an intelligent customer relationship management analytics model to solve customers' business problems. Customers are interviewed to determine their issues and to provide customer satisfaction and achieve the performance of the system. To assess, they introduce a business procedure to optimise the decision-making process. They create a system called Intelligent Universal Service Management System (iUSMS) to manipulate the data. Also, it has the ability to learn and obtain the latest knowledge. When a customer calls to report an issue, an operator will simply find that customer's profile and its details. Meanwhile, the system checks the failure using an automatic evaluation. Someone will be sent to fix the problem and the system will retain the information about the incident. The advantage of a customer focus measure is that it is a tool for creating customized automatic report in order to recognize issues, contacts, and to generate statistics. This system allows the user to customize further information and as the system gives a great deal of freedom to the customers, it engenders trust. Hence, the authors propose a system to be used by customers whereby they are granted permission to use the system to resolve their problem; whereas, the other existing systems do not allow customers to customize their information.

1. The authors consider the optimization and trustworthiness of the system when customers use it. However, the system fails to address the time spent on each customer as companies today have thousands of issues and it is unclear how the system would be able to handle all of these.

2. How many operators must be recruited by the company to solve customer problems? The authors do not show any risk factors of the project and security problems of the system, a significant issue given that most customers nowadays want to ensure their account security.

3. They do not provide any prediction regarding customers' post-behavior in the event that they are faced with issues in future.

Öztays [2] proposes a method which greatly enhances the benefits obtained from clients. The authors compare the performance of customer relationship management processes of companies which use multiple criteria decision-making processes. The authors examined the Turkish e-commerce market using an analytical network process and they considered three companies. Company one deals with trade, company two with health and cosmetics products, and company three is a facilitator between other companies. Analysis clarified that company two has the highest standards in CRM performances followed by company one and company three respectively. Finally, the sensitivity analysis showed that ranking is sensitive to shifts in inter-relations and in weights. However, their proposed method has the following drawbacks.

1. They do not propose any means for ensuring the validity and reliability of a given raw data that they need to analyse.

2. They do not propose any method for pictorially illustrating the relationships between major factors.

3. While the analytical network process is an appropriate tool for analysis and decision-making, the authors could have used other methods to determine the significance of each factor involved in the process.

4. When evaluating customer relationship management, the authors do not consider the financial effects of each factor on customer relationship management.

5. They do not consider the effect of customer complaints on customer relationship management.

In further work, Torkzadeh et al. [3] mention the major obstacles to the success of CRM in pharmaceutical companies and propose a customer relationship framework. First, they set up a focus group and initiated discussion in order to generate the problems. Then they conducted a survey and divided the data evenly into two sets. To discuss the main issues and using the first set of data, they used exploratory factor analysis. To verify the factors, and with the second set of data, the authors applied structural equation modeling. The outcomes of the analysis were 7 variables and 21 observed variables that may limit the success of CRM.

The issues are as follows:

1. Operating procedure
2. Responsibility and ownership
3. Quality of information created using customer contact
4. Ineffective consolidation of accounting function
5. Difficulty queuing a changing procedure
6. Replacement procedure
7. Time spent in the queue

Phan and Vogel [4] propose a model for consumer buying arrangements and credit behavior. They initiated their survey ten years ago and have been collecting data ever since. The authors sought to examine the effects of unfair pricing on customer relationships followed by the effect on customer relationships of changing costs or restrictions. They proposed several hypotheses and used online analytical processing (OLAP) for data analysis. They ascertained that unfair pricing will lead to a poor relationship. Also, an appropriate business intelligence system and CRM system will enhance the level of satisfaction and the relationship. Increasing costs do not annoy customers as the customers are paying with their credit cards and in this study the company adapts the products and services based on each customer.

King and Burgess [5] propose a novel method by developing a conceptual framework for CRM and changing that simulation model. The authors clearly discuss the successes and failures of CRM systems. They mention that customers complain about the failure of over 50 % of CRM projects and express their lack of trust in the systems. Hence, they created a model as CRM outcomes (operational and development) and divided this into two segments. In the next stage, they discussed the tangible and intangible benefits of CRM. They used a CLD mapping technique for simulation. Results show the difference between the work quality of an experienced CRM user and that of a new CRM user, indicating that for an experienced user, the diagram has an increasing trend. Finally, departmental support given to the users shows a similar increasing trend.

Richards and Jones [6] propose a conceptual model in which they provide customer relationship management's value drivers followed by generating equity for value, brand and relationship which will ultimately lead to customer equity. The rationale for this model is that they believe there is no outcome in terms of benefit to the company. Prior to that, they defined significant CRM core benefits based on various academic papers. Using their proposed model, they want to ascertain whether the management of CRM activities will positively impact on business performance. Furthermore, they adopt customer equity as a measurement tool.

IV. NEED OF STUDY

Three Reasons Why Manufacturers need CRM (Customer Relationship Management) :

1) Customer Service Excellence

How much time is spent by your staff searching answers to fairly basic questions from your customers? Are they getting bounced from person to person? Give your customer the confidence that you're organized and they can get answers to their questions quickly and reliably.

The first area that comes to mind for me is post-sale implementation and delivery of a project. As a manufacturer, your CRM system will include the ability to manage this information and keep your whole team in the loop, thereby getting the job done right and keeping the customer happy. You will incur fewer delays and penalties, and more track on sales.

A solid CRM system will also help you keep follow of any warranty, repair, or service issues. Perhaps your ERP system keeps way of the material side of these issues, but day to day problems, questions, investigation, and service calls are an easy thing for a CRM system to handle and ensure that nothing gets overlooked.

2) Boost Your Sales

When it comes right down to it, everyone needs to sell more. But how will a CRM system assist that?

The first way it will help your team is when you engage a customer or prospect on a new opportunity. Gathering the customer requirements all in one place will make sure that everyone involved has a very clear idea of what's needed and what the difficulties might be. You can then work with the customer to craft a solution.

We have seen many companies specifically having some challenges when it comes to responding to RFQ's, the main concern being that the process takes too lengthy as it's handed off around the office, or, the configuring method, while a set of standard rules, is done manually. There is often also very less information of why business is being win, or lost. This is incredibly important and valuable information that can be captured in your CRM system.

3) Expanding into New Markets

It might be simple and easy to continue to take orders from existing companies, but introducing new products, moving into new areas, or targeting different companies requires that your sales efforts and hard work are highly managed and effective. As you carry out these activities a CRM system will help in targeting scenario and managing those communications. It will measure the team against the goals set for them. Being organized and attentive, in combination with some good marketing, will mean the difference between success and breakdown with your new initiative. The selling process will be different and it's important to follow that process.

It Conclude that - There's a myriad of different ways a CRM system can help a manufacturing company. It could mean managing distributors as opposed to customers. It may be a way to give more people access to data already in ERP. To read more on this topic, I support you to download this excellent whitepaper from IDC. Give it a read. It goes into a great deal of depth on this topic and has several different thoughts on how CRM will helpful. It also concludes with a list of challenging questions to ask for self-evaluation.

V. CRM IN THE INDUSTRY

He challenge facing all manufacturers is to be flexible enough to react to market changes while at the same time keeping an eye on costs. Modern machinery alone does guarantee competitiveness. What is essential is the ability to provide customers with professional service and support right from the start.

Your CRM software requirements

Information from ERP, finance and production can all be managed together.

Unparalleled service for long term customer satisfaction.

Save money by saving time.

The benefits

With products becoming increasingly similar, the quality of service has become a important factor in ensuring customer satisfaction and fulfillment. Our products help you to create a common knowledge base. The staff members have instant access to all the data and information regarding customers and products, enabling them to answer all queries quickly and proficiently during a call.

CRM software helps and supports to keep everyone in the loop, regardless of their operational level, whether individual staff members, departments or subsidiaries. Various add-ons such as ERP or accounting software ensure a continuous flow of information. The software enables you to save time on a daily basis, especially when searching for documents, vacant appointments or addresses. Even field staffs are flawlessly incorporated into the customer information system. All information that used to be stored separately is now kept in one place, which makes search for it that much simple, easier and quicker. And as we all know that the time is money. This flexible CRM solution helps you handle, manage and deal with customer information throughout your company.

Managing appointments

The appointment calendar lets you view all activities, appointments, events or holidays. You can select from three different views: day, week or month. A particularly useful feature is the shared calendar view. Say you want to schedule a meeting for a number of your colleagues. Well, the shared calendar lets you see when they are all available with just a few clicks of your mouse. You can then make use of the resource calendar to rapidly find available rooms, projectors or company cars and add them to appointments.

Managing documents

The CRM solution lets you make and deal with different types of documents (MS Word, MS Excel, PDF, e-mails, graphic files, etc.) and create templates. Documents are no longer saved on different computers. This means employees always have right to use to current documents, which are centrally maintained and can be accessed by anyone at any time. The search and filter or sort-out functions can be used to filter and find the keywords in documents; for example, subject field or the date a document was created.

Project work

Project-related data records like activities, appointments, tasks, documents or caller logs are saved in the project report. The project summary can be displayed as a chart, showing the timeline of all activities, appointments, tasks, and so on. Benefit from the resource and process planning that allows you to keep track of all project phases and steps.

Address management

All addresses are stored centrally. You can sort and displaying addresses according to different attributes, using additional fields and categories. The address helps you to make an address with just a few clicks of your mouse: formless and unstructured contact information is transformed into well-structured address data records.

Mobile access to data

Particularly in sales, staff must also be able to access the data and information when away from the office: from PCs at home or from smart phones or laptops when on the move. The Mobility module enables you to coordinate the data between locations or between laptops and head office. You can also access the central database using a Web browser on your mobile device or laptop.

VI. INTRODUCE CRM IN THE INDUSTRY

There are four key steps for putting one to one marketing program to work:

Step 1 : Identify your customers

To introduce a initiative that company must be able to trace and contact a fair number of customers or at least a extensive segment of its valuable customers. It is vital to know the customer information as much as possible, their names, address, habits, and preferences and so on.

Step 2 : Differentiating your customers

Customers are different in two major ways, they represent different levels of value, assessment and have different needs. Once the industry or company identifies its customers differentiating them will help the company to focus its efforts and hard work to gain the most advantage with the most valuable customers.

Step 3 : Interacting with the customer

Interaction is also a critical and essential component of a successful CRM scheme. It is vital and essential to remember that interaction just not occur through marketing and sales channels, customer act together in many different ways with many different areas of the organization so to promote and foster relationship of all the areas of the organization must be available to the customer.

Step 4 : Customize your enterprise's behavior

To lock a customer into a relationship a company must acclimatize some feature of its behavior to meet customer's individual requirements, this might mean group customizing a manufactured product or it might involve tailoring some segment of the service surrounding the product.

VII. SCOPE AND LIMITATIONS OF STUDY**Scope of CRM :**

CRM is management software for sales, marketing and customer service teams as they are the crucial points for any customer contact strategy.

CRM for sales management :

A good mobile enabled CRM will allow sales reps to handle and deal with their tasks, activities and meetings from wherever they are, minimizing unwanted administration time and building in best practice into prospect management. Sales managers who need real time clearness in reviewing their team's sales pipeline.

When reviewing CRM choices the sales functionality should cover the basics of:

- Sales force and pipeline management
- Lead, contact and prospect management

CRM for marketing :

CRM can provide both marketing and sales functionality within their own operational requirements; but should also enable better cooperation and clearness between teams; putting the lead, viewpoint and customer at the heart of the CRM strategy. Marketing teams can be supported in lead generation efforts, planning and executing multi-channel marketing campaigns, section audiences, deliver targeted messaging at the right time and carry out best practice testing efficiently.

Marketing functionality within a CRM system review should include:

- Multi-channel marketing movement management
- Database management
- Social and community media engagement

CRM for customer service :

Customer service teams need to be able to send a positive customer experience and to do this they need to be supported by a CRM system that gives them a good record of past customer contacts, support enquiries, technical incidents and product history. Customer service operators require handling calls, emails and social/web enquiries quickly and to the satisfaction of the customer.

When considering CRM functionality for customer service, organizations should review:

- Customer service management

- Knowledge distribution and document management
- Computer Telephony Integration (CTI)
- Agreement management

Limitations of CRM :

Limitations of Customer Relationship Management are

1. Time constraint is unavoidable limitation of my study.
2. Financial problem is also there in completing this project in a proper way.
3. As no work has been done earlier in this regard so shortage of secondary data is also there.
4. Insufficient disclosure of information is also the problem.

VIII. CONCLUSIONS

From this study it can be concluded that the CRM involvement in industry is satisfactory. The company is using various Customer Relationship Management practices like product customization, maintaining communication with the customers regularly and providing best quality product etc. CRM has a certain impact on the profitability of the company. Rate of customer response towards marketing activities is also improving. There are various factors affecting the customer relationship management like working environment of the company, support from top management and co-ordination & synchronization among the departments of the company. Information technology is not used as much as it should be.

The company is using conventional tools of CRM like personal interviews, quantitative research. The company should use modern tools like e-CRM, data mining, contact center and web based survey tools.

REFERENCES

- [1] Azvine, B., Nauck, D., Ho, C., Broszat, K., & Lim, J. (2006). Intelligent process analytics for CRM. *BT technology journal*, 24, 60–69.
- [2] Öztaysi, B., Kaya, T., & Kahraman, C. (2011). Performance comparison based on customer relationship management using analytic network process. *Expert Systems with Applications*, 38, 9788–9798.
- [3] Torkzadeh, G., Chang, J. C.-J., & Hansen, G. W. (2006). Identifying issues in customer relationship management at Merck-Medco. *Decision Support Systems*, 42, 1116–1130.
- [4] Phan, D. D., & Vogel, D. R. (2010). A model of customer relationship management and business intelligence systems for catalogue and online retailers. *Information & Management*, 47, 69–77.
- [5] King, S. F., & Burgess, T. F. (2008). Understanding success and failure in customer relationship management. *Industrial Marketing Management*, 37, 421–431.
- [6] Richards, K. A., & Jones, E. (2008). Customer relationship management: Finding value drivers. *Industrial Marketing Management*, 37, 120–130.

BIBLOGRAPHY

- https://en.wikipedia.org/wiki/Customer_relationship_management#CRM_market
- www.fundsawy.com
- www.the-finapolis.com
- www.mutualfundsindia.com
- www.moneycontrol.com
- www.investopedia.com
- <https://www.choosemycrm.co.uk/what-is-crm/scope-of-crm>