

**Course : CUSTOMER RELATIONSHIP
MANAGEMENT
(BM-M-605)**

**TOPIC: INTRODUCTION TO CUSTOMER
RELATIONSHIP MANAGEMENT**

**Prof.(Dr.) Harvinder Singh
Maharaja Agrasen University
Baddi , H.P**

Preview

- *It is important for the company to understand that CRM implementation needs to be customer driven more than technology driven.*
- *CRM implementation must involve people, process, and systems, rather than just a narrowly defined IT application.*

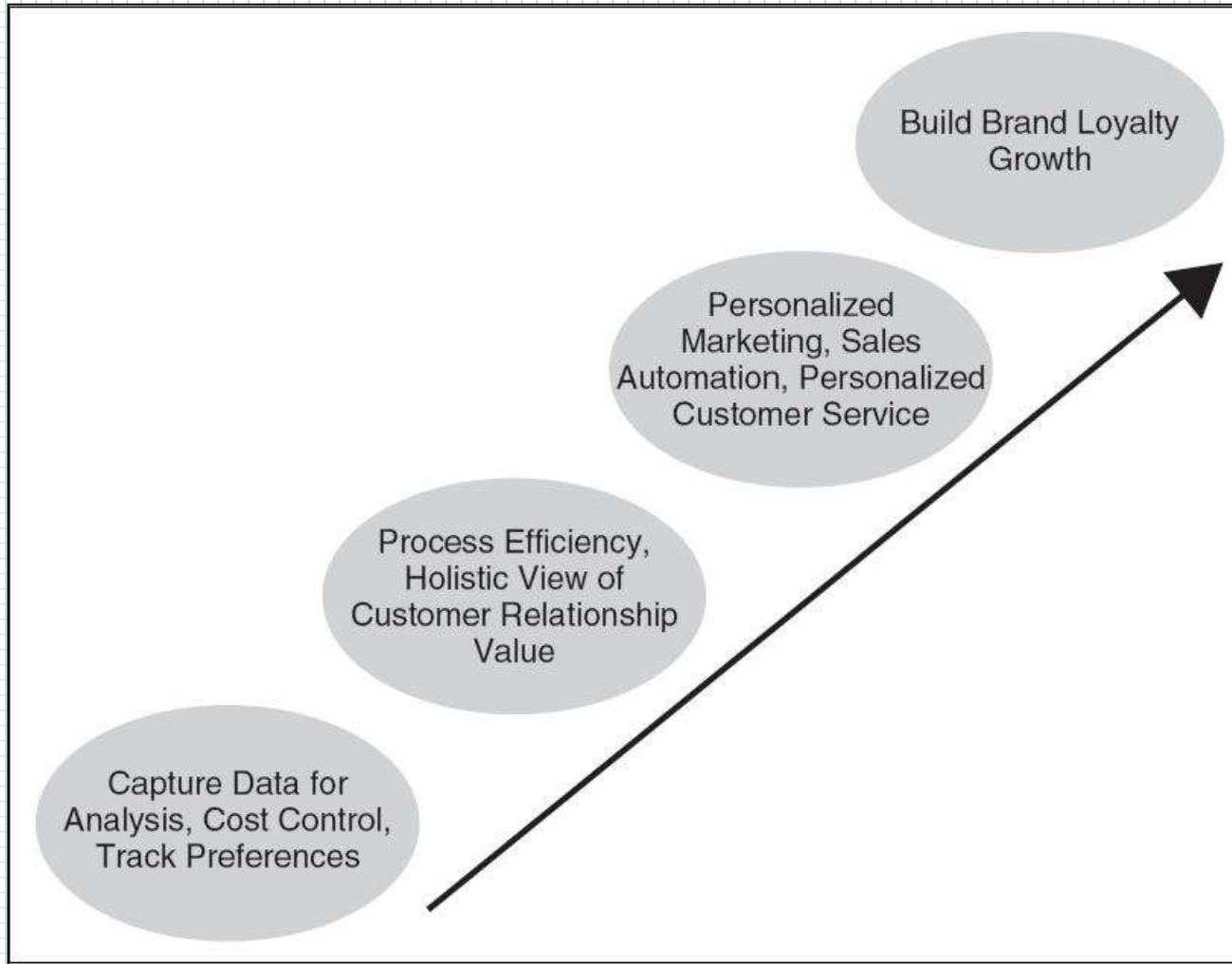
What Is CRM?

- No business can survive without understanding its customers and having a positive relationship with them.
- A true CRM integrates corporate strategy, business methodology, and technology to accomplish a myriad of goals for companies that want to operate in a customer-driven environment.
- CRM provides support for the front-end customer facing functionality (e.g., marketing, sales, and customer service), which are usually not available in traditional ERP systems.

CRM Evolution

- In the 1980s through the mid-1990s companies started using IT to automate customer processes with discrete customer-centric applications.
- Late 1990s, companies started integrating these discrete systems into what is now known as CRM.
- CRM began in response to a changing market environment as mass marketing gave way to focused segment marketing, and finally to target marketing an individual.
- Enabled by new technologies that collected consumer data, companies progressed to focused segment marketing.

Evolution of CRM Programs



CRM Today

- Globalization and ubiquitous connectivity are forcing companies to re-evaluate how to deliver value to customers.
- Large and small companies now deliver similar products at low cost with an abundance of options for customers mainly due to globalization.
- To be successful in this competitive environment, companies have to deliver both quality products and unique and dynamic experiences for the customer depending on his/her needs.

Types of CRM

- Operational CRM
 - Provide front- and back-end support for sales and marketing, administrative personnel, or customer-service processes.
- Analytical CRM
 - Provide tools for collection and analysis of data gathered during the operational process to help create a better relationship and experience with clients or end-users.
- Collaborative CRM
 - Deal with the interaction points between the organization and the customer.

Business Strategy Perspective of CRM

Business	Promotes customer-centric approach Customer segmenting One-on-one marketing Increase customer retention
Technology	Foster close customer relationship Analyze customer information Coherent view of customer
Customer	Increased interaction opportunity Increase customer loyalty Better “word-of-mouth” advertising

Customer Relationship Processes

- A good CRM should provide support for the following functions.
 - Capture and maintain customer needs, motivations, and behaviors over the lifetime of the relationship.
 - Facilitate the use of customer experiences for continuous improvement of this relationship.
 - Integrate marketing, sales, and customer support activities measuring and evaluating the process of knowledge acquisition and sharing.

CRM Delivery Processes

- Campaign Management
 - To generate “leads” or potential clients for the organization.
- Sales Management
 - To convert the lead generated by campaign management into a potential customer.
- Service Management
 - Provide ongoing support for the client and to assist in the operation of the product or service purchase.
- Complaint Management
 - To improve customer satisfaction by directly addressing the complaint of the customer and supporting a continuous improvement process.

CRM Support Process

- **Market Research**
 - Focuses on systematic design, collection, analysis, and reporting of data, and on findings relevant to specific sales activity in an organization.
 - Involves integration of external and internal data from a wide variety of sources.
- **Loyalty Management**
 - Provides the processes to optimize the duration and intensity of relationships with customers.

CRM Analysis Processes

- **Lead Management**
 - Focus is on organizing and prioritizing contacts with the prospective customers.
- **Customer Profiling**
 - Focus is to develop a marketing profile of every customer by observing his or her buying patterns, demographics, buying and communication preferences, and other information that allows categorization of the customer.
- **Feedback Management**
 - Consolidates, analyzes, and shares the customer information collected by CRM delivery and support processes with the analysis process and vice versa.

CRM Technology

- With the rise of the Internet, data mining and analytics techniques have advanced to where they can be considered an integral component of CRM. CRM technology implements a companywide business strategy in an effort to reduce costs and enhance service by solidifying customer loyalty.
- CRM brings together information from all data sources within an organization to give one, holistic view of each customer in real time.

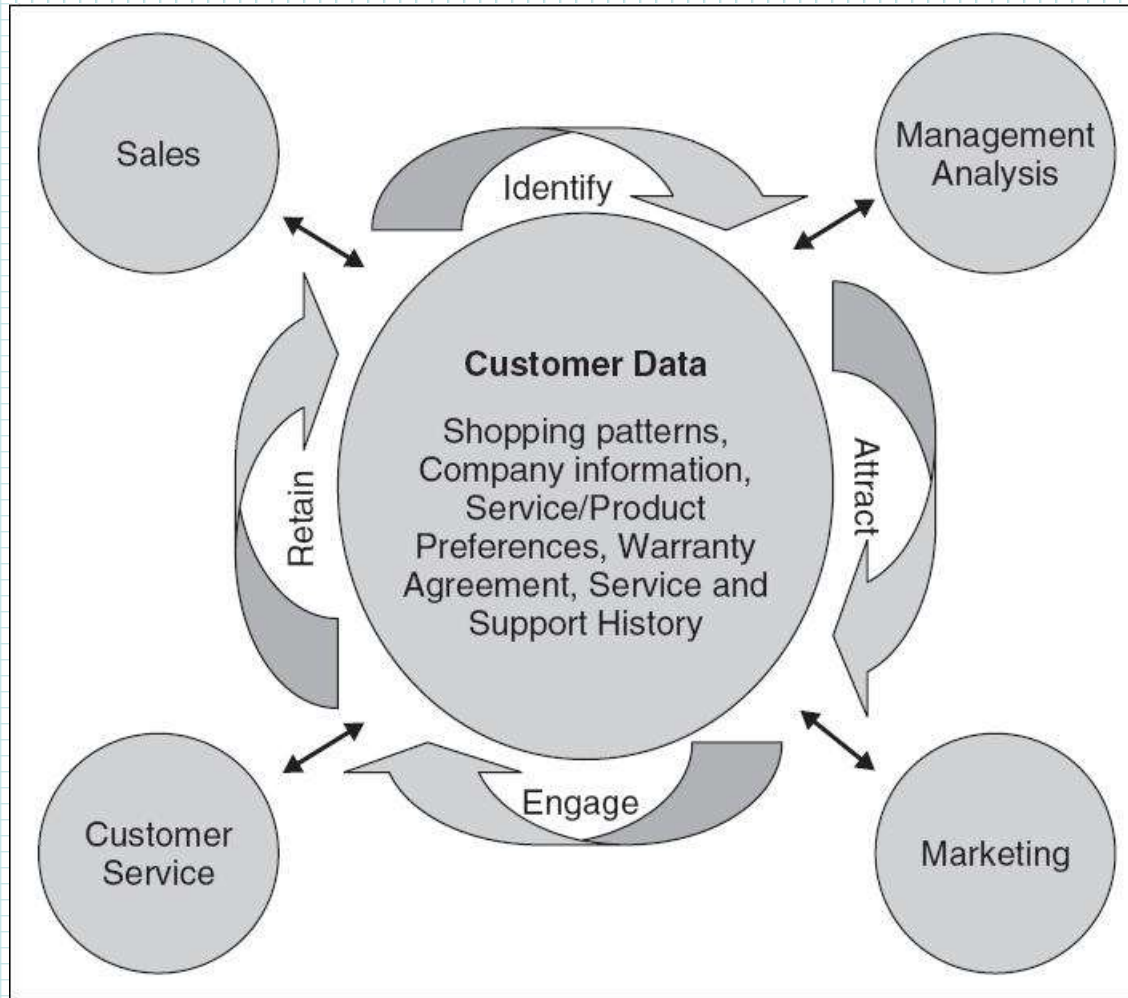
CRM Components

- **Market Research**
 - The two key functionalities here are campaign management and market analysis.
 - Campaign management provides support for preparing such things as marketing budgets, ad placement, sales targeting, and response management.
 - Marketing analysis tools provide statistical and demographic analysis.
- **Sales Force Automation (SFA)**
 - Provide basic functionality for sales personnel to automate sales lead distribution and tracking etc.

CRM Components (Cont'd)

- Customer Service Support
 - Typically includes help desk ticket management software, e-mail, and other interaction tools connected to a fully integrated customer database, which is connected to the SCM and ERP application.
- Data Mining and Analytics
 - Data must be collected, sorted, organized, and analyzed for trends, demographics, cross-selling opportunities, and identification of other sales patterns.

CRM Components



CRM Packages and Vendors

- Big CRM vendors provide more features than the smaller vendors do, but there is no software package that can work directly off-the-shelf.

Target Market	Vendor
Large Enterprises	Siebel, Vantive, Clarify, and Oracle
Midsized Firms	Serviceware, Onyx, Pivotal, Remedy, and Applix
Small Companies	Goldmine, Multiactive, and SalesLogix

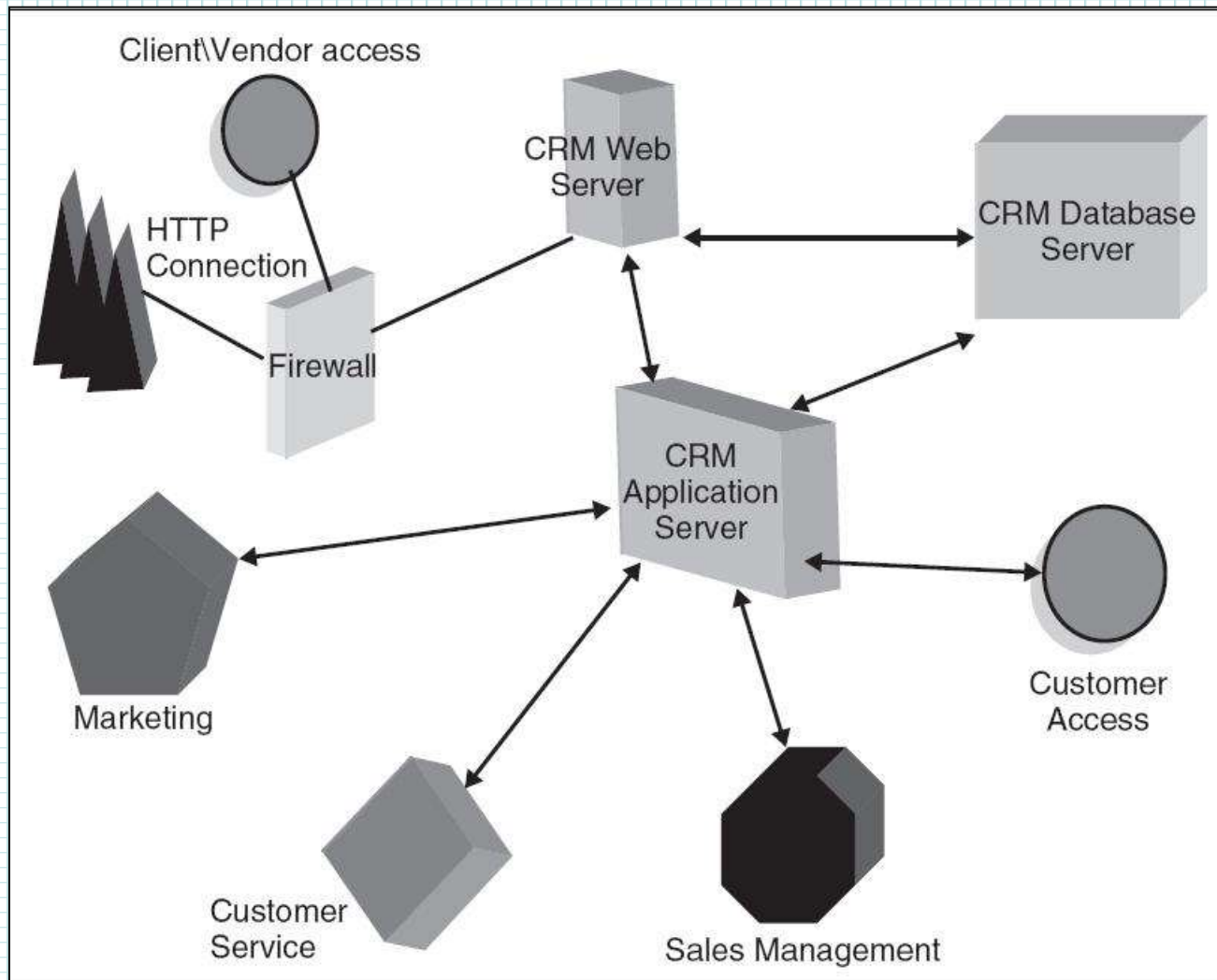
On-Demand CRM

- Provides firms with the option of a scalable CRM application suite via a browser, and pay a per-month, per-user set fee.

CRM Architecture

- Typical CRM systems follow client – server architecture. The system environment consists of the following components:
 - **Application server:** Runs either front-end processing or querying data and possibly a Web interface for the CRM system.
 - **Database server:** Houses the back-end database and possibly retrieves information from other database systems in the company to present through the application server.
 - **Web server:** Used if the CRM provides an extranet access point for such external users as vendors or customers and an intranet access point for employees.

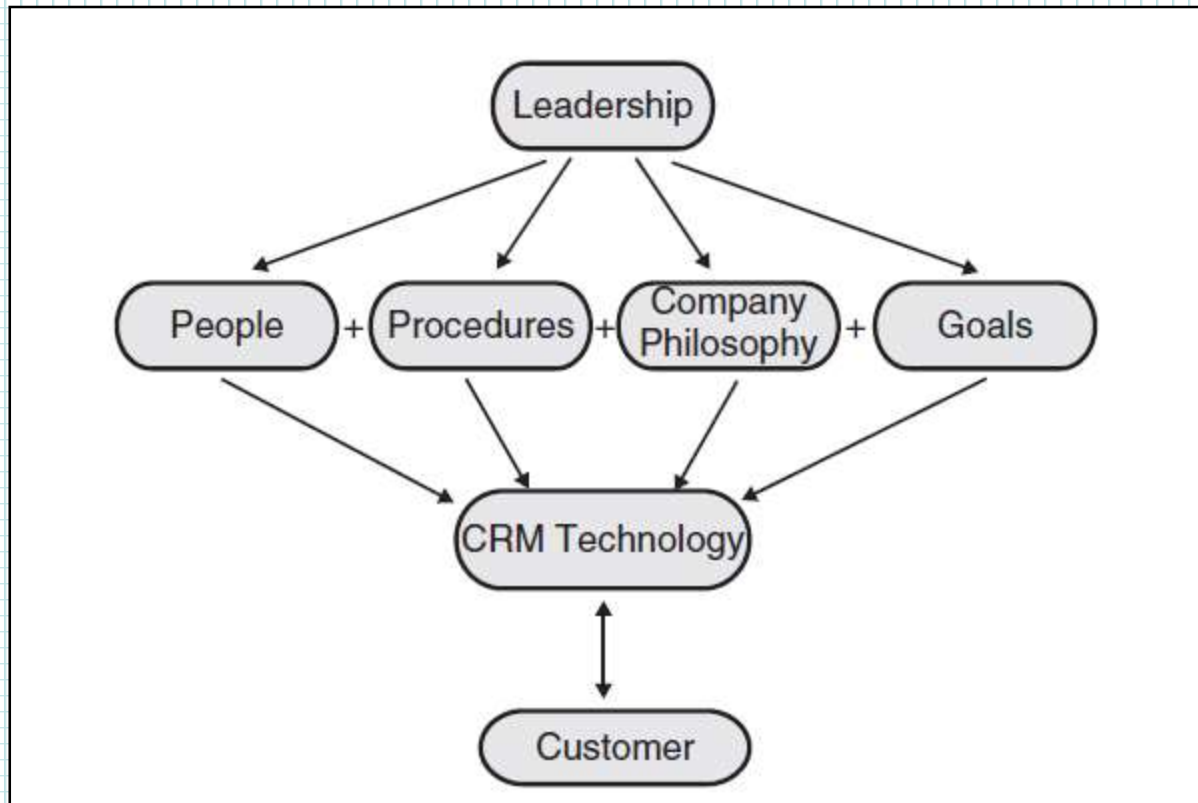
CRM Architecture



CRM Life Cycle

- A CRM system life cycle involves focus on people, procedures, company philosophy, and culture, rather than just information technology.
- Adequately outline the corporate CRM goals and the practical process changes that have to occur before focusing on possible technology solutions.
- Functional requirements must be considered before making a decision on the architecture.
- There are many CRM products from which to choose, depending upon the complexity of the information needed and the resources to manage the program.

CRM Life Cycle



Implications for Management

- CRM is a strategic business solution and not a technical solution.
- CRM should not be implemented as a single system or at one time.
- CRM systems come in a variety of shapes and sizes, but there is no real off-the-shelf solution.
- Even though CRM provides a great solution for one-on-one individualized marketing, it also provides good mechanisms for privacy and ethical violations.

END