Understanding CRM as a Major Data Analysis Mode to Improve Customer Experience: CRM and Its Alignment with Technology

Priyanka Gandhi[1] and Neelam Tandon[2]

[1]JIMS Rohini
[2]Bharatiya Vidya Bhavan's Usha & Lakshmi Mittal Institute of Management
E-mail: [1]priyankaresearchscholar@gmail.com, [2]neelamtandon2007@gmail.com

Abstract—*The paper takes the track towards the understanding of Customer Relationship management and its relationship with technology through the CRM Softwares. The CRM concept has been originated from the advancement in the technology and change in the production centric approach to the customer centric approach in an organization. In today's competitive environment the organizations have ready realize the importance of the customer satisfaction. The paper provides highlights to the three forms of CRM where primary method of study is the review of literature. The paper also discusses the case of CRM Sale force CRM implementation at Citibank. Latterly the theoretical concept of CRM is linked with the CRM Software.*

1. INTRODUCTION

The Relationship marketing has emerged as the core marketing business activity for the businesses in the today's competitive environment. It has been observed that the organizations spend ten times or more to acquire customers than they do to retain them. Therefore the organizations are spending more to pay attention to the relationships with the existing customers and to retain them. All over the world organizations are developing better relationships with the existing customers, For Example Banks have relationship mangers, service companies have various benefits for the existing customers and now even the health industry including various hospitals are readily keeping the records of the patients.

To create a brand and do effective marketing, **CRM is the one option.** The CRM was born only when organizations start thinking about the behavior, retentions and needs of the customers to increase the organization performance.

The business philosophy reference stated that "CRM is a relationship orientation, customer retention and superior customer value created through process management." [1]

When CRM is viewed as a technology "CRM is an enabling and developing technology to foster closer relationships with their customers.[2]

Lastly when the CRM is viewed as a business process or strategy, it is a customer focused strategy that aims to increase customer satisfaction and loyalty by offering a more responsive and customized services to each customer. It is a highly aggregated process that combines various sub-process such as customer identification and customer knowledge creation.[3][4]

According to Ashoka Dutt head of Citibank "The idea of CRM is to know the individual customer intimately, so that the company has a customized product ready for him even before he asks for it."

This research article highlights different forms of CRM and their relationship with each other and the integration of CRM within the organizations, the role of Data warehouse and the CRM advancement with advancement in technology.

2. REVIEW OF LITERATURE

CRM: A Concept

"Understanding the customers better will enable the organizations to serve them better and keep them loyal forever**",** it is main reason and theme for the development Customer Relationship management (CRM). However the understanding of CRM is still incomplete and in growing phase as it encompasses it growth in various fields.

The concept of CRM has though been practiced for long, but today because of environmental pressures, organizations in order to survive and grow in cut-throat business environment are forced to follow it much more seriously.

With the change of business focus from sales to the marketing companies now strive to provide maximum satisfaction to their customers. In order to achieve customer satisfaction objective, they try to focus on the customers and to build a long-term relationship with them. Managing customers relationship is a two – way process, in which the organization and all of its employees who need to interface with the

customers get a complete access to every customers at every touch point and across all channels; and also the customers get all the required information about the company and products without much effort.

According to DP Goyal, (2006) CRM is an iterative process that turns customer information into positive customer relationship. CRM is the new mantra, which uses intelligent methods in form of data mining techniques to get better insights of customer needs. The CRM cycle consists of five process stages:

• Target and Marketing.

• Development of offerings.

• Sales

• Superior experience

• Retention and win back.

According Swift (2000) Customer relationship management may be defined as an integrated sales, marketing and service strategy that focuses on managing all of the ways that an organization deals with its existing and potential new customers. It uses information technology to create a cross – functional enterprise system that integrates and automates many of the customer related processes in sales, marketing and customer services. CRM system is an integrated cross-functional information system that includes a set of tools to integrate and automate customer related processes in sales, marketing and customer services to provide fast, convenient and reliable services to its customers.[5]

According to Goldenberg (2000), CRM can serve as a multitasking technology that enables firms to maximize their relationships with their customers and the profits of the firm.[6]

The Xu, Lin and Chou (2002) describes CRM as an information industry term methodologies, software and usually Internet capabilities that help enterprises, manage customer relationships in an organized way. [7]

The Jakabova and Misak (2011), believes that nowadays, every enterprise that wants to survive on the market, and grow eventually, has to solve the problem of satisfying the individual needs of customers and sustaining the long-term beneficial relationships with them.[8]

Adopting CRM brings the knowledge that long-term relationships with customers are among the most important assets of each enterprise providing better profitability, competitive advantages, stabilization of endangered relationships with customers, reaching the customers' satisfaction with the complaints, elimination of negative advertising and sustaining of positive image, reduction of distrust and potential conflicts etc.

Forms of CRM

Understanding customers is the global objective of a CRM perspective but it exists different ways **to** reach it. The different forms of CRM highlight the ways the CRM is used in the organizations. The Meta Group (2001)[9] identified three forms of CRM:

Operational CRM

It is the business processes and technologies that help improving the efficiency of day-to-day customers operations. Operational CRM includes sales, marketing and service automation. Operational CRM means that an ICT based support is provided for front office activities, including sales, service and support. Such support is intended to be used both in call/contact centers and by the sales staff in their customer contacts. [10][11]

Collaborative CRM

Collaborative CRM manages all interactions between the firm and its customers (e-mails, face-to face interactions, voice technologies, etc.). CRM: The development of ICT has opened up new possibilities for communicating with the customers. In addition to personal contacts, telephone contacts and mails, it is now also possible to communicate through web sites, e-mail, self-service telephone contacts, and SMS. Through this development, the use of different communication channels in a channel [12][13][14]

Analytical CRM

Analytical CRM concerns customer data analysis to improve business decisions. It includes data warehouse systems, customer profiling, reporting, analysis and data mining. The customer knowledge data base formed from the systematic collecting and storing of customer data is perceived as an asset to the enterprise. Through an analysis of the data in this data base it is possible to improve marketing efficiency in different ways. It is important that the ICT development has made it possible to both gather and analyze customer data in a much more systematic and efficient way than was previously the case before the computer revolution.[15][16]

Strategic CRM

One branch of CRM is to regard it as an enterprise wide strategy in which the main focus is on the customer. It is also assumed that, within an enterprise, it is a core managerial task to champion and implement this focus as a CRM strategy, including placing an emphasis on the systematic analysis and use of customer information as a platform for marketing and management.[17][18]

These three forms of CRM are often used by authors Crosby and Johnson, 2001; Xu and Walton, 2005; Kyungran, 2004; Peppers, Rogers and Dorf, 2004.

Case of: Sales force CRM Implementation at Citibank

According to the report in the CRM Magazine The Citibank has recently replaced there fragmented CRM system with one complete Sales force CRM Software that offers an easy to access 360 degree view of the customer, it is considered as one of the largest ever implementation of CRM

The Citibank Wealth Management has hundreds of advisors helping clients manage their investments and personal wealth..Addition to this the company has undergone various mergers and acquisition in the past creating huge but disconnected CRM solutions that leads to various challenges for the company.

- The disconnected solutions of CRM were very expensive to operate in terms of infrastructure and maintaining IT Personnel.
- The each phase of disconnected CRM give only limited and the partial view of client financial information and interaction with the bank.
- To access the complete data that is used by the the customers and the advisors, had to be logged on through various CRM tools that leads to wastage of time and frustrates the customers.
- The security of the data also becomes the concern as some of the information lacks the proper security while some is over protected.
- Accessing information on mobile and other handled devices is also not possible.

So, the bank implemented Sales force CRM that offers customization. The new CRM offers various benefits to the bank such as:

- The availability of one central system for all contact with the Citibank and relevant information provides one easy access in one place.
- The complete granular security solution is offered in the new CRM Software.
- It also has mobile CRM Solution that give access to client data initially on Blackberries.

By implementing this customized CRM Solution Citibank largely increased the advisors productivity and customer experience. It also results in increased advisor focus on client investments and growth thereby increasing the customer satisfaction.

3. CRM SOFTWARES: IT PROSPECTIVE OF CRM

According to Davenport and Short, 1990; Porter, 1987 Information technology (IT) has long been recognized as an enabler to radically redesign business processes in order to achieve dramatic improvements in organizational performance

According to Hammer and Champy, (1993), IT assists with the re-design of a business process by facilitating changes to work practices and establishing innovative methods to link a company with customers, suppliers and internal stakeholders.

According to Eckerson and Watson, (2000), CRM applications take full advantage of technology innovations with their ability to collect and analyze data on customer patterns, interpret customer behavior, develop predictive models, respond with timely and effective customized communications, and deliver product and service value to individual customers. Using technology to "optimize interactions" with customers, companies can create a 360 degree view of customers to learn from past interactions to optimize future ones.

According to Vangie Beal (2000)

The CRM Softwares is a term refers to a category of organizational software that covers a hide set of application and softwares to assist the businesses to manage data and customers interactions, access business information, automate sales, marketing and customer service and support to manage the employee and vendor relationships.

It has been researched that the sales force automation is the most desired application of CRM in comparison to marketing automation, customer service or field service application

The various features of CRM softwares are Contact management, note taking facilities, Reporting and analytics, Integration, server/database, customer dashboards, user friendly database.

The prime objectives for purchasing the CRM Softwares are: to improve efficiency, the need for the specific features, company growth, to improve integration and collaboration etc.

The current CRM Softwares are designed to help the organizations to archive the overall goals of the customer relationship management. Current softwares are highly customizable that help the business to achieve the better customer insights, since they have all customer history prior interactions with the organizations.

The Data warehousing technology also provides the path to make the CRM executable as it combines, correlated and change the customer data into customer intelligence that can be used to make better understanding of customer behavior. The ability of the database to store thousands of gigabyte of data makes the analysis quicker and feasible. Various firms have develop the warehouse of data to support the CRM projects as data warehouse provides various benefits such as accurate and faster access to information, providing better data quality by eliminating and filtering the duplicate data and advanced data analysis tool for higher level reporting.

4. IMPACT OF THE INTERNET ON THE CRM EVOLUTION AND DEVELOPMENT

The huge growth of the Internet has also brought new meaning to building customer relationships. Greater customer access to

the organization, such as on line ordering and 24 hours operations, has given a way for a shifting paradigm in customer service. Customers now expect organizations to anticipate their needs and provide consistent service at levels above their expectations. In return, customers are loyal to the organization for longer periods of time. The companies now have the way to develop the customized and easy platform for their loyal customers. In continuation the customers expectation from the companies have also increased with the on line platform. So the Internet has given the easy platform the implementation of the CRM but there are certain technological issues also. Further research will be conducted to analyze the contribution of technology as boom or the bane for the CRM implementation.

5. CONCLUSION

The paper is an attempt to provide an extensive review of literature for the CRM for the in-depth study of the topic. The three forms of CRM that is used in the organizations are also discussed to provide complete insight to the CRM theory. It is the Information Technology and its related aspects that help in the implementation of CRM as some aspects of CRM in relation to the IT are also discussed.

This understanding of CRM will enable the organizations to measure the influence and implication on the organizational performance. It is an exploratory research to understand the various aspects of CRM which will be helpful to conduct extensive research to analyze the role of CRM and its effect on the operational efficiency with special reference to the health industry in India by taking various hospitals of Delhi and NCR into consideration.

The purpose of this paper is to create pre-implementation plan for CRM study and to provide better insight to the CRM theory.

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