
CUSTOMER RELATIONSHIP MANAGEMENT

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Abstract

Every business unit emphasizes on spurring a long term relationship with customers to nurture its stability in today's blooming market. Customer's expectations are now not only limited to get best products and services, they also need a face-to-face business in which they want to receive exactly what they demand and in a quick time.

Customer Relationship Management is an upright concept or strategy to solidify relations with customers and at the same time reducing cost and enhancing productivity and profitability in business. An ideal CRM system is a centralized collection all data sources under an organization and provides an atomistic real time vision of customer information. A CRM system is vast and significant, but it be can implemented for small business, as well as large enterprises also as the main goal is to assist the customers efficiently.

Keywords: CRM, Customer satisfaction, Customer relations.

Introduction:

CRM originated in early 1970s when the business units had a manifestation that it would be advisable to become 'customer emphatic' rather that 'product emphatic'. Birth of CRM was because of this heedful perceptiveness.

The famous writer and management consultant Peter Drucker wrote; 'The true business of every company is to make and keep customers'. Traditionally every transaction was on paper and dependent on goodwill which created hindrance in clutching customers. People used to work hard in entertaining customers by presenting new products with astonishing services; they were ready to work overtime for grasping more and more customers for increasing business. This too resulted in customer satisfaction and loyalty up to some extent, but at the end of the day there was no such bonding or relation between the two to carry on with future business smoothly.

Originally customer relationship management was based on three major principles; shielding the current customers, fostering new customers and enhancing asset value of all the customers. With the advent of CRM which was integrated with high end software and technology, business perspectives were totally changed. A CRM system eventually emerged as consisting of company-full of information which is depicted sophisticatedly to increase business profit and meliorate customer satisfaction and loyalty, on the same hand reduces business cost and investment.

The outgrowth in origin of CRM as a strategic approach is a result of some of the following important perspectives:

1. The belief that customers are the real assets and not just the people in the audience.
2. The maturation of one-to-one transaction advent.
3. Extensive use of software and technologies to maintain useful information and no manual labor.
4. The realization of the benefits of utilizing information proactively and not reactively.
5. The change of business view to relationship approach rather than transactional approach.

6. The approach of concentrating more on customer values rather than concentrating on how the product is delivered to the customer.
7. The approach of focusing on customer satisfaction and loyalty rather than focusing self satisfaction and profit.
8. The acceptance of the fact that using high end technologies and software the cost can radically be decreased without compromising on quality and service of products.
9. The increasing tendency to retain existing customers and trying to get more and more business out of them.
10. The realization that the traditional trends of marketing and selling are increasingly fading out in the current economic scenario.

These additive approaches helped a lot in building up consequently the modern CRM.

Features of CRM

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:

1. **Customers Needs-** An organization can never assume what actually a customer needs. Hence it is extremely important to interview a customer about all the 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.
2. **Customers Response-** Customer response is the reaction by the organization to the queries and activities of the customer. Dealing with these queries intelligently is very important as small misunderstandings could convey unlike perceptions.
3. **Customer Satisfaction-** Customer satisfaction is the measure of how the needs and responses are collaborated and delivered to excel customer expectation. In today's competitive business marketplace, customer satisfaction is an important performance exponent and basic differentiator of business strategies. Hence, the more is customer satisfaction; more is the business and the bonding with customer.
4. **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.
5. **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.
6. **Customer Complaints-** Always there exists 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.
7. **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.

Importance of CRM:

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These additive approaches helped a lot in building up consequently the modern CRM. Today we have well defined and sophisticated CRM systems into being which are always in process of improvement.

Misunderstandings about CRM:

Many companies have misconceptions about CRM in regard to assessing customer satisfaction in order to enhance business. There are several misunderstandings in Customer Relationship Management to be checked otherwise these may cost the organization revenue and profits.

1. **Identifying CRM with a software system-** CRM is a business strategy which consists of people and business processes in addition to technological implementations. A successful implementation of CRM is not possible without each one of them.
2. **CRM is a complicated system, difficult to understand-** The meaning of CRM is simple - to fetch customers, retain them and maximize profitability. Because of the fast developing technology there is pressure on IT professionals to cope up with the recent developments.

So the 'how' part of implementing CRM may be felt difficult. But the 'why' part of the CRM concept is also not difficult to understand.

3. **CRM is expensive and unaffordable by small enterprises-** It is a myth that IT maintenance cost is unaffordable by small and medium class entrepreneurs. Nowadays Application Service Providers with simple and limited functions have been introduced to provide CRM at affordable prices. Its operation is easy without involving expensive IT professionals. Therefore to target good results emphasis should be on people and procedure strategies and utilize software at the end part only.
4. **Wrong assessment for the Return On Investment in CRM-** In CRM implementation, Return on Investment means the evaluation of returns with the costs incurred. CRM is sometimes regarded as giving a poor ROI? It is the wrong way to think so. In fact the probability of poor ROI is more if CRM is not deployed and the opportunity costs are more. The main causes of poor ROI are ignoring people and procedure strategies, absence of quantified benchmarking to measure the results, lack of vision in strategic acquirement of opportunities etc. These are the points to ponder before implementing a CRM.
5. **Who is responsible for CRM implementation - The Marketing, Sales, Customer Service, or IT officials?-** It is not at all advisable to lay the responsibility on all of them individually. The result will be that none of them will feel his responsibility. The responsible person should be the CEO who is the leader of the enterprise and it is he who formulates and manages the business strategies. Why the other person should be pressurized? In order to have a better success index, the CEO and his immediate deputy should be well educated and trained for a better implementation of CRM.

A better understanding of different dimensions of CRM therefore is a must to potentially enhance the benefits of CRM implementation.

Conclusion:

Customer relationship management has significant effect on the customer satisfaction and both variables have positive relation. Company makes its CRM as strong and reliable the customer will be more satisfied and retain with the company. The increase in the satisfaction level will allow the customer to come again and again to use the company's products and that will increase the sales level of the company which causes the increase in organizational profit. The number of the loyal customer will increase. So increasing competitiveness of the oil industry has a bright future for the oil industry in Pakistan, it's expected that the management of any oil industry consider the results of this study and defines its employee's training with role in providing better quality services to understand which built customer loyalty and fulfill their expectation with CRM