

## Customer relationship management in an organization

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### Abstract

Technology has been the single most important change agent. Technology has redefined all aspects of business. What we see today is the definitive shift of power from the Organization into the hands of the Customer. Organizations today have no option but to change and evolve. The change has to do with every aspect of business and not limited to any one aspect of its business. Those who are not able to see the trends and change themselves are perishing. CRM packages and technology become the enablers to make this happen. Banks, Airlines, Insurance as well as Services like Pizza hut, Macdonald's are some of the businesses that have developed effective means to recognize and communicate with individual customers and thereby build an emotional connect with the customers.

**Keywords:** organization, customer, CRM

### Introduction

Social networking is a medium that the Organizations cannot afford to ignore. This is both a boon as well as a bane to the Organizations. Marketing Managers are learning to use this to manage their relationship with the customers at large. Customer Redressal too is another important phenomenon that has contributed to the Customer becoming powerful in the market place. Customers today know their position and the power they wield. Especially the medium of internet has brought the customers closer to the Organisation as well as to the other Customers. Information, discussions, feedbacks and opinions are now visible and available to one and all almost instantaneously. The marketing departments are able to not only communicate and address the customer individually, with the help of technology and data mining techniques, they are able to understand the customer's needs and customize solutions as per the specific individual needs of the customer. Product Companies have begun to use social networking sites effectively as a platform to engage with customer on technical and product related discussions and build a community around its products and services. Building relationships in such situations is easier and more effective. The dynamics in the market is changing, thanks to internet. The marketing departments are able to not only communicate and address the customer individually, with the help of technology and data mining techniques, they are able to understand the customer's needs and customize solutions as per the specific individual needs of the customer.

Product Companies have begun to use social networking sites effectively as a platform to engage with customer on technical and product related discussions and build a community around its products and services. Building relationships in such situations is easier and more effective. Marketing Managers can no longer afford to use the traditional methods of engaging and selling to the customers. Marketing today demands a customer centric approach. Customer is no longer an entity without a face. Today's customer is an informed and intelligent customer who can be reached, who is visible and can be heard and a relationship with him matters the most to the

Organization. Relationship Management holds the centre stage to designing Marketing as well as communication strategies of the organization. It is essential for every student to understand the dynamics of Relationship Marketing in the present context for this subject will be the key differentiator for the Organizations in the market place.

### Objectives of the Study

The main objective of the study is

- 1 To Understand the concept of need of customer Relationship Management in an organisation
- 2 To determine the Technology that has been able to make this relationship work and enhance the value of relationship between the customer and the Organization.

### Research Methodology

#### a) Primary Data

Primary data has been collected from Interviews, surveys, and fieldwork, Internet communications on email, blogs, Books, magazine and newspaper articles and ads published at the time, Public opinion polls, and scientific journal articles reporting experimental research results, Technical report, and Research data, such as census statistics

#### b) Secondary Data

Bibliographies, Biographical works, Reference books, including dictionaries, encyclopedias, and atlases, Articles from magazines, journals, and newspapers after the event, Literature reviews and review articles and other popular or scholarly books.

### Analysis

There exists a mutually inclusive relationship between all the three factors. Organizations need to manage the relationship dynamics on all the three fronts. This understanding has further brought about the Management thought and approach to orient and imbibe Relationship Marketing as an Organizational Philosophy.

The number of relationships that the Organization is required to manage are spread over several areas. Ongoing Relationship Management with Current Employees as well as prospective employees becomes very important for the Organization as the Human resource is a key resource for its business. Besides the employees, suppliers, as well as the Customers and intermediaries, the Organization has a relationship that needs to be managed with the public, Government as well as media too. Therefore it should be very clearly understood that Relationship Marketing is a business philosophy and not a marketing strategy. Of course Marketing strategy and plans are built around this Organizational philosophy and value of Relationship Marketing. CRM is useful tool for the Marketing professionals to get closer to their customer. Using CRM effectively they are able to offer customised marketing to individual customers and to a very large customer base. Companies can use the data warehousing and data mining techniques to get to know all about the customer including his personal details like birthdays, anniversaries as well as store details of his past transactions, his likes and dislikes as well as his preferences etc. Using statistical tools the data gathered can be used for extrapolation to anticipate customer behaviour and the market trends. In case of personalised service businesses like banking or hotel industry, this kind of data on the customer helps the Companies customise the service delivery to the individual. Customer retention and customer loyalty are the positive outcomes of a successful Relationship Marketing CRM process. Organizations today have accepted the fact that customer relationship is one area that they have got to focus upon and invest into. Technology has been able to make this relationship work and enhance the value of relationship between the customer and the Organization.

### **Significance of the Study**

Managements have successfully adapted to the concept of internal and external Relationship Marketing and have benefited immensely from it. Internally the concept of internal customer has yielded tremendous advantageous and brought about efficiencies in operations. TQM, JIT, Six Sigma philosophies have been successfully implemented thanks to the fundamental concept of internal customers and customer satisfaction. Apart from marketing and sales functions which are exposed to the Customers and markets and hence need to be sensitized and oriented towards relationship management, the Organizations have realized the need to sensitize the other departments including Finance, HR, Technical Service, Customer Service as well as the Product Development and legal departments towards relationship Management with the customers. This orientation has benefited the Organizations immensely besides changing the service dynamics for the customers. In this modern times, we happen to be living in a fast paced high tech society. Use of technology has become the backbone of our daily life. You are able to be in the comfortable environments of your home or office and manage all of your domestic chores such as banking, booking an airline ticket or buying insurance online. You are dealing with a particular bank, Credit Card Company or an airline know their process by yourself preferring to use them and resist any attempt to bank with a new bank or switch the airline. Haven't you been happy when the customer care executive that you called at the credit card company waived the late fee in view of your longstanding relationship?. You also notice that they try

to call you and make irresistible offers to keep you happy. If you are wondering as to how they manage to get to know you better amidst thousands of customers, this is CRM helping the Companies manage to get closer to each individual customer while serving such huge customer base. Marketing as a function is no longer what it used to be a decade ago. Marketing Managers have had to learn new ways and methods to build strategies and reach out to the customers. Customers are not passive but are well informed, knowledgeable and are in a position to demand what they need. The customer profiles and characteristics have changed over the recent times. Technology has redefined the method of communication and supply chain to reach across to the customer. The marketing success today lies in building the Customer Chemistry. Getting to know the Customer, building relationship with the Customer and Managing Customer Relationships has become an important part of the Marketing function. Marketing strategies with respect to Relationship Management are not built in isolation but involve corporate philosophy and management vision too.

### **Scope of the Study**

CRM includes IT Hardware infrastructure, Software, Communication network as well as customization depending upon the Organization, its business and the customer. For CRM to be successful, the customization has to be based on the Relationship Marketing strategies and policies drawn up by the Company. Before customizing the CRM, there has to be an effort made to get under the skin of the customer and look at transactions and the needs of the customer through his eyes. Only when the customer needs are anticipated and addressed can the CRM become successful. When it comes to Relationship marketing, Organizations have realised that an automated CRM process is not desired by one and all and that human interaction is very much the unsaid need in every single transaction. Call centres have managed to emerge and grow as a business solution simply because of the human element that combines with the technological advantage. In the fast paced and competitive market, Organisations need to have their ears and eyes open to the Customers. Only those businesses that have invested in getting to know the customer on continual basis, built an on-going relationship, understood the needs and anticipated the customer needs have been successful in the long run. Technology has given way to the development of CRM software and processes that have made it possible for Companies to achieve multiple objectives. In reality CRM is the tool used by RM practitioners. Using CRM Companies establishing an interactive relationship with the customer. CRM further helps enhance the customer interaction by providing standardized process as well as clear cut guidelines for the customer redressal. When an Organisation develops a focus in managing its relationship with the Customer and listens to the Customer that Organisation is able to be in business tomorrow. A successful marketing manager or a business manager never stops listening to the Customer.

### **Conclusion**

Organizations have understood the value of Customer Relationship have been able to evolve strategies to increase the Customer's dependence on the products and services by customising and investing into building specific solutions that meet the needs of the customer. Such situation calls for

engagement and leadership from the Management as well as technical and marketing functions as a team in engaging with the customer. The result can be a new business or product line paving way for new markets. Investing into the Customer relationship in such situation calls for investing the best brains and intelligence in terms of product or solution development. For a customer to engage with a supplier in building solutions, it takes a strong relationship built over a long period and proven capability as well as management participation. In the end the investment pays off in terms of long term business growth as well as new product and solutions. When a Marketing Strategy is drawn up with Customer Relationship Management strategy as the key focus, it is important to be able to identify and quantify or measure the outcome. The expectation out of Customer Relationship Management can be measured and the benefits to the Organisation can be easily identified. Such an exercise helps the Marketing Managers to draw up their budgets and implement strategies effectively Sales and Marketing professionals who understand the value of their Customers tend to spend more time at Customer site rather than in office. By getting to know the customer closely, one gets to become a part of the Customer's team and indirectly influence the buying decision at the Customer's end. In a B to B situation, A strong relationship with the Customer can yield quantifiable results in terms of customer loyalty, increased revenue, savings on marketing costs, improved margins as well as opportunities for developing and offering customised and new product or service to the customer to meet his new requirements. When one is able to pre-empt such requirement and provide solution, it is easier to kill competition or keep them at bay.

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