



## CRM AS A TOOL FOR IMPROVING BUSINESS QUALITY

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### 1. Abstract

Customer Relationship Management (CRM) is widely accepted as an effective approach for collecting, analyzing, and translating valuable customer information into managerial action. However, the potential of CRM has been investigated only in the context of existing products. In this competitive market, customer is the most important property in an organization. It is not surprising that customer relationship management is increasingly used by the organizations to support different type of their customer. Customer is a source of information which is necessary for implementation of marketing strategy. According to changes in market place and active participation of customers in communicating marketing activities, customer relationship management becomes important. Customer relationship management is a phrase that describes how a firm interacts with customers. Most people think of customer relationship management as a system to capture information about customers. However, that is only part of the picture. Customer relationship management involves using technology to gather the intelligence you need to provide improved support and services to your customers. We reviewed previous studies, and identify these benefits which will be affected on customers. This paper reviews the role of CRM in development of business along with the impact they provide in boosting the performance of the business.

*Keywords: CRM, business, strategies, development.*

### 2. Introduction

Market trends have given rise to digitalization, the use of technology, and the transformation of businesses, in an era called Industry 4.0. The most key aspect to the success of a business is a satisfied customer. The business environment is changing year by year, and marketing and business practices have witnessed an ever-growing tendency to focus on the customer and his/her needs. The focus on the product and the solution offered has been sidelined. That is why knowledge of customers, their focus, their needs, their financial possibilities, and their potential are crucial [1]. Every customer is important. However, despite this fact, it is



commercially necessary to classify customers based on certain criteria. The traditional goal of marketing strategies is achieved through the growth of new customers; customer loyalty becomes the main goal of customer relationship management. It is usually more beneficial and less costly to keep existing customers who shop regularly and in large volumes than to constantly try to find new customers. The companies on the market are aware of this trend, which leads to their introduction of various CRM (customer relationship management) systems. For global companies, priority is given to those with a global reach, predominantly monolingual and “cloud”.

### 3. CRM (customer relationship management)

It's a technology used to manage interactions with customers and potential customers. A CRM system helps organisations build customer relationships and streamline processes so they can increase sales, improve customer service, and increase profitability.

Customer Relationship Management (CRM) is a strategy for managing all your company's relationships and interactions with your customers and potential customers. It helps you improve your profitability.

More commonly, when people talk about CRM they are usually referring to a CRM system, a tool which helps with contact management, sales management, workflow processes, productivity and more. [2]

Customer Relationship Management enables you to focus on your organisation's relationships with individual people – whether those are customers, service users, colleagues or suppliers. CRM is not just for sales. Some of the biggest gains in productivity can come from moving beyond CRM as a sales and marketing tool and embedding it in your business – from HR to customer services and supply-chain management.

### 4. CRM in Business Development

1. **Long Term Value:** Business development aims at creation of long term value. It is about creating opportunities for that value to persist over the long-term, to keep the floodgates open so that value can flow indefinitely. Since CRM uses various tools and technology to widen the customer base and retain the existing ones it seeks to add long term value to a business.
2. **Customers:** Customers are the people who pay for products and services distributed by a business and without them there would be no business to develop. CRM aims at analysing database of customers to look into customer preferences and understand their



behaviour in order to deepen and enrich relationships with them.

3. **Markets:** Markets are defined by geography, demography, lifestyles and buying mindset. Identifying opportunities to reach new customers by entering into new markets is one important gateway to business development. CRM by aiming to store and retrieve customer data by geographical locations, demography, customer preferences and behaviour is a valuable marketing tool for business development.
4. **Relationships:** Any successful business development effort relies on an underlying foundation of strong relationships. A long term flow of value is dependent on building, managing, and leveraging relationships. As the name suggests, relationship management is the key customer-oriented feature of CRM which relies on customer input and communications with customers to solve all customer issues. Looking from this angle CRM is an effective strategy for building and nurturing relationships.

## 5. Strategies of CRM

There are various strategies of CRM. Few of them are mentioned below [3]:

- Customer interaction and behaviour tracking

A customer relationship management (CRM) software is key in creating personalized experiences for buyers and users. At its very core, this tool is used to keep track of your team's performance, store vital customer information, and develop reports and analysis with just one click.

But that's not all a CRM is good for. This platform involves a myriad of customer-centric functions that will help you perform behavioral targeting with little to no effort.

A CRM platform is the perfect solution for anyone who wants to get into behavioral targeting, without getting confused with different tools and devices to track customer information.

Listed below are foundational CRM features that help with behavioral targeting:

*Client interaction history:* CRMs store information about your clients, including purchase history and purchase preferences. This also includes other interactions such as inquiries, referrals, voucher redemptions, and even customer complaints.

*Reports and analysis:* A CRM can easily consolidate years of numbers and statistics into usable information. You can use the information stored directly on your database or import data sets from your other tracking tools.

*Segmentation:* CRMs are built for personalization. Some CRMs even have lead scoring features that automatically move leads through the pipeline after a behavior is triggered



(opened an email, opened a blog, responded to an email).

- **Loyalty and reward program**

CRM or Customer Relationship Management is a system that helps in collecting, organizing, and managing the customer information.

A loyalty program is a system of structured rewards given to customers, usually in exchange for desired behaviors, with the goals of increasing customer loyalty and collecting customer data. Loyalty programs use the psychological principles of reciprocity, commitment and loss aversion to increasing the likelihood of customer loyalty. [4]

- **Tailored targeted marketing**

CRM systems can also give customer-facing staff members detailed information on customers' personal information, purchase history, buying preferences and concerns. [5]

The use of CRM systems can benefit organizations ranging from small businesses to large corporations, through:

- a) Having customer information such as past purchases and interaction history easily accessible can help customer support representatives provide better and faster customer service.
- b) Collection of and access to customer data can help businesses identify trends and insights about their customers through reporting and visualization features.
- c) Automation of menial, but necessary, sales funnel and customer support tasks.

- **Sharper stakeholder reporting**

CRM approach requires substantial data sets to be gathered about a key segment of the business stakeholder community( typically customers) followed by the use of data mining techniques that allow trends and opportunities to be identified graphed and communicated. These reports help the business to prosper as it helps the management to take the right decisions. CRM works effectively in situations where the business is relatively stable and there is a large class of stakeholders interacting with the business in a reasonably consistent way. [6]

## **6. Literature review**

[7] The aim of this thesis is to propose a model that explains the relationship between customer satisfaction, retention and loyalty based on service quality attributes. The three elements of satisfaction, retention and loyalty towards products represent ongoing challenges for the corporate financial performance. Customer behaviour analysis (known as business intelligence or customer relationship management or customer experience management) has become a



major factor in the corporate decision making and strategic planning processes. Prevailing logic dictates that by improving service attributes one should expect better customer satisfaction levels. Consequently, improved satisfaction levels should increase the probability of customer retention and degree of loyalty.

[8] Increasingly, customer relationship management (CRM) is being viewed as a strategic, process-oriented, cross-functional, value-creating for buyer and seller, and a means of achieving superior financial performance. However, there is a need for a more holistic view of cross-functional as it relates to CRM. The purpose of this paper is to describe a macro level cross-functional view of CRM and provide a structure for managing business-to-business relationships to co-create value and increase shareholder value. In order to identify the sub-processes of CRM at the strategic and operational levels as well as the activities that comprise each sub-process, focus group sessions were conducted with executives from a range of industries. The focus groups were supplemented with visits to companies identified in the focus groups as having the most advanced CRM practices.

[9] The main purpose of this paper is to add to the image of CRM research by identifying trends and topics, using the perspective of CRM when it is divided into the four separate branches, namely those of Strategic CRM, Analytical CRM, Operational CRM and Collaborative CRM. In addition to this, the purpose is to identify under-researched areas in the body of CRM research in which there are research questions requiring to be addressed by means of further research.

[10] management (CRM) has been widely embraced by businesses. In practice, however, examples of success contrast with anecdotes where the diffusion of CRM into organizations continues to be a slow process and/or where CRM implementation outcomes have fallen short of expectations. Successful implementation depends on a number of factors such as fit between of a firm's CRM strategy and programs and its broader marketing strategy, and intra-organizational and inter-organizational cooperation and coordination among entities involved in implementation. Building on the results of a survey of the CRM-implementation-related experiences of 101 U.S.-based firms, in this article the authors identify factors associated with successful CRM implementation and advance directions for future research.

[11] The aim was to evaluate different CRM systems in the market to find the most suited for Realsec. The study was performed within the organization at their head office located in Madrid, Spain. The evaluation is based on the mapping of the organization's needs to



characteristics of a CRM system. Through a pragmatic approach, using a mixed method research design, three qualitative interviews and a questionnaire covering the organization was conducted. The qualitative interviews identified important factors for Realsec from different stakeholders' point of view. The questionnaire was used to determine the importance of those factors, by grading them using three different scales. Merged with best practices, identified from the literature, the factors were translated into characteristics of a CRM system. Using a market study of different CRM solutions, a performance score was calculated for each CRM system to reflect how well each system fit Realsec's needs.

## 7. Conclusion

CRM provides the structure for how relationships with customers are developed and maintained in a business-to-business setting, including the establishment of PSAs between the firm and its customers. It is a key business process that, with the supplier relationship management process, forms the critical linkage that connects firms across the supply chain. Increasingly, an organization's success depends to a large extent on the individual relationships that are developed with customers and suppliers (Awuah, 2001; Gro'nroos, 2004). A top-to-top relationship is necessary to achieve buy-in and the resources to support the relationship but there must be multiple one-to-one relationships "where the rubber meets the road." Successful CRM requires trust, a willingness to share the necessary financial information to evaluate joint initiatives, senior executives who walk the walk, cross-functional involvement and quick wins.

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