A

Seminar report

On

Customer Relationship Management

Submitted in partial fulfillment of the requirement for the award of degree
Of MBA

SUBMITTED TO: **SUBMITTED BY:**

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Preface

I have made this report file on the topic **Customer Relationship Management;** I have tried my best to elucidate all the relevant detail to the topic to be included in the report. While in the beginning I have tried to give a general view about this topic.

My efforts and wholehearted co-corporation of each and everyone has ended on a successful note. I express my sincere gratitude to …………..who assisting me throughout the preparation of this topic. I thank him for providing me the reinforcement, confidence and most importantly the track for the topic whenever I needed it.

Content

- Introduction
- What Is CRM?
- History of CRM
- Why CRM?
- Goals and Objectives
- Benefits of CRM
- How CRM Works!
- Types
- Purpose
- Key Elements of CRM
- CRM and its Components – Why are they essential?
- Advantages of CRM
- Disadvantages of CRM
- Conclusion
- References

INTRODUCTION

Customer Relationship Management (CRM) is growing in importance due to the challenging business environment faced by organizations throughout the world today. If customer relationships are the heart of business success, then CRM is the valve the pumps a company's life blood. As such, CRM is best suited to help businesses use people, processes, and technology to gain insight into the behaviour and value of customers. This insight allows for improved customer service, increased call centre efficiency, added cross-sell and up sell opportunities, improved close rates, streamlined sales and marketing processes, improved customer profiling and targeting, reduced costs, and increased share of customer and overall profitability.

What Is CRM?

CRM, or Customer Relationship Management, is a company-wide business strategy designed to reduce costs and increase profitability by solidifying customer satisfaction, loyalty, and advocacy. True CRM brings together information from all data sources within an organization (and where appropriate, from outside the organization) to give one, holistic view of each customer in real time. This allows customer facing employees in such areas as sales, customer support, and marketing to make quick yet informed decisions on everything from cross-selling and up selling opportunities to target marketing strategies to competitive positioning tactics.

History of CRM

- ❖ 1980s: Database marketing emerges. ezinearticles.com

- ❖ 1980s: Database helped larger organizations rather then small who only got survey type info. ezinearticles.com

- ❖ 1990s: CRM appears as a two-way communication device. ezinearticles.com

- ❖ 1990s: CRM leads to programs such as frequent flyer miles and bonus points on credit cards. ezinearticles.com

- ❖ 2000s: Internet has helped expand from stagnant database and allows off-site information storage. ezinearticles.com

2000s: Used most frequently in financial services, high tech corporations and the telecommunications industry.

Why CRM?

In the commercial world the importance of retaining existing customers and expanding business is paramount. The costs associated with finding new customers mean that every existing customer could be important.

The more opportunities that a customer has to conduct business with your company the better, and one way of achieving this is by opening up channels such as direct sales, online sales, franchises, use of agents, etc. However, the more channels you have, the greater the need to manage your interaction with your customer base.

Customer relationship management (CRM) helps businesses to gain an insight into the behaviour of their customers and modify their business operations to ensure that customers are served in the best possible way. In essence, CRM helps a business to recognise the value of its customers and to capitalise on improved customer relations. The better you understand your customers, the more responsive you can be to their needs.

CRM can be achieved by:

- finding out about your customers' purchasing habits, opinions and preferences
- profiling individuals and groups to market more effectively and increase sales
- changing the way you operate to improve customer service and marketing

Benefiting from CRM is not just a question of buying the right software. You must also adapt your business to the needs of your customers.

Goals and Objectives

1. Customer Satisfaction

Every company wants their customers to be satisfied. Satisfied customers are more likely to return to make further purchases, as well as promote a company's good name and make recommendations to others. Customers more than ever want to feel engaged with the companies that they are dealing with and so if they feel like they are being listened to, consulted with and respected, they will have a better user experience which will make them more likely to return.

2. Run an Efficient Business

Using CRM can help businesses to develop better working practices, especially with departments such as customer service. Implementing CRM services through your business can help you react to customers' queries and concerns quicker and more efficiently, which will boost your productivity as well as adding to customer satisfaction.

3. Produce Better Marketing Campaigns

If you can work out who to target and what communications they respond to best, then you will be able to produce more efficient marketing campaigns. CRM data can show you this and enable you to profile target groups which may be underperforming in order to try and boost this area of your business, with the goal of boosting progfits.

4. Gaining New Customers

CRM will help you find out a lot of useful information about your customer base, and will allow you to work out where there are gaps that need to be filled. Exploring the reasons why customers fail to make purchases or why they may not rate your company's services can help you adapt new policies and techniques which may help you attract new customers. The same principals apply to working out why previous customers have stopped using your services or why they might have turned to your competitors.

5. Boost Sales

Finally, this last objective is what drives all of the other objectives above. With so much competition in the market today, it is important more than ever that businesses stay relevant and keep offering new things to their clients. By improving the way your business operates, how the customer interacts with your business and producing effective marketing strategies, you can hope to improve the way your business is viewed and encourage new customers, as well as ensuring that existing ones keep coming back. This will boost your profits and help keep your company ahead of its competitors.

Benefits of CRM

The following are the benefits of adopting CRM processes:

- Develop better communication channels
- Collect customer related data
- Create detailed profiles of individual customers
- Increased customer satisfaction
- Access to customer account history, order information, and customer information at all touch points
- Identify new selling opportunities
- Increased market share and profit margin
- Increased revenues
- More effective reach and marketing
- Improved customer service and support
- Improved response time to customer requests for information
- Enhanced customer loyalty
- Improved ability to meet customer requirements
- Improved quality communication and networking
- Reduced costs of buying and using product and services
- Better stand against global competition

Analytical CRM

In analytical CRM, data gathered within operational CRM and/or other sources are analyzed to segment customers or to identify potential to enhance client relationship.
Analysis of Customer data may relate to one or more of the following analyses:
1. Contact channel optimization
2. Contact Optimization
3. Customer Segmentation
4. Customer Satisfaction Measurement / Increase
5. Sales Coverage Optimization

How CRM Works!

To make sure that all of your customers receive the most personal attention possible, we at Straight Marketing make the process and implementation of CRM easy and professional. Suppose you were bombarded with a customer's telephone calls every day, wanting to know the status and progress of the services you are providing. To spend time on the phone would not be very productive and would in fact be very time consuming and ineffectual. Instead of spending time making endless telephone calls, Straight Marketing can implement a CRM system where your customers can log into their account via the web and view all the details of the service being provided. Imagine all the time you can save without having to respond to unnecessary phone calls? When this occurs, you are happy, your customers are happy and everyone is satisfied. But this is only one small sampling of CRM. There are many others to choose from.

Three Types of CRM

- **Operational CRM** generally refers to products and services that allow an organization to take care of their customers. It provides support for various business processes, which can include sales, marketing and service. Contact centers, data aggregation systems and web sites are a few examples.
- **Collaborative CRM** is communication with customers and covers direct interaction with customers including feedback and issue reporting. Interaction can take place through web pages, email, Automated Voice Response. Collaborative CRM greatly improves on services offered.
- **Analytical CRM** addresses the analysis of customer data for a host of different purposes. In general it is used to design and execute targeted marketing campaigns that optimize marketing effectiveness. Analytical CRM takes into account product and service decision making, pricing and new product development.

Purpose

The idea of CRM is that it helps businesses use technology and human resources to gain insight into the behavior of customers and the value of those customers. With an effective CRM strategy, a business can increase revenues by:

- providing services and products that are exactly what your customers want
- offering better customer service
- cross selling products more effectively
- helping sales staff close deals faster
- retaining existing customers and discovering new ones
- make call centers more efficient
- simplify marketing and sales processes.

For small businesses, customer relationship management includes:

- CRM processes that help identify and target their best customers, generate quality sales leads, and plan and implement marketing campaigns with clear goals and objectives.
- CRM processes that help form individualized relationships with customers (to improve customer satisfaction) and provide the highest level of customer service to the most profitable customers.
- CRM processes that provide employees with the information they need to know their customers' wants and needs, and build relationships between the company and its customers.

Customer relationship management tools include software and browser-based applications that collect and organize information about customers. For instance, as part of their CRM strategy, a business might use a database of customer information to help construct a customer satisfaction survey, or decide which new product their customers might be interested in.

Key Elements of CRM

CRM can be broken down into a number of different components which many software vendors have developed packages for. For the most part, there are three areas which are core to successful customer relationship management:

- Customer Service
- Sales Force Automation
- Campaign Management.

Customer Service

The customer service function in your company represents the front office functions that interact with your customers. These are the business processes that allow your company to sell products and services to your customers, communicate with your customers with regards marketing and dealing with the after sales service requirements of your customers. Each interaction with the customer is recorded and stored within the CRM software where it can be retrieved by other employees if needed.

Sales Force Automation

Your company's sales department is constantly looking for sales opportunities with existing and new customers. The sales force automation functionality of CRM software allows the sales teams to record each contact with customers, the details of the contact and if follow up is required. This can provide a sales force with greater efficiencies as there is little chance for duplication of effort. The ability for employees outside of the sales team to have access to this data ensures that they have the most recent contact information with customers. This is important when customers contact employees outside of the sales team so that customers are given the best level of customer service.

Campaign Management

The sales team approach prospective customers in the hope of winning new business. The approach taken by the sales team is often focused in a campaign, where a group of specific customers are targeted based on a set of criteria. These customers will receive targeted marketing materials and often special pricing or terms are offered as an inducement. CRM software is used to record the campaign details, customer responses and analysis performed as part of the campaign.

In today's fast-paced, competitive business environment it's more important than ever to create and maintain long-lasting business relationships.

Today, CRM manages business processes spanning sales, support, and marketing creating effective customer interactions. Given the purpose of CRM, the functionality is straightforward, and the benefits of successful deployments clearly generate value and profitability for any company. Great CRM solutions need to encourage users to interact with the application as well as be in-tune with the business and IT cost-saving needs.

For the up to date CRM to be world class it needs to be revolutionary in market incursion and evolutionary in technological up gradation.

Today the major business focus is towards endowing value addition to the sales cycle, and customer retention rather than constructing a new customer base which is costlier and also an uncertain chase from business perspective. The basic philosophy behind CRM is that a company's relationship with the customer would be the biggest asset in the long run.
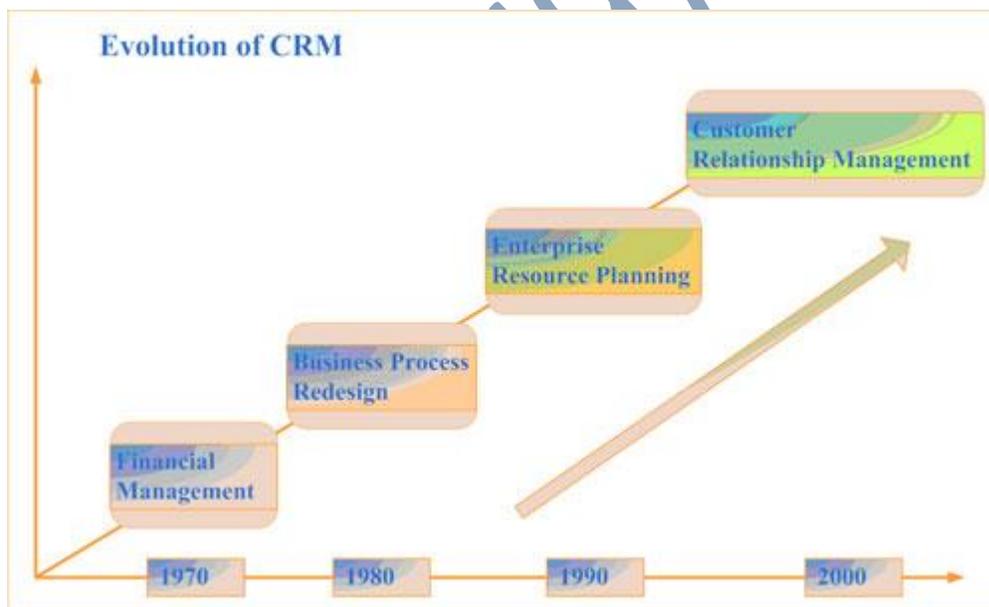
Before implementing any Customer Relationship Management solution in the organization there are many Question's which need a comprehensive explanation from the users' point of view

- What is the added value preposition of the CRM to the organization?
- What would be the environment under which the implementation would be done?
- How would the synergies be reflecting in the processes of the company?

These are mere stencils of the holistic scenario prevalent right now, and are to a great extent a factor which harms the opportunities of long term survival for any CRM vendor.

CRM and its Components – Why are they essential?

CRM comprises several components absolutely essential to the organization. Each of them offers something different yet its importance cannot be undermined. Recent trends have enabled users to combine two or more components for better success.

The Components of CRM are:

1. People Management
2. Lead Management
3. Sales Force Automation
4. Customer Service
5. Marketing
6. Workflow Automation
7. Business Reporting
8. Analytics

People Management

People Management is nothing but the effective use of people in the right place at the right time. It is imperative to adopt the right measures to ensure that the people skills match their job profiles. This is every large corporates requirement as well as small and medium industries. According to People Management an effective people strategy is first adopted, then the workforce is studied, skills and development analyzed and finally the required strategy needed for development and change is set down and implemented.

Lead Management

Lead Management basically involves the tracking and distribution of sales leads. This benefits the sales, call centre and marketing industries as well. The work involves managing market campaigns, making customized forms, mailing lists etc. All this is done with a view to capture as many sales leads as possible so that sales benefits. This is achieved through a comprehensive study of customer purchase patterns and the identification of potential sales leads.

Sales Force Automation

Sales Force Automation is by far one of the most essential components of customer relationship management and also one of the first. Used by almost all organizations it is nothing but a software solution that includes forecasting, tracking potential interactions and processing of sales. The reason this is adopted as part of a CRM solution is because of the need to identify revenue possibilities.

Customer Service

The customer service component in CRM is essential. This is because CRM focuses on collation of customer data, gathering information about their purchase patterns and provides this information to every department that requires it. Therefore vital departments like sales, marketing and personnel stand to gain in their knowledge of the customer. This enables the organization to provide suitable solutions to every customer and thus enhances customer retention and loyalty.

Marketing

Marketing is nothing but the promotional activities that are involved in promoting a product either to a general public or to a specific group. Marketing is different from sales and advertising in that one refers to act of selling itself while the other refers to the strategy involved. Customer Relationship Management facilitates the marketing function in that it increases the effectiveness of marketing by studying the potential targeted customers.

Work Flow Automation

Work flow processes include cutting costs and streamlining processes. It basically saves several people from doing the same job again and again. It reduces work and relieves work force of unnecessary tasks. It also includes things like routing out paperwork and filling out of forms that are essential. It also includes the integration of people and processes so that they work together in harmony towards a common objective without any loss of time, money or effort.

Business Reporting

This is nothing but being able to identify the exact position of your company at any given point of time. CRM plays a pivotal role in that it provides reports on the business. The advantages of this component include the ability to have this information at your instant access at any time. Accurate reports are also ensured .While forecasting is yet another feature it is also possible to actually export these reports to other systems. Historical data can also be saved to use for comparisons later on.

Analytics

Analytics involve the study of data so that information can be used to study market trends. A complete trend study is made possible due to the ability to create charts, figures and diagrams using both historical and current data. For information like charts tables, log INS etc dashboards can also be used for increased visibility. This is an essential and pivotal part of CRM as it

enables a study of data that is needed to make an estimate of the business condition at any given point.

The latest trend involving CRM components is the use of web services which enables organizations to take various components from different industries and basically use them together in a manner that suits their business needs. CRM reviews will give the required information pertaining to what solution provides which functional component.

Advantages of CRM

Main advantages of CRM are:

- The business learms what the needs of its customers are and can organise their operations accordingly. The goal is to provide the products/services they expect and maximise effectiveness and efficiency of the operations

- It allows organisations to see how customers' needs evolve overtime and adjust their operations accordingly

- CRM can increase customer retention, favour repeated purchases, increase profit and improve the quality of the products/services provided

- It supports planning and control activities, since they are a way of reconciling supply and demand (Ibid.). In this respect, CRM can be used to analyse current trends, forecast future trends and monitor the evolution of the demand overtime.

- CRM can help creating unique and exclusive relationships with single customers or group of customers. This have a positive, psycological effect on customers who feel considered and listened to.

Disadvantages of CRM are:

- It seems to be mainly focused on retantion of existing customers rather than on the acquisition of new ones

- Legal aspects (e.g.: privacy) and ethical issues should be considered during its implementation

- It may lead organisations to discriminate group of customers. More profitable customers may enjoy better treatments and conditions than occasional customers. This may damage the image of the company

CONCLUSION

For higher level customers that require personal assistance in the CRM process (like the relationship with a major client), keep in touch on a personal basis. Don't rely solely on an email newsletter as a means of engaging with these types of customers.

Personal & professional attention is more than likely what they pay for, and that's what these customers should get. With social media - Don't over tweet, or overload social feeds on Face book. And when you do engage, engage with more than just a sales pitch. Have a real conversation. Be a real person. Be the face behind the brand, and you'll see true success in your CRM process.

References

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