
ACHIEVING BUSINESS EXCELLENCE THROUGH CUSTOMER RELATIONSHIP MANAGEMENT

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Abstract

Customer relationship management is a marketing imperative, derived not only from the need to improve the company's financial situation, but of the undeniable advantages of loyalty and a customer base stabilization. Constituting itself as an innovative tool is still subject to varying interpretations as diverse ways of implementation, in the context of new guidelines of sales activity: optic change from the product to potential beneficiaries. Implementation of a system suitable CRM represents a vital problem for a company, who follows to establish long-term consumer relationships with customers. In view of these issues, we made this work, in which I first raised some general aspects on the concept of Customer Relationship Management, main benefits and objectives and then to present the main factors of success in CRM. Putting into practice of the concepts require the use of various instruments and complex most often computerized, so we have reviewed common mistakes in CRM implementations and main IT tools for CRM ,implications of CRM in decision making and products dedicated to CRM. In the end of the work we presented a set of conclusions considering that the customer relationship becomes, in the context of traditional means of promotion depreciation, the main way to strengthen the position of firms on the market, generating the benefits of message transmission efficiency, proximity to target consumers and create a relationship of trust with them.

Keywords: Marketing, Customer management, Automation.

1. INTRODUCTION

The transition from transactional marketing to relationship marketing was done after marking the transition from '90s focusing on the creation of a large number of transactions in the short term, promote medium and long term relationships with all types of people and organizations have a direct interest or indirectly in the organization ("stakeholders"). Affirmation of relational marketing in conceptual and operational, involved a reconsideration of relations with customers in this way, we can say that CRM is a business strategy, not limited to the area of marketing. In the era of the information society, it is noted that IT solutions support the objectives of the customer relationship but not the essence of CRM. To

ensure effective fulfillment of objectives of any organization, it is necessary to harmonize the three levels of CRM: strategic, operational and analytical managing many facets, from designing strategies to automate tasks for sales, service, marketing and communication to analyze information and performance measurement of customer organization.

With CRM IT solutions are integrated all data each client between various departments of the organization and have been collected through various channels of communication with the customer during the interaction (by staff "Front Office" and Web-based applications), providing not only efficient and effective management of customer relationships providers and other entities outside the organization, but also better communication between departments of the organization.

2. THE CONCEPT OF CUSTOMER RELATIONSHIP MANAGEMENT - CRM

Appearance customer relationship management (CRM) as a distinct field is based on a valuable development of relational marketing principles and aims to use of information technology. In this information era, markets are extremely dynamic, with segments and niches whose profile evolves, and as for customer relationship management is the attraction and retention of profitable customers through developing long-term relationships and fostering customer loyalty.

There are four definitions of CRM, the first one comes from Meta Group (META Group Report, 2000) which in 2000 defined CRM as "horizontal integrated business process automation involving customer contact points type front office (marketing, sales, service, maintenance support) using multiple delivery channels who are interconnected". This definition emphasizes the importance of technological innovation in making a connection between suppliers and customers (interaction through electronic interfaces).

A very different definition suggests that CRM is "a process that approaches all aspects of identifying customers, making customer relationships, creation of knowledge about customers and shaping their perception on the organization and its products" (Payne, 2006). Within this definition, importance of technology is placed in the background in favor of acquiring an insight into customer preferences, to anticipate their needs and creating a database on their consumption habits (possibility of offering loyalty and promotional benefits); effectively when the transaction becomes less important than creating a long term profitable relationships.

The third definition belongs to Gartner Group (2009), CRM is describes as "a business strategy permitted by the IT possibilities, whose results optimize profitability, income and customer satisfaction

through the organization around customer segments, adopting a customer satisfaction oriented behavior and implementing processes customer centric". The innovation of this definition consists in postulating customer relationship management as a strategy, oriented in two directions: improving collections and customer satisfaction.

Finally, the most complete definition belongs to McKenna (2002), which introduces the concept of marketing in real time. It takes into consideration that the CRM aims to create an infrastructure that can be used in the development of customer-supplier relations in the long term. This requires, in the same time, removing barriers between company and client: a client may seek such a database the existence of a particular product in stock, track delivery status of the product ordered and read other users opinions. This approach requires a rapprochement between the two entities, and an intrusion into this activity two.

In conclusion, the concept of customer relationship management effort involves coordination of relations with customers, in every moment of their contact with the brand to maximize the potential of this experience. CRM aims to offer value unique information about customer, based on information received from it. CRM is an extension of the famous principle "Our customer-our master"-this time having the advantage of technology.

Customer relationship management is a vital tool for a modern company. It evolved from an older technology that connected a phone call with a computer screen that offered some information - CTI or Computer Integrated Telephony. Client is offered an opportunity to feel important again through the customized message that he may get.

CRM is, above all, a strategy that express the organization's decision to develop with the client a long term partnership based on understanding his needs in different stages of relationship with this, delivering products and providing services to match the expectations of consumer. This strategy encompasses both a business philosophy which places the customer in the center of business, as well as the tools to put them into practice. Among those tools the most important is IT support, without which information customer can't be exploited to their fullest potential.

The three main components of CRM are: client, management and relationships between customers and contracting. One expert (Buttle, 2006) considers three levels of relationship: strategic, operational and analytical.

CRM strategic level refers to the major objective of CRM and its position as the organization's strategy. Customer relationship management is based on a good knowledge of the customer and the specific

characteristics of the application and its purchase behavior. In this respect, developing, maintaining and updating databases on customers gain an importance in the foundation of CRM strategies and programs, prioritizing customer relationships and customer flow net profits generated during the entire duration of the collaboration.

Operational CRM - has the role of coordinate and synchronize interactions with clients in marketing, sales and service in automated. Marketing automation tool takes into account customer segmentation, campaign management, communication, response to customer requests. Regarding sales force automation principal activities are the management opportunities and contacts, generate bids, shaping solution for the customer. Regarding services, CRM software solutions can coordinate communication flows that are specific to the different channels used by the organization: operations conducted telemarketing centers and contact centers, services provided via the Internet activities of partners.

CRM analytics (analytical CRM) - helps organizations optimize their data sources to better understand the behavior of buyers. Essentially refers to the performance evaluation of customer organization and foundation strategies and tactics for creating and developing these relationships. Activities include the collection, storage, analysis, interpretation and use of customer information. Objectives in the field of customer relationship marketing harmonization involve the organization of three levels of CRM.

CRM collaboration (collaborative CRM) – allows companies to collaborate with suppliers, partners and customers in order to improve cooperation and to satisfy the needs and desires of customers.

3. CRM – BENEFITS AND OBJECTIVES

The benefits of a CRM strategy and the objectives that a company must submit when making the decision to implement such a system is:

- Improving the quality of support offered to customers, measured in terms of fulfilment of their expectations (because quality criteria may be different from the point of view of customer acceptance and the supplier);
- Increasing process efficiency by creating a marketing communications relevant to customer;
- Increased operational efficiency processes, such as efficiency of call center activities or points of sale by the possibility of accessing relevant information about the client and about its previous interactions with the company.

All these benefits translate into lower operating costs and potentially through an increase of costs that the customer is willing to do purchasing the company products. These financial benefits for the company can be invested to build further positive experiences memorable for customer those experiences which create loyalty of it. Not at last, implementing a CRM strategy will bring the company a competitive advantage difficult to achieve by other players on the market, even more because small details are what matter in the minds of consumers and create an emotional bond between it and company.

Organization must examine ways in which customer information interferes in business processes, where it is stored and how they are used. Companies have many ways to interact with customers, such as mail campaigns, Web sites, call centers, marketing and advertising efforts. CRM systems makes connections between all these modes and the data collected are shared by different operational and analytical systems that can search the database to try to find new models (templates). Company analysts can explore in detail dates to get an overview of the customer segments and indicate the service disappointing. A bank, for example, may be interested in preferential treat of a loyal customer with which has several business links.

Next application study emphasizes the first positions in the top objectives and expectations of companies across the CRM:

- CRM as a tool for increased customer loyalty-23.8%.
- CRM as support for marketing and commercial strategy - 22%.
- CRM as a tool for complete and reliable reporting -18.5%.
- On financial plan (ROI) - 43% of companies predicted an improvement of the commercial production. Among these: 20% have indicated a reduction of costs in customer data management; 17% decrease of time spent on time consuming tasks; 11% increase of turnover.

4. SUCCESS FACTORS IN CRM

Some of the "ingredients" of a successful implementation of a company's CRM strategies are:

- A market research that reveal customers consumption habits, their expectations from a product or supplier and the most important criteria on which customers decide whether to purchase.
- Alignment of needs and customer requirements, market research highlighted with what the company can offer and what it has proposed to achieve through the mission and vision.

- Long-term involvement of top management in implementing the company's CRM strategy and its supporting both the internal and external communication, as well by allocating the necessary budgets and by prioritization of activities. This is the central pillar that must support the implementation of CRM strategy but often the biggest obstacle to successful in implementation of such strategies.

According to a survey done by Australian University Dayton, main indicators of a successful CRM (according to the company's website Tree Works) are: CRM ability to influence corporate strategy (25% of respondents); successful integration of technology (23%); increase strategic partnerships (20%); CRM related uptake (18%).

5. COMMON MISTAKES IN CRM IMPLEMENTATIONS

The most common causes of failure of implementing a CRM strategy are the lack of coherent planning a suite of long-term actions, starting some initiatives off and rush to establish immediate effects. Negligible financial investment in IT systems to support such a strategy, human resources and time that must be allocated during implementation and the fact that these investments produce their long-term effects, many managers are being tempted to quit and to reallocate resources to actions with a faster return of investment, but with less certainty (<http://www.crmodyyssey.com>).

Training and personal skills human resources involved in the customer call center are a pressing issue and a challenge of many managers.

For example:

- Redundant actions (ineffective coordination of call center services can create different situations in which employees work with the same database by contacting the same person several times).
- Frivolity commitments in terms of the desire to convince potential customers.
- Negligence in marking the contact information and delivery terms.
- In the activities of technical assistance by phone, many employees treat requests in an unprofessional way or do not own the necessary knowledge to solve.
- Poor organization of customer databases, making it difficult to locate a particular client when it contacts the company.

Inserting instruments loyalty is an example both the advantages as well shortcomings of CRM implementation. Therefore, any business done at some point in time reached a critical mass of customers and it is cheaper to retain them on them than to win new ones. For this reason, many companies create fidelity programs that rely heavily on the same principles: the existence of a fidelity card on which customers can receive discounts. Without being a coherent part of CRM, this will occur only in the short term but, for reasons as varied as it is simple: first, the customer does not pay special attention to these cards, accepting their establishment a sudden impulse, reductions are not substantial (about 5%) is not sufficient reason in itself for a future purchase, or the customer may decide to make their one and the competition.

However, using a good customer orientation, coupled with their relative novelty in Romania, fidelity offers, which aim to capture a steady clientele, spread all over domestic market. In case of including a complete CRM strategy, fidelity card, however, can turn into an instrument based on which company to gather information about the client, making a connection between the profile, its acquisition and its further actions, thus communicating with the client permanently and encouraging his next return. A Romanian in ten has a fidelity card, card statistics show of manufacturers.

Michael Davidescu, sales manager of manufacturer loyalty cards Plasticard Romania, estimates that there are about 1.5-2 million loyalty cards to telephone companies, hotels, restaurants, shops, and their annual growth rate exceeding 50%. Davidescu says that in most cases the discounts offered by card loyalty programs varies between 5 and 20%, but in some cases up to 50% discount is offered points for products or services and excursions prizes or promotional items.

MOL petrol stations have a loyalty card, which enables purchasing groceries at a reduced price or even free products, including fuels. Once scanned, the bar code of the card help IT system to record every purchase, helping shop carefully supervise their sales and to change strategy according to customer needs. Another program based on accumulating points was developed and Hollywood Multiplex cinemas network. After a few movies watched, a card holder may receive a discount on tickets to their gratuity.

Networks pharmaceutical outlets, pharmacies Dona, or HelpNet were among the first loyalty card issuers in the country. Help Net is the first card of the pharmaceutical system that offers a 5% discount on any product purchased network (except prescriptions in offset mode) reduction has been extended to other partners HelpNet, most large medical centers such as Medicover or Unirea Medical Center. Competitors from Sensiblu offer a discount only for care products, which led HelpNet to extend the offer on all products. Sensiblu returned, however, climbing the percentage reduction from 5-7%, but only for

customers who accumulate points on the card. Also, Sensiblu began offering three times discounts for prescriptions written by doctors in Medicover network, network dedicated only to employees of certain large multinational companies, or to high-income customers. Sensiblu offers cardholders and 10% discount on products purchased through Medicover medical optics. So far 700,000 cards issued Sensiblu.

6. IT TOOLS FOR CRM

Implement an IT system for managing customer relationships is one of the most important steps in the process of implementing a CRM strategy, because of the necessary budget, and because substantial advantages can be obtained for a successful implementation. As with any other solutions, purpose of implementation is not technical, but is a functional one. For this reason, the company must identify and set targets from the beginning that aims to reach them through the system that will be purchased must properly evaluate the alternatives and select the solution that can adapt most to their current and future needs easily.

Of most times, companies are looking for IT systems more configurable and more suited to their business, but it is important to remember that implementing a CRM strategy can be a good opportunity to reevaluate and optimize existing processes and procedures, starting from the premise that CRM applications are built on "best practices" of industry. The company's mission in this case is obtaining an optimal mix between the best-practices included in the software solution and their organizational processes. Many of the managers, working with budget constraint, accept the idea of investing in IT solutions only if are "tested" first by others and totally risk free.

There are three interrelated reasons why the management of small and medium refuse to adopt CRM solutions: they are generally perceived as difficult to implement, expensive and too risky.

- Difficult to implement

Company managers often believe that CRM solutions are suitable only for large companies with unlimited resources and development budgets to match. If wanted to implement a CRM solution hosted by a service provider and use the software for specific departments such as sales, commissioning should be fast, between 30 and 90 days. But if you want to implement a hosted application packages using their own company or company-wide (in departments such as sales, marketing and operations) implementation and staff training could take months or even years. Time to assemble a well-designed CRM project depends on its complexity, its component parts and how well it will be administered.

- High costs

The cost of software is a large investment, given the costs of implementation, customization's training, maintenance and administration. CRM quickly reached to cost much more than would ever be willing to spend an average size company.

An application hosted in sales automation can cost between 65-150 USD per month for a basic package of sales automation. More sophisticated functionality and a high level of support attract significant additional costs. An enterprise CRM package can cost between several thousand and several million dollars, depending on how many functions you wish and how many computers will have access to the application. For example, a department could buy an e-mail application marketing management, while a large company might want to buy an integrated package which includes database as well as applications for marketing, sales, customer relationship and support (both call center and online). Obviously, the integrated package will be more expensive.

- Risky one

According to a Gartner Group report often quoted, over half of CRM implementations fail to bring results. For many managers this is an unacceptable level of risk. This depends (on several factors). By using complex solutions but effective, companies not only solve the communication problem, but at the same time obtain significant results. A well planned CRM project provides increased efficiency and productivity in key fields such as marketing and sales, customer service and relationship with business partners.

Companies that choose IT implementation benefits of the main advantages:

- Rapid application deployment in the organization.
- Easy management system.
- Configuration and implementation mechanisms of flow of documents, archiving, integration with messaging system.
- Scalable solution designed to grow with the organization, being useful to companies with dozens of employees to organizations with hundreds of thousands of employees.
- Increase the fidelity with customers.
- Lower acquisition costs (it's more efficient to keep your customers and develop more profitable relationships with them than to earn client who feel nothing great for your brand).

- More revenue from existing customers (when you can know what customers want, is much easier to sell other products and services).

An important role in implementing a CRM strategy is the consultant. It provides customer support for analysis and establishing project objectives, developing internal and external processes necessary to establish the functional and technical specifications for IT systems necessary to supplier selection and contracting, implementation and management of change tracking.

Main areas of use for application of CRM are:

- Providing support for communication and to pursue opportunities in marketing.
- Choosing the correct sales strategy in sales activity, information analysis and tactical decisions on improving effective customer relationship, creating an overall vision for managing the entire business organization, satisfying customer desires and needs in post-sale activities.

7. CRM IMPLICATIONS IN DECISION MAKING

- Forecast activity

Without CRM, estimating revenues is difficult, time consuming and inaccurate. Sales people estimated based on "feeling", sales managers merges these estimates obtained from multiple tables, conferences, meetings and various notes. Managers also include an adjustment and then present their estimates of management. Such a forecast process is impossible efficient planning and management activities.

Estimation with CRM, who brings consistency and confidence in forecast activity. The periodic reporting of progress with clients and by measuring relative progress at defined stages of company sales, sales management provides relevant information in real time, allowing the systematic diagnosis of problems and adjustment pro-active.

- New contacts

A potential customer has expressed interest for company products or services by response to a direct marketing campaign or contact made at a special exhibition. Contact is directed "manual" first marketing department, then director of sales, and finally a sales representative, who may be or may not be the best person to develop the contact. However, when the contact came from the sales representative is probably already too late, had reached at the competition in the meantime.

Targeting rules used can be based on geography, business areas, products of interest, capabilities of a particular sales representative, or any other relevant criteria for that business. Through effective management of new contacts each potential customer is directed to the right person at the right time for a close approach.

- The communication problem

In a world where customer service is the critical element and customers tend permanent change service providers or products, any contact or interaction is an opportunity for success or failure. Failure is likely if the sales staff and customer service are not communicated to each other customer information. CRM sales management made integration with customer's service management provides the necessary link between sales and service. This should provide a complete history of all customer interactions, including incoming and outgoing phone calls, messages on mail, written correspondence, visits, meetings and demos. When all personnel having direct contact with customers, regardless of function, gain a complete view of each customer relationship, customer satisfaction improves, and the results are immediate.

8. PRODUCTS DEDICATED TO CRM

Romania subsidiary of Microsoft, the largest software maker in the world, aims to reach number one in the top application provider's customer relationship management. The company launched domestically Dynamics CRM 3.0 application (<http://crm.dynamics.com/ro>), the first of its kind that has been promoted by Microsoft in Romania. SAP CRM Sales Express (<http://scn.sap.com/>) is new software for the Sales of medium-sized companies. This solution is based on consistent experience that SAP gained in collaboration with leading organizations around the world use the same technology and performance that has made the most appreciated mySAP CRM solution for customer relationship management worldwide.

Oracle has released the latest version of Oracle Siebel CRM on Demand, which combines advanced functionality with CRM customization and integration of advanced capabilities to deliver superior results for companies of any size. Siebel CRM on Demand delivers complete automation capabilities for sales activities, marketing and services without prior IT investment at a predictable cost. The program has unique features and functions, including built-in analysis and data warehouse services for decision making in real time call center operators built without the need for telephone infrastructure, various editions for different industries to help reduce time, resources and work costs associated with configuration.

It noted the growing interest of companies for applications that help in managing customer relationships, which manifests itself in increased sales CRM 100% year on year. Latest research IDC CRM software segment placed 4th place among the best selling business applications, after the ERP (enterprise resource planning) applications and the operational and production management providers.

9. CONCLUSIONS AND COMMENTS

Customer Relationship Management is a marketing imperative, derived not only from the need to improve the company's financial situation, but the undeniable advantages of loyalty and a customer base stabilization. Constituting itself as an innovative tool, is still subject to varying interpretations as diverse ways of implementation, in the context of new sales activity guidelines: changing the optics from product to potential clients.

Consumer psychology has evolved continuously over the past decades; it achieved his position of stakeholders in business to suppliers of goods and services. Therefore, marketing campaigns are focused closer to potential customers through a variety of means (telephone, Internet, contact "face to face"), customers can judge and make decisions and communicate suggestions about business activity. Approach means customers can get multiple connotations: increased sense of importance for the manufacturing company, consider such individual consumption behavior of the individual, but also establish a sense of frustration and violation of privacy, caused by a genuine "bombing" telemarketing, Internet polls, personal contacts (sometimes there are some ways to limit legality: spy ware, or monitoring, more or less agreed to by client, its activity online).

Implementing a suitable CRM is a vital problem for a company that aims to establish long-term consumer relationships with customers. In firms with a small number of customers, but with a traded volume of considerable size, relationship with them is extremely sensitive, but easy to monitor. As was demonstrated by the case study, even a small number of clients can generate an incredible amount of information flows that must be managed, prioritized and effectively resolved in the context of a CRM system performance. Challenge appear when the existence of a wide clientele, segmented and difficult to monitor closely. For this purpose must first founded a solid organizational philosophy that the customer needs to place the company's shares. Policies and organizational culture need to print a staff optical targeting consumers and develop their skills of communication and transmission of values promoted by the company to the public.

Implementation of the concepts requires the use of various instruments and complex, often computerized. Volume of contacts obtained by means of the various (telephone contact, promotions,

and loyalty programs) must be organized in databases, monitored and subject to weather. Implementation of an IT infrastructure requires a restructuring not only of technology but also organizational and mentality. Managers are often reluctant regarding this decision, because the reasons listed above, plus the attitude towards risk, lack of experience in the restructuring, and reluctance to seek outside consultants. They can have an overwhelming role in the implementation of CRM in Romania, the necessary changes to be made in multiple levels of organization, implementation of best international practices but also their adaptation to specific local market can be achieved by combining the experience of multinational companies to set knowledge of local operators.

CMR is a possibility of facilitating consumer efforts, by its access to distribution networks on-line, by being able to see views of other users, by receiving the proposals and personalized offers from the company. The customer database management, companies can identify consumer behavior can categorize consumers and their expectations can guess, molding offers consumer profile based on individual consumers. CMR also creates a new range of products for management, marketing new entity (call centers) and unique recovery information. Flow diminishes bureaucracy and redirect efforts to promote from attracting new customers to increase business volume achieved with existing customers (such facilitating and launching new products, whose consumers receive will be very loyal customers). In the client-company information flow is interposed a new concept, namely that of blog marketing, information coming from a company with an overwhelming share of investment decisions and consumer. On the other hand, comments online consumer feedback is generated for free for the company, to be then subjected to a filtering process according to relevance.

Customer relationship management is, in the context of traditional means of promotion depreciation, the main way to strengthen the position of firms, generating for the benefits of message transmission efficiency, proximity to target consumers and create a relationship of trust with them.

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