



## EFFECTIVENESS OF CUSTOMER RELATIONSHIP MANAGEMENT ON CUSTOMER SATISFACTION

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### ABSTRACT

CRM is an approach to manage a company's interaction with current and potential customers. One important aspect of the CRM approach is the system of CRM that compile data from a range of different communication channels and marketing materials. CRM brings many benefits to the companies, though there are some risks associated with it, such risks or challenges can bring significant failures to the company. Barriers to implementation include the complexity required to implement tools and work flows, particularly in larger companies. Various tools for monitoring, recording, communications & interactions were developed to assist in the varied business functions relating to working with clients. The study explores different methods of establishing effective customer relationship management to satisfy the customers. Companies make its CRM very strong and reliable. Effective CRM system helps the company in locating and reaching its best customers as well as finding new methods to increase its sales. From this study it makes clear that CRM gives all information regarding the needs and wants of customers and help the company to produce their products & services accordingly this in turn helps to increase the productivity and loyalty to customer.

**KEYWORDS :** Customer Relationship Management, Customer satisfaction, Customer, Challenges of CRM, Customer retention.

### Introduction

Customer relationship management is a tool developed for managing the company's interaction with ongoing and potential customers. This tool will analyze the historical data of each customer and helps the firm to develop and upgrade business relationships, precisely will concentrate on customer retention and ultimately ending up with sales growth. The details of customer requirements will be collected from different communication channels, like company's website, telephone, e-mail, live chat, marketing materials and in recent times through, social media. All these mediums are widely used to promote the businesses and to strategically learn more about their target audiences and how to satisfy their needs.

Despite implementing CRM it has also occasionally lead to favoritism within an audience of consumers, eventually leading to dissatisfaction among customers and overpowering the purpose of CRM. It is a strategy that is recognized broadly and implemented widely to brighten up the quality of a company interactions with a variety of clientele and potential business interests.

An efficient CRM involves the use of technology to optimize business processes through the organization, synchronization, and automation. This optimization primarily involves activities related to sales, but may also involve activities related to technical support, marketing, and customer service.

The main target of CRM is related to identifying, engaging and signing of new clients, as well as retaining relationships with established clientele, restoring relationships with old clients, and minimizing resources used on marketing and serving clients.

CRM is a business strategy implemented and enforced by companies involving all departments related to clients. When implemented and monitored efficiently, there is consistency between technology, personnel, and processes to increase the profit margins of an enterprise while simultaneously reducing its costs.

### Objective of the study

- The main objective of the study is to find whether CRM is necessary in an organization
- To explore how customer relationship management gives information regarding the needs and wants of customers.

### Methodology

The methodology adopted for the study is mainly secondary sources, like books, e-journals, websites etc.

### Benefits of customer relationship management

When customer relationship management implemented successfully, companies may be able to attain numerous objectives, namely;

- It helps to increase productivity in sales
- Improved marketing and sales processes
- Boost up cross selling and up selling
- Higher rates of closes
- Helps to bring down the expenses
- More accurate targeting and profiling
- Higher rates of profit.
- Increases in market shares, and marginal costs.

### Challenges of customer relationship management:-

Though there are a number of benefits of CRM, not all company were able to achieve the benefits of it. The constraints in implementing CRM include the complexity to implement the tools and work flows. Primarily the tools were used only in recording and monitoring communication and interaction. The major challenge in CRM is grouping the customers and developing personalized communications. Frequently, implementation of these tools is fragmented. Departments tend to take action solely for their own benefits, rather than to strengthen the company as a whole.

### Types of customer relationship management

There are several variations in customer relationship management. Among the most common are sales force automation, marketing, customer service, analytics, integrated and collaborative practices, small business, social media, and non-profit or membership based systems. Each will be discussed below.

### Sales force automation:-

In sales force automation, software is used by the company to improve the efficiency of the sales process. This results in sales representatives having to spend less time on different parts of the sales process, which allows them to spend more of their available time pursuing clients. A contact management system allows the company to track or record each stage of the sales process and pay attention to each client served by the company. Additionally, sales

force automation software applications may also provide information on territories, opportunities, work flow automation, sales forecasts, and knowledge of products.

#### **Marketing automation:-**

Marketing automation; systems here assist the company in locating and reaching its best customers, as well as in finding prospective customers. A valuable feature in marketing is the ability to not only track but also measure diverse campaigns, including domains such as social media, direct mail, email, and searching. Data monitored by marketing include deals, responses, revenue, and leads.

#### **Customer services:-**

In customer service, technology may be used by companies to improve the quality of service they can offer clients, while at the same time increasing the efficiency and minimizing the cost of that service. Comprehensive call center solutions are commonly applied here, such as computer telephone integration, or CTI, intelligent call routing, and the ability to escalate.

#### **Analytics:-**

Systems involving analytics are typically integrated with applications related to service, sales, and marketing. The purpose of sales analytics is to allow companies to develop a more comprehensive understanding of why clients do what they do and hold the preferences they do. Applications for marketing are typically paired with predictive analytics, which leads to improvements in the ability to segment and target clients. Web analytics, for example, have increased in complexity from their initial functions as means to track mouse clicks to their current implementations as methods of predicting likely purchases and identifying difficulties customers face in making purchases.

#### **Integrated and collaborative practices:-**

Integrated and collaborative practices refer to interaction and collaboration between departments inside companies and enterprises; the goal here is to increase levels of cooperation and fluidity among different departments, such as marketing, service, and sales. Collaborative systems involve the use of technology to bridge distances between departments.

#### **Small business solutions:-**

Small business solutions involve integrated solutions that assist both individuals and organizations in monitoring and documenting interactions such as jobs, emails, faxes, documents, and scheduling. Tools for small businesses generally focus on account management. Small businesses are increasingly turning toward online solutions, particularly for workers who travel and telecommute, to solve their business needs.

#### **Social media:-**

Social media sites such as Facebook, MySpace, and Twitter, are thought to wield considerable influence in bridging the gaps between consumers and companies. This is due to the amplified voice people have when using such sites, where they are able to share their experiences and opinions on services and products they have tried. In recent years, companies have taken a greater interest in these sites and in the ongoing conversations held by their members, and it has become more common to see attempts at integration into social networking sites. A company presence on such a site can aid in developing a greater understanding of client needs and preferences, and help target future consumers.

#### **Non-profit or membership based systems:-**

Systems related to membership based and non-profit organizations are used to track constituents, as well as the actions they take related to the organization itself. Such systems typically include capabilities for tracking features such as fund raising, membership levels, volunteering, demographics, and communications with target individuals.

These are the most common forms of customer relationship management in place today.

#### **Procedure followed to maintain good relationship by major companies**

For maintaining good relation with customers, major companies follows these procedures, such as;

#### **Frequency of collecting feedback/Complain**

- Yearly once from major customers
- On the basis of forwarding the feedback form
- Complaints can be written in the "Additional comments" section at the bottom of the feedback form.
- Complaints can be considered through Email

#### **Customer Feedback/complaints options are collected as follows**

- Sent to customer after delivery
- Sent to the customer along with invoices.
- A courtesy call to the customer with Feedback questionnaire completed during the call

#### **Sent to customer after delivery and Invoices**

On completion of the Project, Inside Sales Manager will assign sales personnel to send a copy of the Customer Feedback form to the client.

#### **A courtesy call to client with Feedback questionnaire completed during the call**

The Inside Sales Manager who may in the event that no feedback is obtained contact the client via a courtesy call. During this call they will ask the questions from the Customer Feedback form over the phone and complete a Hard copy with the client's responses. This copy will then be sent to the client for his reference.

Key-performance indicators	Extremely unsatisfied	Not satisfied	neutral	satisfied	Extremely satisfied
Speed in quoting					
Speed in processing order					
Communication					
Product technology and services					
Pricing					
Quality					
Delivery					
Accuracy of documentation					
Accuracy of shipment					
Overall experience with our company					

#### **Unsatisfactory Customer Feedbacks/ Customer Complaints.**

Sales Engineer/ Sales coordinator / Project coordinators / Logistics Assistant / Regional Sales manager / Inside Sales Manager / Other Department Managers receiving the unsatisfactory Customer Feedbacks (Ratings '0' & '1') and complaints through feedback form or any other sources, its conveyed to QA and the concerned department for further analysis. Appropriate corrective/preventive actions are initiated by the concerned Department Manager in consultation with the QA Manager and details are recorded for further closure.

#### **Process Criteria**

- Acknowledgement to Feedback from the customers should be completed within 24 hours of its receipt.
- Response analysis through Manual Process.
- Closure of Customer Feedback on time.
- Half yearly Customer Feedback Survey Analysis/Review meeting with Senior Management.

### Monitoring Rules

- Customer Feedback Form
- Internal Auditing
- Management Review Meeting
- Manual process Review

By following these procedures, a company can sustain its customers. These procedures are really helpful for the organization for evaluating their customer satisfaction level. If the customers are highly satisfied they will support the organization for a long period of time and if the customer is dissatisfied it will affect existence of the organization. Organizations should take corrective measures to maintain good relation with their customers.

### Findings

The findings of the study are as under;

- CRM plays a major role in finding the needs and wants of customers and helps an organization to produce accordingly
- CRM helps to increase productivity in sales.
- Sales force automation is the most effective tool used to improve the efficiency of the sales process
- Time to time feedback collection helps to maintain a good relation with the customers.

### Suggestions

The study suggests that every organization has to implement new tools and methods to maintain and retain a loyal customer. Effective after sales services and invoices must be sent to customers to build a good relationship in them.

### Conclusion

This study has provided a theoretical model to show the relationship between customer relationship management dimensions and marketing capabilities. CRM helps in managing a company's interaction with its customers. CRM is not a one day process, it is continuing process. As long as a company is willing to maintain its market share it has to keep a track its customers regularly. According to this research it is clear that a company has to implement new tools to maintain good relation with customers.

Many technologies and techniques are used in order to create, retain, and maintain a loyal customer. Mostly used tools by an organization are sales force automation, marketing automation and, marketing automation and social media. This study explore that a frequent feedback collecting procedure is necessary to know the preferences and needs of customers. In this highly competitive marketing world a company can withstand only if it has a good Customer Relationship Management.

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