



Review Paper

A review research on reinventing business practices with customer relationship management

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Abstract

Customer Relationship Management and Customer Satisfaction has been significant importance in marketing practice and academic research. Customers are the only source of cash inflow to an enterprise. This is the major reason that the concept of CRM and customer satisfaction has gained much of interest in recent year. The enterprises have realised that customers can be effectively reached by an extension collaboration of network and business processes. Customer relationship management (CRM) has become worldwide executed tool for creating long-term relationships with customers and maintaining a loyal customer's base. Organizations have started attempting to anticipate customer's behaviour and preferences to support sales, marketing and customer support processes. Customer satisfaction is typically defined as a post consumption evaluative judgement concerning a specific product or service. It is the result of an evaluative process that contrasts pre-purchase expectations with perceptions of performance during and after the consumption experience of enterprises investing large amount of resources in CRM practices. This paper focuses on different behavioural aspects of customer behaviour resulting in better CRM practices and solutions.

Keywords: Business practices, customer, relation, management.

Introduction

The review paper analyse customer relationship management and customer satisfaction and its application in finding solution to behavioural problem. Liberalisation in the Indian industries in general and service sector has created numerous options before customers. These options made customers more demanding and empowering them for better service and treatment. The shift in the psychology of customers forced the policy makers to give more importance on customer retention and loyalty. This implies that the customer strategy as sculpted by the customer dominated marketplace is the cornerstone of overall corporate strategy. Customer strategies have become the core of business as it's relate to corporation's revenues, profits and market share closely. Evolution of CRM was as "Contact Management" in the year 1980. The "Contact Management" is a term that covers the tracking of customer, vendor and individual information required by the enterprises to assure contact in the customers. In 1999, Gartner Group introduced the "Customer Relationship Management" to a marketing concept, and then the CRM has become a complete set of management theory system. Customer Relationship Management has become one of the most dynamic technology topics of the millennium. CRM is not a concept that is really new but rather due to current development and advances in information and enterprise software technology, it has assumed practical importance. The root of CRM is relationship marketing, which has the objective of improving the long-term profitability of customers by moving away from

product-centric marketing. The majority of studies have investigated the relationship with customer behaviour patterns and According to these findings, customer satisfaction increases customer loyalty, influences repurchase intentions and leads to positive word-of-mouth which result in long term relationship with the customer, Given the vital role of customer satisfaction, it is not surprising that a variety of research has been devoted to investigating the determinants of satisfaction. The only limitation of the research is that it is qualitative and behavioural topic so the results cannot be precisely calculated.

Broad literature survey

In the broad literature survey different concepts given by authors and researchers is being discussed on Customer Relationship management, customer retention and customer satisfaction. Customer relationship management is considered as strategic, process-oriented, and cross-functional and value creating for customers and enterprises as a means of achieving better financial performance. It characterises a management philosophy that is a complete orientation of the company toward existing and potential customer relationships.

In the conceptual framework by the author CRM approach is bustling in nature as its deals with customer behaviours and a promising tool for affecting the business profitability positively. Business require to make time to time changes in their policies, programs and initiatives to maintain a competitive edge in the dynamic environment.

In the core research the author attempted to investigate the necessity of the business to adopt CRM. The major reasons associated are the high cost of direct selling, the increasing intensity of completion at global level and the need of customer related information for different uses for increasing the level of sales².

The author argues that there a major shift in the basic consumer handling model from transaction model to relationship model³. CRM emphasis on maintaining relationships and one-time transaction is not sufficient in satisfying customer needs and ensuring long-term relationship. The author further argues businesses that deny the importance of CRM as a business approach risks their growth opportunities and survival.

The recent concept point of discussion is the significant use of Information technology in the operating CRM practices and handling data. Businesses are also considering the newer points like Contact touch maps to increase and maintaining consistent interactions with the customers⁴.

The author provides a wide range of specific customer relationship management techniques and principles that are used by multinational businesses. The findings can be compared to the primary data findings in the proposed research, thus enhancing the scope of the study⁶.

The author explains CRM as a tool to reduce cost and increase company performance by retaining customer loyalty⁷. Further the author emphasizes on CRM implementation as the data collection from all possible sources to have a holistic view of customers' requirement in real time relation.

CRM is a relationship is integration of technology, procedure and people to increase the organisation chance in a market place by maintaining relationship with consumers and competitors as explained by the author⁸. The other two main elements in the research for the successful CRM implementation and retaining customer loyalty is a customer satisfaction and pleasing.

The author has discussed different areas which are directly and indirectly connected to CRM framework, implementation and outcomes. The influence on the customer can be in terms of loyalty and satisfaction, revenue generation, cost drop, enhancement of employee efficient are significant area of research⁹.

The author has attempted to provide the requisites of maintain quality of service to the customers. Meeting customer's expectation and satisfying their needs by providing variety of products, providing good products at reasonable price and proper handling of customers complaints are the major three requisites¹⁰.

The theory was developed by the author who proposed that satisfaction level is a result of the difference between expected

and perceived performance¹¹. Satisfaction occurs when product or service is better than expected. On the other hand, a performance worse than expected results is dissatisfaction. Studies show that customer satisfaction may have direct and indirect impact on business results. The author in short concluded that customer satisfaction positively affects business profitability¹².

The author states that successful adoption of inter-organizational information systems requires the existence of a close relationship among the firms involved to foster involvement or the exercise of power to force involvement. Maintaining customer relationship can be obtained by collecting, capturing, increasing and retaining the relationship¹³.

The author had viewed Profitable CRM implementation depends on the businesses which is embracing the concept. There are chances of slow progress and where CRM have performed below expectation. According to the study successful implementation depends on number of factors such as intra-organization and inter-organizational co-ordination and support, good jaw fit with the CRM strategy and program with the marketing strategy and synergy between different departments of the organisation¹⁴.

The Gap model of Service Quality by the author identifies five gaps that can create problem in service delivery and can influence the customer evaluation of service quality. The gaps are between customer wants and management perception, supplier specification, actual service, expected service and perceived service.

Another relevant study have observed that companies have to increase their portfolio of products and services as demanding customers are now looking for full-scale solutions and personalized services. Businesses with the application of e-CRM can provide right service at the right time with satisfactory quality¹⁵.

Analysis of CRM

CRM is a philosophy and a business strategy, supported by a system and a technology, design to improve human interactions in a business environment. Form the above mention definition it is clear that CRM is a wider concept. At the operational level CRM work in all major functions embedded in the enterprise research planning application of CRM. Analytical CRM is the acquirement, extraction, depository, integration and informing customer data to the user. CRM is a communication centre, the partnership networks that provide the neutral path to the customer and the suppliers.

CRM Business process

CRM Business process implied to the set of all possible interaction which, may result from a customer and to a customer. The business processes is a set of logically related

function to achieve desired business outcome. A CRM business process as in relation with any business has two discriminating factors. Firstly, the customers can be internal, external or both and secondly it must be cross organizational, which is to say, it must have a workflow that occurs between different functional units of business.

CRM approaches can be a data driven or process driven. In data-driven CRM applications, the data is collected and stored in a single database and the customer information is available to the users say sales, marketing and support personnel. The laid back data-driven CRM only provides useful customer information but it is not capable of taking any real-time activity for the customers. The passive data driven approach doesn't have any process involved as in each interaction the data has to be customised according to customer need and the company's standard. On the other hand, the CRM process model is more contextual and multi dimensional. It coordinate the real time customer activity with existing historical data across interaction. It is being multi dimensional continually by updating the data by multiple channels and sources i real time simultaneously respond to the customer in real time.

Competition is the mother of all invention especially in field of sales and marketing. Sometimes enterprises have shortage of time for converting their business process into a best practice to have maximum possible outcomes. The solution of this problem is to adopt a suitable best practice from the market. Best practices are proven methodologies for executing a business process effectively. Best practices have stood the test of time and have proven results which are mostly universally adopted. A very good can be CRM marketing tools featuring customized offers to individuals during an inbound interaction online. In this process the system matches the individual's customer data and history to the person who is making inbound call. The best practice applied here would be "real-time offer optimization," which can develop or even change customized individual offer in real time based on the customer's online responses and probable interest. It can dynamically also set the offer based on the inventory levels and customer requirement and apparent interest. This best practice improves the likelihood of making a purchase online.

Conclusion

The paper studied different aspects and dimensions of the domain topic Customer relationship management and its significance. The Customer Management is just an approach but it comprise of all the marketing and strategic decisions related to the customers. With the recent advancements Customer Relationship Management is the integration of people, processes and technology. The whole of concept of Customer Relationship Management is based on underline to build liaison and a gaining alliance between the customers and the businesses. In this situation both are at win-win situation. Mainly Customer Relationship Management was a strategic tool for the businesses

that has now started influencing the entire marketing plan. Customer Relationship Management provides many benefits to the businesses resulting in significant increase in the numbers of firms using Relationship model as their primary tool to retain customers. CRM software constitute to the one-third software of the world software which shows its widespread application worldwide. In the scenario of intense competition in almost every sector of the market retaining old customers is most important to reduce cost and increase the profits. The relational information played a crucial role in enhancing the organisation customer relationship performance. Moderation in relational management with customer relationship management and technology is very supportive improving the performance and delivering the expected benefits to the company. Research in Customer Relationship Management in particular is of huge importance as it enables the organisation to take decision that shapes its destiny. Customers are the purpose of business and they are the most dynamic object in the world. The market dynamics is changing the business orders and is changing the customer tastes and preferences. This is the result of change in customer expectation and the satisfaction standards and also change in customer loyalty. This increases the significance of business researches as the marketers need to be aware of the changing requirements of the customers. In dealing with CRM an important concept of customer satisfaction is always focussed as there is a direct and positive between the both. Customer satisfaction is a psychological concept that is more perceived than real. It is the customer perception of the service of the company. There are number of factors responsible for creating the perception in the customer mind. This perception is of huge significance for marketers as they lead to several distinct advantages as increasing loyalty, helping in customer retention, increasing repurchase intention and subsequently improving business performance.

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