Customer Relationship Management: A Study of CRM Policies of Different Companies

MS. Jasmine Kaur

Assistant Professor
SGND Khalsa College (University of Delhi)
New Delhi, India.
E-mail: Jasminekaur1125@gmail.com

Abstract

The biggest challenge the management has to face in todays globalised world is to serve and maintain good relationship with the king – the customer. Customers were taken for granted in the past, because they were not demanding nor had any alternative source of supply. But today there is a radical transformation. The dynamic business environment is characterized by economic liberalization, increase in competition, high consumer choice, demanding and informed customers, greatoe emphasis is given on quality of the product and the value of purchase etc.

These changes has shifted the producer's from the traditional marketing approach to modern marketing which involves much more than only developing a product, pricing it, promoting it and making it accessible to target customer. It requires building trust, a binding force and value added relationship with the customers.

The process of developing a cooperative and collaborative relationship between the buyer and seller is called customer relationship management shortly called CRM. Thus through this paper I have tried to understand what CRM is all about and try to studythe CRM policies and its impact in different MNCs like Amazon, BMW and Apple Inc.

INTRODUCTION

CRM stands for Customer Relationship Management i.e. its a strategy which is used to learn more about customers' needs/wants and behaviors so as to build a strong relationship with them. Having good relations with the customers is the essence of a

successful business. One should not percieve CRM in technological terms because the best way is to think about it is as a process which brings together a bundle of information about the sales, customers, marketing efficiency, trends and responsiveness.

It is a collection of people, processes, software, and internet capabilities that helps an enterprise to manage their relashionships with the customers in an effective and systematic manner. The goal of CRM is to understand and anticipate the needs of current and potential buyers and to increase customer retention and loyalty while expanding the way product and services are sold.

The objective of CRM is to collect data about every contact a company has with a customer through all channels and store it in the CRM system to enable the company to truly understand customer action. The CRM software helps the organization to build a database about its customer that all stakeholders like management, sales people, customer service provider and even the customer can access information to assessthe needs of the customer with product and offering.

BENEFITS OF CRM FOR BUSINESS ORGANISATIONS

1. **Improved customer relations** -One of the most important benefits of using a CRM is obtaining improved customer satisfaction. By using CRM, all activities involving servicing, marketing, and selling the products to the customers can be carried out in an organized and systematic manner. One can also provide better services to customers by better understanding of their issues/needs and this in turn will help in strengthen customer loyalty and decreasing customer agitation.In this way, one can also receive continuous feedback from your customers regarding their products and services. It is also possible that the customers also recommend the poducts to other users once he himself is satisfied with the product and service.

2. **Increase customer revenues**- By using a CRM strategy for the business there will be a sharp increase in the revenue of the company. Using the data collected, the company will be able to popularize marketing campaigns in a more effective way. By using the CRM software, the company can ensure that the product promotions reach a totally different and brand new set of customers, and not who had already purchased the products, and thus effectively increase the customer revenue.

3. **Maximize upselling and cross-selling**- A CRM system allows up-selling which means giving customers premium products that fall in the same category of their purchase. CRM also facilitates cross selling which means offering complementary products to customers, on the basis of their previous purchases. This is done by interacting with the customers and getting an idea about their wants, needs, and patterns of purchase. The details obtained are stored in a central database, which is accessible by all the executives of the company. So, when an opportunity is spotted, the executives can promote their products to the customers, thus maximizing up-selling and cross selling.

4. **Better internal communication-** Following a CRM strategy helps in building up better communication channel within the company. The sharing of customer data

between different departments will enable the company to work as a team. CRM will help in increasing the company's profitability and enabling better service to the customers.

5. **Optimize marketing**- With the help of CRM, the company will be able to understand the needs and behavior of the customer, thereby allowing it to identify the correct time to market its product to the customers. CRM indicates the most profitable customer groups, thus the company can use this information to target prospective buyers timely. This will help in optimizing the marketing resources efficiently and will also ensure that there is no wastage in time with less profitable customer groups.

CASE STUDY 1- APPLE INC

OVERVIEW

Apple being the most well known brand today in the field of innovative technology offers various devices and gadgets such as personal computers, tablets, mobiles, watches, laptops etc. It's been focussing on retail and its customers since it came into the market i.e. 2001 and has become the third largest maker of PCs in the US.

Thus, customer relationship has become the centre of focus of the Apple's growth strategy and the company itself has become a brand of its own as its products. Apple in a very short span has captured its own market share where in the customers loyalty makes it very difficult for other brands to enter and compete.

NEED FOR CRM IN APPLE

- For a decade now, the company has been using CRM policy in its customer service departments which includes being in touch with customers who have used their in-store products through emails in order to assess the feelings of the customers when they are talking to Apple staff.

- To maintain a long term relationship between Apple and its clients, the company has been using CRM in their retail base. The focus of their strategy is to inform and educate the customers about the benefits of having their high end products rather than concentrating only on selling their products. They attract the customers by their product features and lure them so that they eagerly want an Apple product. Apple has enhanced the relationship with the clients and made it an experience for them.

- The main idea behind Apple's CRM policy is data collection. Whether a customer buys an Apple product like iphone, ipad etc. or uses the Apple software i.e. iTunes they have to register using their unique Apple ID. The entire information is used to help define advertising so that it is more directly targeted to the potential customer.

- Apple has created a CRM tool which is entirely cloud based and it is not only used by them but also used by their customers. It is a pyramid effect of businesses benefiting from Apple's CRM data collection which Apple can also use.

CRM OF APPLE

- The aim of CRM is to improve the customer service experience of existing and potential customers. Apple allows its customers face to face interaction with its technicians for in depth discussion of problems and solution through its Apple Genius process of tech support.

- Apple has definitely made use of CRM so extensively by managing face to face contact and by enhancing brand awareness. They focus on CRM bases advertising and targeted emails which has help them produce a lifetime experience rather than simply a purchase.

- The company being a succesfull multinational company needs a system of CRM such that it reaches the customers on a one to one basis. This will also guide and motivate small businesses for similar type of interpersonal CRM.

CASE STUDY 2- AMAZON

OVERVIEW

It will not be an exaggeration if we say that Amazon has a world class CRM policy for over the span of 20 years now. They have millions of loyal customer base and is the most trusted and preffered online shopping portal. This is possible because of a well managed, efficient and properly framed CRM policy.

Amazon is very well known and reputed for providing a vaiety of good quality products to the customers all in one place. The best thing is that over the years the company has managed to maintain its customer relation without any face to face interaction with them.

The recommendations which are shown to the customer based on his previous purchase helps the custome in choosing the product and makes shopping easy, convinient and fun which is possible with a click of a button. Amazon offers its custome an easy to use interface by storing all their details which makes future purchase smoothly and quickly. The clever use of data make the customer feel valued and special and is a innovative way of attracting customers.

The reason behind successful CRM

Amazon have there own in built software which is tailormade to their reqirements. Their CRM is the reason behind all the useful features offered by them. Their software

captures the details of each customer relating to their personal data such as location, past purchases and accordingly customise a user's on site experience.

The CRM helps the customer to get the answers of their queries even before the stage of human intervention comes. Customers have access to all information related to the product ordered, delivery time and date, stage of delivery, payment options, return policy etc. This certainly reduces the need and cost of having customer service staff.

CRM USES BY AMAZON

1. COLLECTION OF DATA- All customers shopping from Amazon needs to create an account which makes it easier for them to make future purchases. These accounts also provide Amazon an opportunity for target marketing i.e. customers can be emailed with offers and promotion based upon their past purchases.
2. PERSONAL DATA STORAGE- When a customer makes an account all its personal details, account information, address and contact details are stored for easy and quick future purchases. This benefits the customers with the ease of shopping.
3. RECOMMENDATIONS- Amazon is the pioneer or giving recomended product features. When a user is logged in his account, Amazon recommends a number of products to the customer in which he might be interested. This recommendation is based on the assessment of the past buying behavior of the customer. It has also introduced a 'customer who bought this' feature and other features which are very promising in boosting sales without pressurising the customers.
4. CUSTOMER SUPPORT- The return policy of Amazon is totally online. Incase of any issue with the product the customer calls the customer service operator who has complete access to the information of the customers purchase history etc. This helps and makes the return policy easy and all issues are dealt with efficiently and quickly.
5. KINDLE MARKETPLACE- With all the details about personal accounts, storage, payments and recomendations , the kindle products and experience are not the same without CRM.

CASE STUDY 3- BMW

OVERVIEW

BMW is one of the most well known brand in the car manufacturing sector and is highly valued by the customers for its quality, design and exclusivity. They are a manufacturer of luxury cars and other vehicals for a very limited market segment and attract customer loyalty for its products. Because BMW deals with a particular segment of brand concious customers, relationship management plays a very important role. Thus, its very important with the company to maintain customer relations and collect customer information.

BMW and its CRM

As BMW has a particular target segment it is very important to have a CRM software which will help in promotion of its product and reaching its target audience specially when there are new releases.

They have been sincerely working on their direct marketing programs and have been making sincere efforts in order to manage their loyalty programs more efficiently. They r trying to enhance their position on the internet by using the social media portals. Thus, BMW have been trying to build up such a CRM policy which will enhance and strengthen its efforts an be a well place and more successful brand in the future.

CHOOSING A SUCCESSFUL CRM POLICY

Efforts have been put in by BMW for their CRM policy lately. They have implemented their idea into a package which collect and store data relating to their customers and also assess what exactly their customers expectations are from the brand.

The company is basically using CRM to provide information about new products and services and also introduce different way in which customers can be made aware about promotional items. BMW has also used social media to reach out to customers.

Thus, we can say that BMW has very efficiently used the customer information to find out more about what exactly the buyers are wanting from the company.

CONCLUSION

CRM is a tool, which helps to track down the changing customer profiles, build in this information to get the necessary product design & add value to the individual customer. Today's customers are global & have high degree of need for cognition, recognition, approvals & respect. They prefer marketers who can give good product, deliver first service, repair, solve problems & improve products. Marketers are striving for a bond with customers, who will be strong & long lasting with the customers.

Recommendation

- Marketers have realised that if they retain customers the cost will certainly reduce. On the supply side, it really pays more to develop closer relationship with customer through people, equipment and procedure. It is high time that they re-engineer the marketing department.
- As customer expectations have rapidly changed over the last two decades. Fueled by new technology and growing availability of advanced product features & services, customer's expectations are changing almost on a daily basis. Customers are less willing to make compromises to trade off in product & services quality. So companies should continuously search for value building

approaches through a system of total quality management review process, which will be, resulted in value-laden-relationship with customers

- In order to keep competitors away from customer sight, cross selling, can meet the customer requirement. However the ideas seems to predominantly meet with the sellers needs to maximize his revenues by exploiting relationship with customer. But CMR techniques should ensure mutual economics values to both customers & companies.

- Indian companies need call centers to boost marketing efforts, as the Indian customer starts becoming more aware of the choice available worldwide, a number of companies already use call centers as a marketing tool. It's learning curve that a lot of Indian companies will go through.

- If globalization proceeds as expected, it must surely have a major impact on how firms manage customer's relationships .A good training program for progressing young dynamic international managers is the need of the hour global marketing communication.

- Managing Customer Relationship around the world calls externals & internal partnership across a firm's worldwide organization.

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