

## INFORMATION TECHNOLOGY MAKES MANAGEMENT AS UNIQUE - STUDY WITH CRM APPROACH

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**Abstract:** *The essence of the information technology revolution and, in particular, the World Wide Web is the opportunity afforded companies to choose how they interact with their customers. If desired, the Web allows companies to build better relationships with customers than has been previously possible in the offline world. By combining the abilities to respond directly to customer requests and to provide the customer with a highly interactive, customized experience, companies have a greater ability today to establish, nurture, and sustain long-term customer relationships than ever before. The online capabilities complement personal interactions provided through salespeople, customer service representatives, and call centers. This paper conceptual in nature, studies how revolution of Information technology makes the Management of Corporate Unique.*

**Key Words:** *Offline, data base, mobile CRM, Call centers.*

### INTRODUCTION

The essence of the information technology revolution and, in particular, the World Wide Web is the opportunity afforded companies to choose how they interact with their customers. If desired, the Web allows companies to build better relationships with customers than has been previously possible in the offline world. By combining the abilities to respond directly to customer requests and to provide the customer with a highly interactive, customized experience, companies have a greater ability today to establish, nurture, and sustain long-term customer relationships than ever before. The online capabilities complement personal interactions provided through salespeople, customer service representatives, and call centers. At the same time, companies can choose to exploit the low cost of Web customer service to reduce their service costs and offer lower quality service by permitting only electronic contact. The flexibility of Web-based interactions thus permits firms to choose to whom they wish to offer services and the quality levels. Indeed, this revolution in customer relationship management or CRM as it

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is called has been referred to as the new “mantra” of marketing. Companies like Siebel, E.piphany, Oracle, Broadvision, Net Perceptions, Kana and others have filled this CRM space with products that do everything from track customer behavior on the Web to predicting their future moves to sending direct e-mail communications.

The need to better understand customer behavior and the interest of many managers to focus on those customers who can deliver long-term profits has changed how marketers view the world. Traditionally, marketers have been trained to acquire customers, either new ones who have not bought the product category before or those who are currently competitors’ customers. This has required heavy doses of mass advertising and price-oriented promotions to customers and channel members. Today, particularly for the company’s “best” customers, the tone of the conversation has changed from customer acquisition to retention. This requires a different mindset and a different and new set of tools. A good thought experiment for an executive audience is to ask them how much they spend and/or focus on acquisition versus retention activities. While it is difficult to perfectly distinguish the two activities from each other, the answer is usually that acquisition dominates retention.

#### Framework For Customer Relationship Management In Service Sector:

A major purpose of this research work is to provide a managerially useful, end-to-end view of the CRM process from a marketing perspective. The basic question asked is : What do managers need to know about their customers and how is that information used to develop a complete CRM perspective? The basic model is shown in Figure 1 and contains a set of 7 basic components:

1. A database of customer activity.
2. Analyses of the database.
3. Given the analyses, decisions about which customers to target.
4. Tools for targeting the customers
5. How to build relationships with the targeted customers.
6. Privacy issues.
7. Metrics for measuring the success of the CRM program.

#### **Creating a Customer Database**

A necessary first step to a complete CRM solution is the construction of a customer database or information file. This is the foundation for any customer relationship management activity. For Web-based businesses, this should be a relatively straightforward task as the customer transaction and contact information is

accumulated as a natural part of the interaction with customers. For existing companies that have not previously collected much customer information, the task will involve seeking historical customer contact data from internal sources such as accounting and customer service.

What should be collected for the database? Ideally, the database should contain information about the following:

- Transactions. This should include a complete purchase history with accompanying details (price paid, SKU, delivery date)
- Customer contacts. Today, there is an increasing number of customer contact points from multiple channels and contexts. This should not only include sales calls and service requests, but any customer- or company-initiated contact.
- Descriptive information. This is for segmentation and other data analysis purposes.

### **Analyzing the data**

Traditionally, customer databases have been analyzed with the intent to define customer segments. A variety of multivariate statistical methods ranging such as cluster and discriminant analysis have been used to group together customers with similar behavioral patterns and descriptive data which are then used to develop different product offerings or direct marketing campaigns. Direct marketers have used such techniques for many years. Their goals are to target the most profitable prospects for catalogue mailings and to tailor the catalogues to different groups.

### **Customer Selection**

Given the construction and analysis of the customer information contained in the database, the next step is to consider which customers to target with the firm's marketing programs. The results from the analysis could be of various types. If segmentation-type analyses are performed on purchasing or related behavior, the customers in the most desired segments (e.g., highest purchasing rates, greatest brand loyalty) would normally be selected first for retention programs. Other segments could also be chosen depending upon additional factors. For example, for promotions or other purchase-inducing tactical decisions, if the customers in the heaviest purchasing segment already buy at a rate that implies further purchasing is unlikely, a second tier with more potential would also be attractive. The descriptor variables for these segments (e.g., age, industry type) provide information for deploying the marketing tools. In addition, these variables could

be matched with commercially-available databases of names to find additional customers matching the profiles of those chosen from the database.

### **Relationship Programs**

While customer contact through direct e-mail offerings is a useful component of CRM, it is more of a technique for implementing CRM than a program itself. Relationships are not built and sustained with direct e-mails themselves but rather through the types of programs that are available for which e-mail may be a delivery mechanism.

The overall goal of relationship programs is to deliver a higher level of customer satisfaction than competing firms deliver. There has been a large volume of research in this area. From this research, managers today realize that customers match realizations and expectations of product performance, and that it is critical for them to deliver such performance at higher and higher levels as expectations increase due to competition, marketing communications, and changing customer needs. In addition, research has shown that there is a strong, positive relationship between customer satisfaction and profits. Thus, managers must constantly measure satisfaction levels and develop programs that help to deliver performance beyond targeted customer expectations.

A comprehensive set of relationship programs includes

- Customer service
- Frequency/loyalty programs
- Customization
- Rewards programs
- Community building

### **Privacy Issues**

The CRM system described in this research work depends upon a database of customer information and analysis of that data for more effective targeting of marketing communications and relationship-building activities. There is an obvious tradeoff between the ability of companies to better deliver customized products and services and the amount of information necessary to enable this delivery. Particularly with the popularity of the Internet, many consumers and advocacy groups are concerned about the amount of personal information that is contained in databases and how it is being used.

This is not a new issue. Direct marketers have mined databases for many years using analyses based on census tract data, motor vehicle records, magazine

subscriptions, credit card transactions, and many other sources of information. However, with the “in your face” nature of unwanted direct e-mails and the increasing amount of information that is being collected surreptitiously as people browse the Web through nefarious “cookies,” these concerns have received more prominence.

### **Metrics**

The increased attention paid to CRM means that the traditional metrics used by managers to measure the success of their products and services in the marketplace have to be updated. Financial and market-based indicators like profitability, market share, and profit margins have been and will continue to be important. However, in a CRM world, increased emphasis is being placed on developing measures that are customer-centric and give the manager a better idea of how her CRM policies and programs are working.

Some of these CRM-based measures, both Web and non-Web based are the following:

- Customer acquisition costs
- Conversion rates (from lookers to buyers)
- Retention/churn rates
- Same customer sales rates
- Loyalty measures.
- Customer share or share of requirements (the share of a customer’s purchases in a category devoted to a brand).

All of these measures imply doing a better job acquiring and processing internal data to focus on how the company is performing at the customer level.

### **DEFINITION OF MOBILE CRM**

CRM is an approach to interacting with customers and prospects to provide a seamless flow of information and service to the customer from marketing, through sales and customer service for the entire customer life cycle. CRM initiatives typically are built upon a central customer database that integrates data from every form of interaction with customers to enhance relationships.

In its traditional form, CRM is a business strategy and systematic approach issued from relationship and one-to-one marketing, which is based on the integrated and active management of, personalized individualized with customers. The principle is to create and maintain personalized relationships with each customer, which strengthen the mutual benefit of both parties through

individualized, interactive and value-added contacts. The underlying belief is that such personal relationships lead to improved customer acquisition, satisfaction and loyalty, allowing better returns to be achieved. To do so, the firm shall take advantage of every contact with customers to learn more about their needs, preferences and lifetime value, so as to devise suited ways to serve them with possibly tailored solutions and devote them an appropriate amount of attention.

It must be emphasized that CRM is not confined to sales management but spans over the entire customer life cycle, covering marketing, sales and after sale service activities. In fact, the portfolio of CRM services addresses various cross-functional processes such as campaign management, customer contact and lead management, offer creation and delivery, contract management, customer complaint and retention management as well as after sales service. One primordial capacity needed for implementing a CRM strategy is the ability to communicate with customers on an individual basis. For that reason, mobile technologies represent an appealing additional channel which can complement the existing channels. Among the advantages of the mobile channel which are highly relevant to CRM are the personal character of mobile devices which allows an individual customer reach, the interactivity brought by its quick message delivery and response, its reachability and ubiquity. It is the only medium enabling a spontaneous, interactive, direct and targeted interaction with customers, any time, anywhere. This makes it a valuable channel despite the drawbacks of mobile devices (e.g. limited screen, memory, computing power and I/O resources) and networks (e.g. high cost, limited bandwidth and low amount of data conveyed through SMS). For that reason, the future CRM solution is envisaged to combine traditional, Internet and mobile channels. We thus define mobile phone CRM services as those that 1) aim at nurturing customer relationships, acquiring or maintaining customers, 2) support marketing, sales or service processes, and 3) use wireless networks as the medium of delivery to the customer.

#### **NEED OF CRM FOR MOBILE SERVICE PROVIDERS**

- Highly competitive marketplace: The emerging channels have transformed the marketplace into a fierce battle field.
- The new empowered e-customer: The customer is now well aware of the market opportunities, through Internet & other sources.
- Ever changing technology: New technologies provide a way to provide personalized solution at individual level.
- Making business sense: Companies that provide customers with what they want, take share of wallet from those who don't

A survey highlights the emergent base of CRM:

- The cost to sell to a new customer is six times greater as compared to an existing customer.
- A disappointed customer will notify 8-10 people
- With an increase of 5% customer retention rate, profits could increase by 85%
- Probability of selling to fresh customers = 15%, as judged against for existing customers which amounts to 50%
- 70% of the complaining customers will remain faithful if problem is resolved within reasonable time.
- 90% of companies do not have the sales and service integration to support e-commerce

These are enough reasons for any small or big organization to have a customer orientation and go in for solutions which help them achieve this objective. Few broadly defined parameters where a CRM can help an organization are:

1. Intent- Creating the base upon which the customer relationship would be managed and turned to value proposition.
2. Tactic - To focus and work upon turning the customer base into an asset for the business entity.
3. Value satisfaction - Ensuring that the customers are endowed with the value satisfaction they have visualized, it is to reduce the dissonance amongst the prospective long term customers.
4. Organizational change - With the changing business environment and multi cultural aspects, businesses require a distinct approach towards the customers as well as the employees.
5. Procedure - Merely streamlining the internal processes would do no wonders to an organization, a holistic approach would work towards creating and maintaining customers for life long.
6. Update - Data recording is a great aspect of every CRM suit which makes it perfect blend of information and facilitation.

### **CRM IMPLEMENTATION APPROACH**

(a) Understand organizational needs of Mobile phone service providers

A working knowledge of organizational needs is essential to the success of any project. A good vendor will discuss the project with the client often in the early stage to learn the client's strategy and to develop detailed specifications.

This is an iterative process, starting from outlines and working down to detailed specifications. The goal of this process is to understand the long-term goals behind defining and managing prospect and customer relationships. The followings questions should be asked to the mobile phone service providers.

- What is the value of the customer and prospect base for each CRM initiative? Every line of business (and probably each category of services or products) has a customer base with its own lifetime value. For Mobile phone service providers, CRM starts with first defining customer bases, then determining a value of each before aggregating those values into a company wide customer value that can be used to justify a certain level of expenditure for CRM over the long term.
  - What is the optimal amount of capital appropriate to provide for maximizing the customer value base? Protecting a customer base can take all forms, and one must start with an understanding of where the threats lie: competition, attrition or complacency?
  - Which provides the greatest return in customer value in the shortest amount of time? And in the long term? This is simply a way to prioritize a phased approach so that the project is getting maximum ROI.
  - How would these CRM initiative priorities change over time, given a change in the key drivers of customer value?
- B. Match organizational needs and workflow processes to technical & functionality needed to work across networks and business units.
- C. Determine the criteria for choosing a solution and making the build-or-buy decisions for each desired CRM function.

The main criteria for mobile phone service providers include the following factors.

### **Reliability**

Make sure that the provider has adequate provisions for a framework for an IT infrastructure that includes redundancy and failure of Web services to keep CRM application running, even when individual hardware failures occur.

### **Scalability**

Instead of scaling up by buying bigger and more expensive hardware, we should be able to scale in two ways. The first is called as scaling vertically, means simply upgrading the current hardware that's in place by adding additional CPUs, more



RAM or adding additional hard disk space. The second method is called horizontal scaling, which is achieved by adding machines and then distributing processing requirements across all machines.

### **Accessibility**

Companies need access options to support a variety of user types. For example, they may be on a LAN, WAN, or part of a remote office with access to the corporate network via long distance dial-up lines, frame relay, or VPN. Sales teams often need to connect remotely to the sales force automation system on the corporate network.

### **Flexibility**

It is preferable to be able to change existing capabilities to support their work flow, changing the business rules to ensure your processes are followed, or vice versa. Ideally, it should be able to create trigger events in the system that automatically notifies other applications to run under extraordinary conditions.

Based on the concepts and issues discussed in the earlier pages service provider, i.e Air Tel is taking care of their customers in the following manner.

The study is conducted in HCL BPO which takes care of the AIRTEL Customer care in Chennai.

Number of People working in the CC Office:

50 staff in total: 45 Customer care Executives in shift rotation and 5 customer care officers to monitor the Customer Care Executives resolution quality. out of them Two to Three officers to monitor the day shift and two to night shift.

### **Dealing of Complaints**

The time duration of the call depends on the issues brought forward by the Customer, the issue depends on the sensitiveness of the query. It is the duty of the Customer Service Executives to make the customer comfortable to address his issues and resolve the issue as fast as possible. The maximum time the Customer Service Executive could take for one single call is only 1 minute and every call has its sensitiveness on its issues. If the Customer Service Executives is not able to solve the issue, the CSE has to ask for a time frame giving him the assurance to revert with the required solution, and should not make the customer wait for a long time. Or else, the call must be transferred to the senior officer. (Team leader).

### **Training Method**

The CSE are given step by step training on, 'how to handle the call', 'how to resolve issues', 'how to welcome the customer' and "how to conclude the call" etc. During the training module, the CSE is monitored and filtered to have 100% quality on call.

### **Feeling the Responsibility**

It is the responsibility of every single CSE to resolve each and every single issue brought in by the Customer. In simple terms: "The CSE should be the socks of the Shoe". The customer calls the call center only to resolve his issues and not just for fun. The CSE has to place himself/herself in the place of the customer, to feel the pain of the customer. The CSE could be said as the representatives of the company, where their voices reach on behalf of the company. It is only in the hands (voice) of the CSE to make the customer into loyal customer to their product or service.

### **CONCLUSION**

Today Customer Relationship Management (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. It is now vital for CRM vendors to develop a sound understanding of their target organizations customer and deliver them with solutions, which help in achieving long term business relations with their customers.

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