
Importance Of Customer Relationship

Most businesses today operate in a competitive market. There are very few organizations that are monopolies in their lines of business. Competing businesses usually have a lot in common—similar targets for adverts, similar limitations and they operate under the same market and government policies. If they would source for raw materials, it is very likely that they would be sourcing from the same sources. This means that several businesses in a competition would ordinarily have very little advantage over one another. One factor that may prove a stand out agent is customer relations. Customer relationship management explores and executes ways of keeping the organization's existing customer base while the company keeps looking for new customers via advertisements. Customer relationship management can be a deciding factor in the performance of a business in the long run.

Key Aspects of Customer Relationship Management

The major aspects of customer relationship management are Operational, Collaborative and Analytical customer relationship management.

a. Operational CRM:

Operational customer relationship management involves the building of a customer database that contains relevant information of customer history. This is important because it improves customer relation practices by making sure customer contact information, preferences and other profile items are available when needed. Operational CRM can be called the data gathering aspect of customer relationship management. The staff saddled with this responsibility may not necessarily have direct contact with the customers; what they do mainly is data gathering.

b. Collaborative CRM:

Collaborative customer relationship management is the aspect that deals with the direct interaction with customers. It includes call-in centres, online live chat, e-mail or via SMS. This is a very crucial point of call in the CRM chain because it is the channel through which customers file feedback, air their grievances and file their complaints. If handled poorly, it can lead to loss of customers to competitors.

c. Analytical CRM:

This can be referred to as a step further after the operational customer relationship management. After customer history and other information is gathered, there is need for this data to be analysed. Further analysis makes the information clearer and the organisation can use such information to improve the overall customer experience. Improvement of customer experience can be achieved by tailoring ad concepts and marketing campaigns according to the results of the data analysis.

Benefits of Good Customer Relationship Management

Customer relationship management makes it possible to not only have lots of information about customers; it helps to bring such information to use in improving customer satisfaction. No matter who is attending to the customers at any point in time, there is quick access to information and customer history when needed. In summary, CRM makes customer information readily available in a well-organized form.

Beyond making information readily available, customer relationship management helps to ensure that equal quality and quantity of data is available to all customer relations personnel. If a customer has to interact with a different representative every time, the customer would not need to go over the processes or information they have gone through with the other representatives. The personnel simply have to access the customer's information to be familiar with the ongoing process and take it up from there. The customer in question may not even notice they're dealing with different personnel.

With customer relationship management, customer service consumes less time. A lot of customers get disenchanted when they lodge complaints and the customer relations personnel seem to take forever to proffer solutions. This alone can make a customer consider switching over to a rival organization. With the huge database available through CRM, customers' issues would be sorted out a lot faster. If the attending personnel is unable to obtain a solution, they can use the communication systems available to source for answers from more experienced personnel.

Impact of Quality Management Systems on Crm

Quality management systems can serve as a good launching pad for an organization's customer relationship management. First, if an organization ensures top quality of its products through any of the various standard procedures available, a level of customer satisfaction can be guaranteed.

To achieve maximum effect of quality management systems, the organization should adopt one of the major standard procedures applicable internationally. This is important because of the possibilities made available by the internet. Competition is never far away, even if they are on another continent. Therefore organizations must pursue a worldwide standard of quality management.

Another important aspect of quality management is in the quality of customer relations or customer interaction. This should be considered as a whole other aspect of quality management because for most companies nowadays, the customer relations department can be so important that it seems to be another product the organization is selling. Quality management in customer relationship management will help ensure that customer interactions are kept at a top level by international standards.

Processes Necessary for Achieving Effective CRM

Data Collection and Storage

Deliberate and intensive data collection and storage is an important first process in achieving effective CRM. An organization should dig as deep as they can without infringing on the privacy

or rights of the customer. This makes the information database large enough to influence decisions such as where to target adverts, what other products the organization can consider adding to their catalogue, and other details. These kind of decisions can be made when customers' Facebook, LinkedIn and other social media profiles have been researched, and the companies where they work and even their coworkers are known. This way, we won't be groping in the dark with our marketing and sales decisions.

Data Analysis

Data analysis can get very complex, but there are some preliminary tasks that can be carried out. One of such is sales data analysis. This involves taking note of our highest spending customers and looking into their background information, to find out if they have any unifying factors. Do they have anything in common? If they do, we could go a bit further and take advantage of that unifying factor to bring in more customers via our ad campaigns and marketing decisions.

Build Relationships Through Communication

Rather than wait for the customers to call, text or e-mail us when they have an issue or complaint about our products, we should take initiative and start the conversation. We could thank the customer for making an enquiry or patronizing our business. This way, if eventually the customer has a complaint or experiences some inconvenience while using our products, there is less likelihood that they would leave us for our competition because of that single inconvenience. This kind of arrangement can be made possible if there is enough information on the customer. Through this means, we are more certain to get more honest feedback and suggestions, because the interaction always feels like an ongoing conversation.

An Explanation of the Role of Internal Staff in Achieving Effective CRM

A lot of work is involved in gathering customer data to make them readily available during customer interactions, and the importance of customer relations staff having access to product information when needed. Therefore, if customer relationship management would be successful, all hands need to be on deck. Each department must be ready to supply information when they are needed. An effective CRM needs a viable support system. Also, every employee must have a sense of responsibility towards preserving the image of the organization. This may involve them notifying the customer relations officers of any comments about the company, especially online. It is possible that some customers, rather than communicate directly, air their grievances on public forums. Company staffs that come across such comments should notify the customer relations department, who would engage such persons.

An Assessment of the Role of External Stakeholders in Achieving Effective CRM

The importance of external stakeholders to an organization cannot be overemphasized. It can be said that external stakeholders are the first promoters of a business. At times, external stakeholders can determine to a large extent how a company runs its customer relations.

External stakeholders can be shareholders, the society and the government.

For effective CRM to be achieved, there must be good communication between the organization and the external stakeholders. In CRM information is crucial; therefore external stakeholders must readily partner with the internal machinery to provide a formidable customer support system.

Analysis of the Use of Loyalty Schemes to gain Information about Customers

It is generally easier to persuade an existing customer to make another transaction than to convince a potential customer to do business with an organization for the first time. Loyalty schemes are programs that are set up as a reward mechanism for customers that have been consistent over time. This can be in form of gifts, special discounts or some other special privilege. Everyone loves free stuff and extras; therefore, in the process of making the customers apply for these loyalty schemes they could be required to volunteer certain information which could be useful for other purposes.

Use of Customer Information to Inform Marketing and Customer Service Policy

When a company has adequate customer information, marketing and advertising campaigns can be tailor-made to suit the common preferences of their customers and potential customers. Furthermore, rather than undertake in mass marketing strategies, the organization can consider an individual strategy in which each customer's needs are addressed as deduced from the information acquired. This way, customer loyalty is guaranteed to a much larger extent. The customer feels that the company cares about their personal preferences.

A Case Study of Customer Relationship Management

Review of CRM in Vodafone Limited UK

Vodafone Ltd is one of the largest telecommunications companies in England, with a current customer population of over 35 million subscribers. Vodafone adopted the customer relationship management package "Siebel", which is a product of database specialists Wipro. What this means is that all of Vodafone's subscribers' information are stored and managed by Wipro in the Oracle Database. According to one of the principal officers at Vodafone, in a couple of years after adopting the Siebel system, the customer base increased by over 50%. This is partly due to the fact that their customer relations became more effective and the adequate information also helped in creating more targeted services.

Proposed Improvements to CRM Process

It would be highly beneficial if Vodafone can be more inclusive in their customer relations approach. The processes should be broad enough to cover certain minority groups and not just the major ones.

Proposed Improvements to the Role of Staffs in Promoting Good CRM

More staff should be involved in direct interaction with subscribers, particularly for the customer care lines. The automated responses do a pretty good job, but it would be much better if the process to reaching a human representative is quite shorter.

Plan for the Implementation of Improvements

First, to achieve the needed interaction with subscribers on an individual level, there is a need to increase the number of customer representative staff on ground. Furthermore, to achieve the objective of reaching out to several minority groups, Vodafone must make sure that the customer relations staffs are people that cut across most groups. Customers, especially the foreign subscribers could feel a lot more relaxed or friendly while conversing with a representative that understands them more quickly.