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CRM as a Marketing Attitude Based on Customer's Information

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Abstract

This paper explains one of the most useful regulations in relation with managers and customers known as "CRM" . "CRM" is an acronym which is comprised of three main words , "CUSTOMER" , "RELATOINSHIP" & "MANAGEMENT" ."CRM" includes all aspects of the exchange with customers and make whole elements within an organization relevant which are in relationship with customers .one of the most important rules in "CRM" is 4P formula .4P is an abbreviation which is combined of "PRICE" , "PRODUCT" ,"PROMOTION" & "PLACE" .Customer life time value ,"CLV" , is one of the possible tools to measure this relationship .

Keywords: CRM , Customer Relationship , Management

1. Introduction

Kangingham defines CRM as a system analyzing how we work with our customers, solve their problems, encourage them to buy our products and services as well as our financial exchanges; CRM includes all aspects of customer transactions and connects all internal customer-related elements of an organization through an intelligent approach.

Kangingham then regards to CRM as including business processes, technology and laws needed to collaborate with the customer through different points of the business cycle. To be successful, a CRM system should include more and more customer-related data to be able to provide a better understanding of the above processes [3, 5].

Traditional marketing strategies focused on 4 Ps to increase the market share: Price, Product, Promotion, and Place. The main goal was to increase the volume of transactions between the seller and the buyer. The volume of transactions provided a good measure on the status of marketing strategies and techniques [1, 6].

CRM is a profession moving beyond increasing the volume of transactions. Its objective is to increase the customer's profit, income and satisfaction. In order to have CRM, a wide set of tools, technologies and company procedures promote relationships with customer to increase sale. Therefore, CRM is basically a working strategy and a process point of view rather than a technical viewpoint [2, 7]. CRM is a regular strategy to create and maintain long-term relationships with profitable customers. A successful start for CRM originates from a business strategy and philosophy which focuses all company activities on customer needs. CRM technology is regarded as a strengthening factor for processes which lead the strategies to business outcomes [1, 8, 9]. Structure

1.1 Elements of CRM

CRM is constituted of 3 elements:

1- Customer
2- Relationship, and
3- Management

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CRM tries to create a "Single Integrated View of Customers" and a "Customer Centric Approach". [4]

Customer

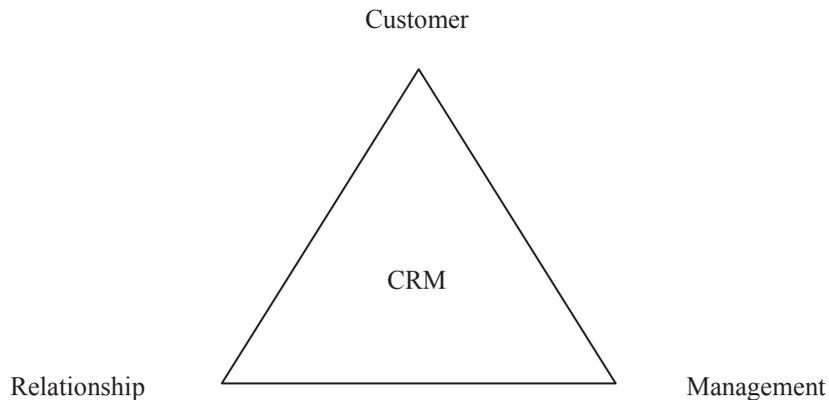CRM

Relationship   Management

Fig. 1: Elements of CRM

2. Customer

Customer is the only source for the organization's present profitability and future growth. A good customer who produces more profit with less costs and resources is always scarce, because, the customer is intelligent and the competition is uncontrollable.

It is sometimes hard to distinguish a true customer as the decision to purchase is often a cooperative activity of the decision-making partners.

The information technologies may improve the organization's ability to distinguish and manage the customers.

CRM may be regarded as a marketing attitude which is based on the customer's information.

3. Relationship

The relationship between a company and its customers involves a reciprocal guided relationship as well as continuous correlations.

A Relationship may be short-term or long-term, continuous or discontinuous, repetitive or non-repetitive. It may be psychological or behavioral. The more positive the customer's view of the products, the more dependent the purchasing behaviors on the conditions.

For example, the purchasing patterns for plane tickets may be different depending on whether the tickets are bought for a family vacation or a work mission.

CRM involves the management of this relationship which includes benefits for both sides of the relationship.

The Customer Lifetime Value is a tool to measure this relationship.

4. Management

CRM is not an activity limited only to the marketing department. Rather, it involves sustainable integrated improvement in the organization's culture and processes. The customer data is collected to form an integrated knowledge to lead to the activities obtained from the information and chances of the profit market. CRM needs a comprehensive change in the organization and its employees.

Specific software which is used to support the management process includes:

- Services sector
- Electronic order
- Self Service
- Catalogue management
- Invoice display
- Marketing plans, and

- Analysis

All these techniques, processes and approaches have been planned to promote and improve sale and marketing activities. [8]

5. Operational zing the value

CRM is, in fact, the design of the organization's structure to establish a relationship with the customer from outside to inside of the organization and vice versa, and to create reciprocal value through this process. Many suppliers of software packages often claim to innovate and provide a possibility in this software that fulfils all needs, but at the comprehensive level, it would never be possible to enjoy the application of specific software and to fulfill all business needs while renewing the CRM [10].

At a more applied level, CRM is considered as an integration contrast. A comprehensive business CRM model is constituted of main combinations which, in order to provide and classify experiences, creates a remarkable contrast through which a significant value can be established in the relationship with customer.

Through this model, the team specifies a strategy for how to behave with the customer, and describes the word as how to deal with the customer and its efficiency in a specific behavioural section. The team members perform a specific coding through analytical data environment and the regulations on how to deal with specific customer strategies. In this stage, the team members make significant use of strategy tools.

The executive tools of this strategy can make better use of both the stored and assessed data and specific decisions of the plan in support of mutual relationships with the customer[11, 12].

Mutual customer relationships are established through the physical part of behaving with the customer and through customer-related contacts as well as creation of relationships.

As a specific sample of this mutual behaviour, all necessary information, business rules and strategy executive services are provided through the Enterprise Application Integration layer. This makes it possible for the customer to find specific continuous experiences which are suitable for him/her to establish a relationship. During this time, the customer never considers the contact point. As soon as the mutual relationships are established and the strategies are implemented, the organizational goal is specified, and now, conclusions will be drawn in order to choose the best way to increase the value in providing service to the customer and fulfilling his satisfaction.

6. CRM subsystems

CRM is divided into 3 main subsystems: Operational, Analytical and Collaborative.

1.6 Operational CRM

This includes software facing with the customer: sale force automation, business marketing automation, and customer support automation software. This part is similar to the Enterprise Resource Planning and involves activities related to customer services such as orders, sale automation, and marketing and management of all such parts. This is among the primary applications of CRM. In dealing with operational CRM, one can combine it with financial affairs and human resources. This is what is being done by the Enterprise Resource Planning software such as PeopleSoft and SAP. This data comprehensiveness can be useful since a reason why many CRM projects fail is their inability to combine with previous systems [4, 13].

2.6 Analytical CRM

Analytical CRM performs obtainment, storage, extraction, interpretation and reporting of customer data for the user. In today's world, change always happen. The speed of changes directly affects all aspects of business. As a result, the organizational sections which are accountable for such changes and the related data requirements also change.

A key solution for business challenges in the 21st century is to implement data infrastructure which increase the ability of fast fulfilment of the needs under competitive pressures and lead to the organization's survival. The CRM strategy of the organization is dependent on data infrastructures that store, analyze and manage customer-related data at a wide level. The four main parts of data technology in a CRM are as follows:

- Data Warehousing
- Database Management System
- Data Mining

- Business Analysis Software

Inside any of these main parts there are applied systems and software each managing a part of actions related to CRM. For instance, answering to the researches of the database, value analysis and mathematical models for anticipation and analysis. All of this software makes it possible for CRM to analyze the data in relation with many parameters [12, 14]

3.6 Collaborative CRM

This type of CRM involves all different communications between the organization and the customer such as e-mail, telephone, fax, web pages. Also, software such as Partner Relationship Management software is introduced in this part. This part is in fact a communication center which provides roads such as neural networks between the customer and its suppliers and can serve as a road to enter Partner Relationship Management software or Customer Interaction Center. In other words, any action of CRM is on its own an interaction with the customer and a communication channel.

Kangingham identifies communicative tools of CRM as follows: [3, 15]

- Project Management
- Project Collaboration
- Internet Chat and Instant Messaging
- E-Learning Systems
- Web cast systems
- Broadcast tools
- Web Audio and Radio
- Web Video and Cams
- Customer Support
- Interactive Sales Support

7. Conclusion

Software facing with the customer: sale force automation, business marketing automation, and customer support automation software. This is similar to the Enterprise Resource Planning and involves activities related to customer services such as orders, sale automation, and marketing and management of all such parts. This is among the primary applications of CRM. In dealing with operational CRM, one can combine it with financial affairs and human resources. This is what is being done by the Enterprise Resource Planning software such as PeopleSoft and SAP. This data comprehensiveness can be useful since a reason why many CRM projects fail is their inability to combine with previous systems.

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