CUSTOMER RELATIONSHIP MANAGEMENT

Marketing is one of the new discoveries in business management. Of late, marketing has come to occupy significant position in the overall strategic studies. Various challenges are emerging in marketing as well as new approaches are being made in its study to view its different aspects Of the many things it has been recently realized that customer is the most important elements in marketing and its sustenance and retention is far more important than any other marketing functions The approaches in marketing functions are constantly changing in tune to the challenges at the marketing fronts. At one time acquiring new c customers was the challenge before marketers. New markets, new areas, new world was the name of the game. Today, marketers are faced with retaining customers as much as challenging as acquiring. Thus traditional approach is insufficient to achieve marketing goals. New approach to marketing was desired. Hence the focus was shifted to customers from markets. The entire importance is now given to customers rather than other things. Indeed, other things are important but focus shifts to customer as a unit. Hence customer relationship was introduced as a tool to run business profitably and smoothly.

Today, Customer Relationship has evolved as a separate discipline and termed after its name.

- We must first draw difference between the two:
- Traditional marketing approach
- Customer Relationship Marketing approach (CRM)

CRM is different from Traditional marketing approach in the following ways:

- 1- The focus of Traditional Marketing approach is on individual transaction and does not concern continuous relationship with customers. The thrust of TM is on gaining new and more customers and not on retaining existing ones. Whereas CRM focuses on continuous multiple transactions, rather than individuals ones. CRM focuses more widely on customers and entire functions connected with value creation and delivery of chain of organization.
- 2- CRM attracts, maintains and enhances relationship as viewed by various thinkers. CRM is selling by using psychology rather than economic inducements to attract and retaining customers.

Defined:

Customer Relationship Management (CRM) acquiring customers by understanding and fulfilling their requirements more than expectations and attracting customers through specific strategic marketing approach --- it is a process of total commitment on the part of organization---

It includes the Methodologies and Strategies and Capabilities that help an enterprise organize and manage Customer Relationships.

It is the collection and distribution of all data to all areas of the business.

From above definition, it is clear that CRM is one step ahead of traditional marketing approach. CRM infect, focuses all direction to retention of the customer –once the customer has been acquired

The General Purpose of CRM is to enable:

- Organizations to better manage their customers through the introduction of reliable systems and methods. This enables organizations to service their existing customers more emphatically and more forcefully
- Develop processes and procedures for interacting with those customers. So that the customer is provided services under the framework of systems and regulations.

We will study all these systems to ensure a continuous system to keep our customers well – serviced.

Major Areas of CRM focus on:

- Generation and servicing more loyal customers.
- Expansion of customer base
- Reduction of advertising costs
- Increase in profitable customers
- Ease in introduction of new products
- Personal Information Gathering and Processing,
- Self-Service.

Let us briefly review each one of the above to get to know on what areas we will concentrate.

Categories the customers into at least three categories, the casual customers, regular customers and loyal customers. Customers are those who would not switch over to competitors, no matter what. Casual and regular customers are relatively vulnerable. Organizations must identify these loyal customers and service them meticulously. Also organizations must make special efforts to shift more and more regular customers into loyal its, so that list can be enhanced to assure volumes. This will lead to enhancing customer base and customer bank. Then advertising cost will be reduced. Because, each customer would be publicity house it. That would make a reputation in the market and community

It attempts to integrate and automate the various customer serving processes within a company.

Why organizations lose their customers?

- Price related reasons
- Product related reasons
- Service-related reasons
- Benefit –related reasons
- Competitor reasons
- Personal reasons

Price is one of the most important reasons of losing a customer, all around the world. Discounts offered, special price, rebate incentives are the offerings which comes often. Take an example of mobile phone companies in Pakistan. Offering lower rates on per call basis is the most attractive things for customers. Yes, we all do need good service as well. But then how many different services are or can be offered. Customers tend to economies, even if they have to compromise little bit on product price or offering.

Similarly, product related difference. Product and service offerings attract customers and they would switch over to other products or brands if product offered is of better quality and has some extra benefits and services. We notice now that most products show special benefits to customers, even it means an image. And they very strongly advertise that.

Of course we cannot rule out personal reasons for defecting. Contacts, group decisions, or prestige carries a lot of weight in switch over

Indeed, in some cases, competitors are very closely following up the offering. They come up with a better quality product or service package to combat competition and to better their own brand and image in the market. Take the case of cellular phones in Pakistan again. Intense warfare is going on with offerings and counter-offerings of price and service package, including billing.

PURPOSES OF CUSTOMER RELATIONSHIP

CRM, in its broadest sense, means managing all interactions and business with customers. When a customer is cultivated and starts operation, his ordering, futuristic planning, nature of products, nomenclature, specifications, delivery schedule, payment terms, place of distribution, nature of packing, lots of deliveries, and in some cases part supplies, etc are all taken into consideration. It is wrong to think that the customer has been acquired; infect the customer has just begun to experience you as an organization. Prior to this price and product selection and specification has been evaluated even the product has neither been tested not experienced. In some cases, the product may have been tested at the laboratory level, but the real test of product has just started when the customer starts buying the product now. The mode of your services has just begun. We have to begin with services and continue to improve them and follow it up closely.

A good CRM program will allow a business to acquire customers, service the customer, increase the value of the customer to the company, retain good customers, and determine which customers can be retained or given a higher level of service. So CRM comes into play its role

Strategies for Building Relationship Management:

Organizations can be small and big and can vary in many ways and styles, depending on product and its nature therefore an organization strategy towards developing and maintaining sustainable relationship differs from one organization to another on certain factors. **They differ on:**

Nature of Business:

The nature of business means the kind of undertaking. The extent of business, its geographical coverage etc. of course as we will see, it depends a lot on the product we are dealing with. Is it an essential product of life, like medicines or some important product such as baby milk or healthcare product and the market coverage? Some products have very limited application, and again may have a few customers. But they are very essential for life-saving. For example, blood pressure reducing agents, diabetic tablets, etc are some of the medicines which are demanded by a fewer customers, but their supply is very essential and their existence at your drug store is very essential

Size of Market Share:

Market size essentially determines the strategies we can use for building relationship with our customers. Personalized services, individual attention, complaint handling etc can vary on the size of the market. Indeed, it depends on the nature of the product. Popularity of your brand, the market share, the geographical coverage of market share etc some of the few factors, which determines service package and our ability to provide that.

Nature of Product:

Product nature makes all the difference. Product can be essential- for- life product, comfort product, luxury product, life saving product, image-making product and even supplementary product. It all depends on its nature and it varies from customer to customer- for example, for a doctor, a cardiologist, a mobile phone is an essential product to be available to handle his patients emergencies. Same mobile is a total luxury for a student. While talking to a vegetable vendor in the street one day, I was told that since the use of mobile phone, his profitability from selling fresh vegetables has improved significantly. I asked him how and why? He explained that vegetable rates in the wholesale markets are lowered during the day and that he is out in the street at that time, he calls his agent in the whole sale market to make forward purchases and book his quantity for the next day at lower rates. So while he is selling his products in the streets, he can keep in touch with the wholesale agent to make his purchase for the next day and control his purchases. Not only the rates but also the quantity for the next day depending on the movement of his various items. In other words assortment, I admired his usage of mobile phone and improvement on his business operation. The cost of making calls is insignificant compared to the advantages he was getting.

Volume of Sales: Sales volume means a lot. If the product volume is huge and has a vast geographical coverage, strategies would differ a great deal. Large volumes make it difficult to

concentrate on few segments or areas. Our strategies then should then be in general and not specific for any particular area or segment

Geographic Concentration:

Some product sales are in specific areas or pockets of the market, whilst others have vast spread over. Our strategies would greatly differ in both the cases of different areas. We must find out the reasons for concentration in specific area. There is always a reason for this

Socio-Economic Status:

Socio economic conditions vary from area to area and from place to place. Urban areas are usually strong in buying power than rural areas. Obviously as marketing managers, our strategies differs in our approach in both areas. At one place we are showing or emphasizing product features, in another area we are showing its status image, may be. Both the appeals will have different impact on customers.

Life Style of People:

Life styles differ very much from area to area and from segment to segment. As we all know in urban lifestyle, communication is very essential because of speed of life; hence mobile phones would show instant connectivity as main feature of their product. In rural lifestyle: it the length of service battery which is important. That can be more appealing to rural areas.

Competitors Strength:

This needs to be looked into by marketing managers. Competitors have some stronghold in some areas, whilst in some sections; they have weakness or less concentration. In order to build up volumes, it is perhaps much desirable to hit areas where competitors are weak. We can even attack of competitor's strongholds, but for that, we need to have different strategies. This enables us to adjust the strategies and make all the difference. Strategies can also be altered

Organizations also differ on the following factors: Every organization differs a great deal from one another. Depending on their size etc and the markets etc—they different in many ways—let me give u some of the factors –on which they differ

- People—yes people are different because of their different educational background and experience
- Process—processes are designed by the people –they too are different from one organization to another. Process also depends on the product nature
- Product—needless to say that product can differ from simple bread to strong chemical and mechanism of the product
- Service standards—service standards vary on the kind of products we are handling—so products need after sale service –so may need erection and installation –some products are consumable—some are for long periods of time for consumption, while may be instantly consumed and lost
- Cost analysis –cost analyses means too much cost do we require to deliver it to customers at various parts of the markets.
- Attention of changing requirements of the customers---customers requirements differ from time to time---modern technology demands more sophistication in usages and consumption
- Performance of organizations—indeed performance of both the consumers and suppliers makes all the difference—includes handling
- Training of employees—training and learning of employees matters a lot
- Effective communication system---communication system with customers ca differ from organization to organization
- Customer satisfaction research---depends how often we carry this in an organization—some do regularly while some ignore for a long periods of time
- Competitive knowledge—completive knowledge also differs—some products have close competition and some don't. but these days the product difference is minimizing

CUSTOMER SERVICE FACILITATION

We have discussed customer services and have clearly defined its parameters. We have also understood its importance and approach strategy. Here, we will discuss that Good CRM Program Can Improve Customer Service by Facilitating Communication in Several Ways. Indeed, it's the communication that will make us reach our objective. Let us discuss theses aspects one by one and see how and what are we supposed to do to make facilitation easy

• Provide Product Information, Product Use Info, and Technical Assistance on web sites that are accessible 24 hours a day, 7 days a week.

This is the most important aspect of all business activities. Provision of information about the product research has shown us that customer knows about his need in a broader sense-infect, he is unable to decipher his need in specific way. At least, he cannot specifically define his need in terms of product--very rarely, can a consumer tell what he or she specifically need or want unless he or she has learn about the available product. The customer knows the end objectivity some time only---for example a customer wants a good suit for party wear. Not know what does he want or what all is available in the market to meet his need. He looks around and after hearing about the products—he decides according to his pocket and affordability. Then some products have technical in nature. The customer may not have technical knowledge enough that he can define his specific need. He needs a circuit breaker in the house to protect his electronic things. Does he know about circuit breakersand engineer customers may know it-but are we all engineers? Then a customer cannot decide about the product after even getting all the information. He needs to research more. He has to take a purchase decision after comparing it with many similar products. That makes it easy for customer to take a good and right decision. So lets give him sufficient product information and technical know how. It is said that all the vital questions should be answered in web site of product information mode- yes certain more inquiries are still left's questions are all curiosity =based questions.

• Identify how each individual customer defines Quality, and then Design a service strategy for each customer based on these individual requirements and expectations.

Well, as said above, customer is unable to define quality in exact terms. He needs a suit length for his suit –meant for parties. But he also needs that suit for other occasions. Does he know what he wants? The suit should be good, expensive looking and also modest for usual wear. Can we give him that suit length within his pocket? Can we offer him some thing, which meets multiple occasions? We must give him all the various permutations and options---having identified design, the next step is his affordability. Can we match all that, then in case of semi-technical product or technical product, are we offering him service package enough to meet his need. He wants least botheration in installation or operation. He needs convenience and comfort. Can we offer him all that? And are we communicating him all that?

• Provide a Fast Mechanism for Managing and Scheduling follow-up sales calls to assess postpurchase cognitive dissonance, repurchase probabilities, repurchase times, and repurchase frequencies.

Now we come to direct communication with the customers. First meeting him in person thought sales calls. This is perhaps most difficult part of sale activity. How to schedule the sales calls and their contact and then to make sales presentations and how to convince customer o take action? And once the customer is cultivated, then sales services to be provided and how best you can meet your commitments. Customers post purchase settlements and problems have to be met and long term relationship begins. Indeed one has to manage every step to ensure that the sailing is smooth

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-Provide a Mechanism to Track all points of contact between a customer and the company, and do it in an integrated way so that all sources and types of contact are included, and all users of the system see the same view of the customer ---reduces confusion.

This is extremely important to maintain liaison with all the concerned people at the customer end. It is wrong to think that only the purchase department deals with suppliers or purchases. Purchase or buying personnel do come in direct contact with suppliers and heir representatives. But actually the end user of product is usually the production department and their experts and engineers. It is our job to maintain close liaison with these people too and maintains periodical meetings. Accounts and finance department is the next in line to maintain relationship, for the settlement of invoices. Over all, all customer management has to be happy and contented. Generally, hey too discuss issues in their periodical review and meetings

• Help to Identify Potential Problems quickly, before they occur.

When the customer is beginning to purchase material and you are maintaining supply line, problems do occur. The problems can be of two major natures, one that are caused by external factors, such as weather and other situation or national catastrophe of any nature. The second problem can be internal problem—such as problems relating to your own organization of logistic supplies, such as strikes, shortage, import restrictions etc. in both the cases, our job is to keep track of these problems and anticipate them well in advance and organize to handle them. It often leads to rationing supplies, provision of essential items etc. careful handling and planning is called for on our part and vigilant handling of the events. Customers are lost or gained more strongly when an emergency situation arises. But let me assure you that this is the best time to strengthen customer relationship. Take bold initiative and handle very sensibly. Very often, such occasions are taking or leave it like situations-

• Provide a User-Friendly Mechanism for registering Customer Complaints (complaints that are not registered with the company cannot be resolved, and are a major source of customer dissatisfaction)

Now let us talk about another unavoidable situation and that is complaints of the customers. Complaints can be usually of such a nature, short supplies, bad packaging, leakage or pilferage, sub standard supplies, supplies different from purchase order etc. the rule of he game is first let the complaint be registered by the customer formally. Check your end the true picture and problem that has uncured. Go back to your customer and accept if the complaint is genuine (complaints of these nature are 90 % correct). Take a remedial measure and remove the complaint, instead of arguing and counter complaining. The bottom line is that even if the complaint involves customer's negligence to some extent; do not rub it on consumers. Take a remedial action, no matter if it results in small deficits, take action to replace the product or do what ever to gain customers confidence. Do not forget that mistakes can occur within your fool proof systems too

• Provide a Fast Mechanism for handling problems and complaints (complaints that are resolved quickly can increase customer satisfaction).

Indeed, complaints should never take as nuisance. Complaints should be attended to and resolved urgently. Complaints should never be lingered or unattended. Quicker attention and resolution of complaints lead to stronger relationship. It gives customer an idea that he is important when in need—so the complaint should be attended to promptly and quickly and resolved to the satisfaction of the customer, even if costs a certain loss financially or in business transaction. Remember, it's only a fraction of total deal. But the strength, we have attained with customer is long-term and lasting.

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• Provide a fast mechanism for correcting Service Deficiencies (correct the problem before other customers experience the same dissatisfaction).

Do not forget that your service and provision of services can have human deficiencies and some bottlenecks. So if complaint comes from one customer. It goes to correct relationship with many other customers and strengthens. Deficiencies do exist in all systems and operations. We should not take it as inefficiency. Corrective measures lead us to greater success.

• Use internet cookies to track Customer Interests and personalize product offerings accordingly.

Now we are in the age of IT. We can use customer feedback for our future planning and operation. Websites should be upgraded regularly and we should encourage customers to feed us back in such a way hat useful inflow system of information can be established.

• Provide a fast mechanism for managing and scheduling maintenance, repair, and on-going support (improve efficiency and effectiveness).

The repair scheduling and maintenance update should be regularized so as to give customer the feelings that he is being closely monitored by you as suppliers. It gives a very strong feeling of importance/ I remember that my cell phone seller reminded me regularly that battery expiry date is close. I was reminded when I was about to proceed on an overseas trip. I replaced battery before going abroad and thanked my suppliers that I was saved of possible hassle abroad. Whatever, I felt very important in heir eyes.

The CRM can be Integrated into other Cross-Functional Systems and thereby Provide Accounting and Production Information to Customers when they want it. We must keep close liaison with customer on his dues and rebates and other important information. Banks today are following these systems to remind their loonies and collect dues on time.

CUSTOMER SERVICES

DEFINITION:

It's hard to define Customer Service because no pram metes can be fixed around it. However, we can perhaps give its definition in one way or the other, for the sake of its study. We can define customer Service as the provision of Labor and other Resources, for the Purpose of Increasing the Value that Buyers Receive from their Purchases and from the Processes leading up to the Purchase.

There are two terms, which are important in the definition above." provision of Labor and resources" and "increasing the value that buyers receives for their purchase". We will discuss both these terms to understand this concept more clearly.

Let look at the concept of provision of labor and resources. Every organization is manned by requisite labor force to perform selling and marketing operation successfully and efficiently. Indeed, it is different department that they work from purchasing to manufacturing to distribution and selling directly to customers. Previously it was assumed that only those which are directly employed in marketing and sales departments are responsible for movement of goods to customers. The latest approach is that infect all departments, whether they carry name of marketing or sales are indirectly focused towards customer happiness and welfare. Therefore, all labor has customer as their focal point. All departments must orientate its policy towards service to customer in one way or the other. Selling plant and equipment is no the end of the game of computers for that matter. The software and maintenance and upkeep are as much as important for the customer as selling the equipment. Customer convenience is always held in mind while selling the equipment. Similarly, in consumer products, we not only concerned with selling a product for customer total consumption. We are also to worry about its packing, nutrition, the health of the customer as well. Perhaps more now than any thing taste does comes in but ultimate health of an individual due to consumption of the product is equally important. That is why we CRM is being brought in to play a unifying role and integrate the management force focused on customer, the second concept that we have talked about is receiving the value that a customer receives from his purchase if we go in financial terms, we can say that customer receives he value for his purchase in term of quality of he product. Say if he buys an air conditioner for 20,000 Rs. he should have received a working air con. But in actual facts, is it just the air con he has bought. He has bought a unit, but infect he has bought services in terms of installation, ease in maintenance, spare parts, convenience in installation, warranty, back up services and several their things with an air con. The asking is has he got these things as well? Has he got all these things with his purchase? Won't these things not influence his decisions? Won't it affect your decision in choosing a brand of air can? Yes surely they will mater a lot. What are we therefore saying? Customer would take into consideration all factors before he would patronize your sales. He would consider all these things before he make up his mind. He would take into study service package as a whole to consider his decision. CRM takes into account all these factors as a package to influence his decision. With the rising dominance of the Service Sector in the Global Economy, customer service has grown in importance, as its impact on individuals, households, firms, and societies has become widespread and deep-seeded.

TOTAL CUSTOMER CARE PROGRAMME- (TCCP):

In order to provide these service,, we have, for your convenience of learning, developed the following TCCP or Total Customer Care Programme and provide you with the following exercises. A good care of each section and you will devise a good package of TCCP.

- Keep Constant Communication with Customers
- Respond Quickly to their Needs
- Satisfaction not only on product but also on other aspects
- Compensate for Loss
- Avoid Irritations
- Make Products Available

- Render Advice
- Boost Product Confidence
- Give Special Attention
- Protect Customers Rights
- Be Visible
- Maintain big standards of Cleanliness, Hygiene and Smoothness
- Be Genuine and look Genuine
- Make Customers Part of the Organization

A customer is the most important person in any business.

A customer is not depended on us; we depend on customers.

A customer is not an interruption to us; they are our purpose.

A customer is the life blood of any business.

We exist because of customers; customers don't exist because of us.

HISTORY OF CUSTOMER SERVICE

The modern concept of customer service has its roots in the Craftsman Economy of the 1800s, when individuals and small groups of Manufacturers competed to produce arts and crafts to meet public Demand. Individual orders were booked for each customer and supplied according to his/her taste and demands. The economies were small and so were the transactions. The manufacturer was able to meet the customers on one to one basis and talk to customer to understand the minute details. Customer care and service were highly personalized. But then the economics swing was setting in. The technology was increasing and so was it difficult to cater to the individualistic needs of the customer. Gradually, the era of mass production came in.

The advent of Mass Production in the early 20th century, followed by an explosion in the demand for goods after World War II, increased the power of suppliers at the expense of consumers, and thus reduced the importance of customer service. History tells us that customer service as a concept was kept aside in the cell. The manufacturers could produce what they could and these goods will find their way to customers on their own. Infect, it was the age of demand exceeding supplies. There was no need for customer service as an activity or as a tool for promotion or enhancement of markets. But things never remain the same for long periods of time.

A shift in this balance began in the 1970s, as international competition increased, and the dominance of western manufacturers was challenged, first by Japan, then by Korea, China and other developing economies. New world emerged with these Eastern economies taking to tremendous growth

Producers responded by improving the quality of their products and services. They introduced to the world entirely a new concept—the concept of simplicity and convenience and economy to the world

The economic boom of the 1990s again increased the power of suppliers who, while not completely reverting to lower standards of service, were able to be more selective of which customers to serve, and of what levels of service to provide.

The overall quality of customer service - in society and in specific industry- will continue to be determined by the relative balance of power between suppliers and consumers; it will improve as competition becomes more intense, and decline as competition decreases.

We have to asses the global situation today and derive that we are facing a new development. Briefly, the product similarity is making it more a challenge today than ever before, to upgrade customer services to get an edge over the competitors. The technology is not only developed but also has assumed the position of universality. Global trade is now much more than ever before. Hence customer services and development is the only answer we have before us. We know more about this.

Strategic Advantage through Customer Service:

A company can outperform rivals only if it can establish a difference that it can preserve.

Customer service can be such a difference. It is very difficult to control, and therefore difficult to imitate. It is difficult to control because of its variability. The level of service may vary greatly between two providers in the same organization. It may also vary from one moment to another, even as delivered by the same provider. The difficulty is compounded in multi-unit operations: in addition to variability within units, there is also variability among units.

Challenge and Opportunity:

That is both the challenge and the opportunity. The consistent delivery of superior service requires the careful design and execution of a whole system of activities that includes people, capital, technology, and processes. The few companies that can manage this system do stand out, and are sought out. This is the foundation of their sustainable competitive advantage.

Customer Service Culture:

For an organization's members to deliver superior service consistently, they must be acculturated, i.e. instilled with the concept and spirit of customer service. We ought to create within our organization,

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the culture of customer service thru constant education and training. We ought to highlight the following constantly to our employees and make them work towards creation an environment of customer service. Infect, all our efforts should be directed towards that

- Values -the results of good and effective customer service should b appreciated by all and adopted for its good value
- Traits -- to provide customer service, we ought to have some human traits—such as helping, courtesy and provision of services
- Patterns -- the pattern should be a part of operation--- customer service pattern
- and Behavior == and of course our behavior should be such that it renders customer service as a routine work –and not just specially undertaken

The Mechanisms of Acculturation include:

What is acculturation? It means when norms and practices are adopted as a part of culture. Like anything we adopt in a society, admired and accepted by many people, as a part of a specific culture. Similarly, we can make customer service as a generally accepted and admired practice of management norms in an organization. Let us look at these factors:-

Recruitment:

The customer service begins with recruitment of manpower---it means that the people we finally select should already have traits of service and should be willing to do so

Training:

We then start training tool- we must train staff from time to time and systematically training on customer services. In training, we must also hire outside sources for training courses and program

Empowerment:

This means that we should empower through written job descriptions employees for certain responsibilities and jobs. They should be encouraged to contribute their thoughts

Accountability:

And of course held accountable for their assigned jobs and responsibility, we even rate employees in their annual appraisals on customer service performance, which was not the proactive before.

All this within the framework of an organization's ideology of service

CUSTOMER RELATIONSHIP MANAGEMENT

We look into some of the most critically impotent areas in CRM—we call it today the starting point of CRM—we have got to be very careful in these areas and take utmost care to do it a right thing, right at the outset

Recruitment, Training & Empowerment:

We have to devise a right policy at Recruitment. We must select those people, who have aptitude towards service and advising. This is evident in some people at the time of interview and scanning and interviews.

Training is focused on enabling personnel to deliver service in manner that is beneficial to both the organization's customers, and to itself. This is essentially imparted to an employee, gradually and in piecemeal—thought training we apprise management with the advantages of training and then we give them practical training in service provision and regimentation.

Accountability

Whereas outstanding service organizations allow their people to make mistakes and learn from their failures, there is little or no tolerance for violations of its core service values. People who do not fit into the culture are removed. Our evaluation criterion should be focused on service now more than ever. We should directly evaluate customer service and your performance in this area. Proper weight age is given to this factor.

Category	Description
- Smolgerj	Friendly, helpful, courteous
	Empathetic
	Knowledgeable, accurate, thorough
	Resourceful, empowered
	Able to recommend solutions
Good People	Able to anticipate needs
1	Efficient
	Trustworthy, authentic
	Reliable
	Responsible
	Appropriate appearance and demeanor
	Good selection
	Good quality
	In stock
Good Offering	Available demos
	Clear descriptions and pricing
	Competitive prices
	Financing, deferred payments
	Convenient locations
	Long hours
	Available help, fast service
	Signage that facilitates self-service
	Fast checkout
Convenience	Shipping/delivery
	Installation
	Phone/web
	On site support

WHAT DOES A CUSTOMER WANT?

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	Hassle free returns
	Quick resolution of problems
	Clean
	Organized
Good Environment	Safe
	Low pressure
	Energy level appropriate to clientele

From the above-mentioned list, it is clear to us what does a customer want? He needs a trouble free operation of procurement of goods and supplies. Do not forget that the timely procurement of material is his business to begin ad kept going with his production and consumption process, what ever type of customer he is. Take for example, purchase of butter for this consumption. The customer wants butter of certain standard and certain quality for his family. All the customer wants is congenial transaction and consumption. He does not want butter purchase to become problematic for him----same goes for consumer of cement by the contractor of a bridge or a building.

Delivering customer service begins with understanding what customers want. And this understanding begins with the understanding that they do not always know what they want, or why the want it.

Traditional market research assumes that they do. Newer methods recognize that as much as 95% of our decision making is subconscious.

Common research methods (e.g. surveys and focus groups) more often reveal what customers think their motivations are, rather than what their motivations truly are. When respondents do not comprehend their true motivations, they tend to state how they think they ought to be motivated. Recent progress in neuro science and in observational technologies has yielded more reliable, less biased, results.

Regardless of how they arrived at their findings, most researchers agree on the factors listed in this table. Suppliers that meet these requirements are likely to give their customers a satisfactory experience.

In a competitive environment, however, satisfaction may not be enough. To stay in business, firms must be at least as satisfactory as their competitors. Moreover, firms that aim to gain profitable growth must increase the number of their customers, while reducing the cost of customer acquisition. This is particularly true of companies that compete in mature industries. The objective then is not merely to satisfy customers, but to convert them into promoters (customers who recommend a company to others). Promoters serve to increase a firm's clientele, without increasing its cost of acquisition – i.e. with no additional marketing or promotional expense.

But customers do not make recommendations lightly. When they make a recommendation, they put their own reputations on the line. Firms must earn that recommendation through the consistent delivery of outstanding customer service.

CUSTOMER COMPLAINTS

Complaints are often treated as a Nuisance:

- 1. Although there will always be a small proportion of 'frivolous complaints', a complaint usually highlights something which has gone wrong with a part of the overall marketing operation; usually the high quality, which should be a fundamental requirement for most organization, has not been achieved. Whatever the reason, the sensible marketer will want to know exactly what has gone wrong so that remedial actions may be taken. Strength of e-commerce is that its interactive nature enables the necessary conversations with the complainant to take place easily, and in good time, and the flexible nature of the 'product' allows for remedies to be quickly applied.
- 2. The way a complaint is handled is often seen by customers, and their many contacts, as an acid-test of the true quality of support. What is more, it is also a powerful reminder to the organization's own staff of just how important is quality.
- 3. Not least, customers who complain are usually loyal customers (those who are not loyal tend just to switch to another supplier), and will continue to be loyal (and valuable) customers just so long as their complaint is handled well.

Requirements in complaint handling:

- 1. The first requirement is that complaints should be positively encouraged. That is not the same as saying that the reasons for complaints should be encouraged. But, assuming that despite your best efforts the problems has occurred, you should put nothing in the way of any customer who wants to complain; and, indeed, positively encourage such complaints since the main problem lies with the many more customers who do not complain (and instead change to another supplier) rather than the few who abuse the complaints system. This may be difficult to achieve in conventional markets, where the face to face contact often relies on the member of staff causing the complaint to log it! It should be much easier for e-commerce, where a specific structure can be put in place which is guaranteed to work.
- 2. The second requirement is that all complaints should be carefully handled by painstakingly controlled, and monitored, procedures. Complaints must be handled well, and must be seen to be well handled; by the complainant, and by the organization's own staff. Again, the structure of an e-commerce system should easily ensure that the best audit trails are maintained, and regularly monitored.
- 3. The third, and most important requirement, is that the complaint should then be fully investigated, and the cause remedied. Complaints are only symptoms. The disease needs to be cured! There may be an understandable temptation to overlook complaints until they reach a 'significant level' but holding off until the complaints reach this 'pain level' usually means that they have already become damaging to the organizations' image. It is far better to assume that 'one complaint is too many'!

The reality in most organizations is very different. Not least, despite the ease with which complaints may be handled, e-commerce companies are perhaps the worst offenders possibly because the customer is remote and have no means of embarrassing the manager responsible! Too often the numbers of complaints are minimized not by remedying the reasons for them but by evading the complainants! The assumption is usually made, wrongly so that complainants are trouble-makers; and has to be handled in a confrontational manner!

The reality is that most dissatisfied customers do not complain, but they do tell their friends

Satisfaction Surveys:

It is essential that an organization monitors the satisfaction level of its customers. This may be all else failing, at the global level; as measured by market research. Preferably, though, it should be at the level of the individuals or groups - especially where this is easy to achieve in the case of e-commerce, by

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simply asking customers, after they have used the service, how satisfied they are. IBM, at the peak of its success, every year conducted a survey of all its direct customers. The results were not just analyzed to produce overall satisfaction indices, though that was done (and senior management viewed any deterioration with alarm), but they were also provided to field management so that they could rectify any individual problem situations - where the customer was dissatisfied with any aspect of the IBM service and the IBM representative (presumably in 97% of the occasions if the above results - of the numbers who do not complain - hold true in this field) did not realize this to be the case! Much the same can be done with individual e-commerce customers - something which is much more difficult in conventional marketing.

There are a number of advantages to conducting Satisfaction Surveys (particularly where any individual problems highlighted can be subsequently dealt with) for e-commerce as much as in traditional markets:

- 1. Like complaints, they indicate where problems lie; for rectification
- 2. If they cover all customers, they allow the 97% of non-complainers to communicate their feelings; and vent their anger
- 3. They positively show, even the satisfied customers, that their supplier is interested in the customer, and their complaints which is at least half way to satisfying those complainants
- 4. They help persuade the supplier's staff to take customer service more seriously.

The only difference with e-commerce is that the process should be much easier to undertake.

Complaints should always be treated as significant---and not as nuisance. They would not be part of botheration or irritation to the company. They should always be welcomed

If complaints come about an individual, do not always take a defensive mechanism ---rather it should be taken as objectively and probed deeper into complaint, before taking a decision about its rectification. Fair treatment must be given and no bias or prejudiced mind should be kept. Usually after effective complaint handling, customer relationship strengthens

IMPLEMENTING CRM

A successful CRM strategy cannot be implemented by simply installing and integrating a software package, a holistic approach is needed. It needs a lot more and a certain regimentation to make sure that it succeeds and get incorporated well in the overall system.

It require very close and careful implementation and monitoring by the entire management, including top management

This Approach may include:

- Training of Employees
- A Modification of Business Processes based on customers' needs
- And an Adoption of Relevant IT Systems (including software and maybe hardware) and/or usage of IT service that enable the organization or company to follow its CRM strategy.

Let us review each of the above three aspects:

Employee training to begin with indeed, all employees and at all levels must be periodical trained with the concept of CRM and also kept updated regularly. No software or automation can replace human efforts and concept of CRM. Yes, they can come to aid its implementation, bit no where will it replace essential ingredients of human touch and service. Tainting of employees should include technical training on the use and benefits of software and IT application plus attitude and behavioral training towards customers and their problems and services.

Obviously, with training of employees comes modification of processes and systems which goes to one make CRM easy and possible and secondly, to go to further aid employees. In implementation of CRM effectively

CRM services can even replace the acquisition of additional hardware or CRM software licenses.

The term itself is meant to describe the whole business strategy (or lack of one) oriented on customer needs.

The main misconception of CRM is that it is only software, instead of a whole business strategy.

To be effective, the CRM process needs to be integrated end-to-end across marketing, sales, and customer service.

A Good CRM program needs to:

Identify Customer Success Factor:

Every customer has a success factor. Means, there is some strength that a customer has in its business. For example ---good financial system, speed of work , quality of their product etc. our job is to identify that success factor and always be mindful of that more than any other factor or factors

Create a Customer-Based Culture:

Customer based culture is that within our own organization, all works, efforts and objectives should focus on customers designing of product, ease and comfort to users, quality steadfastness, etc. provides the basis of customer –based culture at ur end

Adopt Customer-Based Measures:

Obviously, once that culture is adopted with the organization, all measures, strategies and policies should be diverted to providing maximum convenience and comfort to customers. We even go as close as packing of the product and its packing requirements—take the case of cooking oils. We have adopted new plastic containers, not for economy only, but also to provide convenience to housewives in its use and reuse

Develop an End -to-end Process so to serve customers:

As I said earlier, we adopt all processes, focusing customers at the end of the tunnel and not for our convenience or economy. Sometimes, we even adopt more expensive things comparatively, but keeping customers in mind

Recommend what to tell a Customer with a Complaint about a purchase:

As we have covered before, we must adopt uniform policy in compliant handling. Not that we treat complaints differently for different customers, using different criteria

Track all Aspects of Selling to Customers and Prospects as well as Customer Support:

Customer support means that we must closely monitor customers and our relationship with customers throughout.

When setting up a CRM segment for a company it might first want to see what profile aspects it feels are relevant to its business, such as what information it needs to serve its customers, the customer's past financial history, the effects of the CRM segment and what information is not useful. Being able to eliminate unwanted information can be a large aspect of implementing CRM systems. When designing a CRM's structure, a company may want to consider keeping more extensive information on their primary customers and keeping less extensive details on the low-margin clients.

HOW TO CONSTRUCT CRM PROGRAMME?

There are three parts of application architecture of CRM:

- Operational automation to the basic business processes (marketing, sales, service)
- Analytical support to analyze customer behavior, implements business intelligence alike technology
- Collaborative ensures the contact with customers (phone, email, fax, web, SMS, post, in person)

Operational CRM:

Operational CRM means supporting the "front office" business processes, which include customer contact (sales, marketing and service). Tasks resulting from these processes are forwarded to employees responsible for them, as well as the information necessary for carrying out the tasks and interfaces to back-end applications are being provided and activities with customers are being documented for further reference.

Operational CRM provides the following benefits:

- Delivers Personalized and Efficient Marketing, Sales, and Service through multi-channel collaboration
- Enables a 360-degree view of your customer while you are interacting with them
- Sales People and Service Engineers can access complete history of all customer interaction with your company, regardless of the touch point

Operational Part of CRM typically involves three general areas of business:

Sales Force Automation (SFA):

SFA automates some of the company's critical sales and sales force management functions, for example, lead/account management, contact management, quote management, forecasting, sales administration, keeping track of customer preferences, buying habits, and demographics, as well as performance management. SFA tools are designed to improve field sales productivity. Key infrastructure requirements of SFA are mobile synchronization and integrated product configuration.

Customer Service and Support (CSS):

CSS automates some service requests, complaints, product returns, and information requests. Traditional internal help desk and traditional inbound call-center support for customer inquiries are now evolved into the "customer interaction center" (CIC), using multiple channels (Web, phone/fax, face-to-face, kiosk, etc). Key infrastructure requirements of CSS include computer telephony integration (CTI) which provides high volume processing capability, and reliability.

Enterprise Marketing Automation (EMA):

EMA provides information about the business environment, including competitors, industry trends, and macro environmental variables. It is the execution side of campaign and lead management. The intent of EMA applications is to improve marketing campaign efficiencies. Functions include demographic analysis, variable segmentation, and predictive modeling occurs on the analytical (Business Intelligence) side.

Analytical CRM:

In analytical CRM, data gathered within operational CRM and/or other sources are analyzed to segment customers or to identify potential to enhance client relationship. Customer analysis typically can lead to targeted campaigns to increase share of customer's wallet.

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Examples of Campaigns directed towards customers are:

- Acquisition: Cross-sell, up-sell
- Retention: Retaining customers who leave due to maturity or attrition.
- Information: Providing timely and regular information to customers.
- Modification: Altering details of the transactional nature of the customers' relationship.

Analysis of Customer data may relate to one or more of the following analyses:

- Campaign management and analysis
- Contact Optimization
- Customer Acquisition / Reactivation / Retention
- Customer Segmentation
- Customer Satisfaction Measurement / Increase
- Sales Coverage Optimization
- Fraud Detection and analysis
- Financial Forecasts
- Pricing Optimization
- Product Development
- Program Evaluation
- Risk Assessment and Management

Collaborative CRM:

Collaborative CRM facilitates interactions with customers through all channels (personal, letter, fax, phone, web, e-mail) and supports co-ordination of employee teams and channels. It is a solution that brings people, processes and data together so companies can better serve and retain their customers. The data/activities can be structured, unstructured, conversational, and/or transactional in nature.

Collaborative CRM provides the following benefits:

- Enables efficient productive customer interactions across all communications channels
- Enables web collaboration to reduce customer service costs
- Integrates call centers enabling multi-channel personal customer interaction
- Integrates view of the customer while interaction at the transaction level

IMPROVING CUSTOMER RELATIONSHIPS

CRM programs also are able to improve customer relationships. Proponents say this is so because:

- CRM technology can track customer interests, needs, and buying habits as they progress through their life cycles, and tailor the marketing effort accordingly. These way customers get exactly what they want as they change.
- The technology can track Customer Product use as the product progresses through its life cycle, and tailor the service strategy accordingly. These way customers get what they need as the product ages.
- In industrial markets, the technology can be used to micro-segment the buying centre and help coordinate the conflicting and changing purchase criteria of its members.
- When any of the technology-driven improvements in customer service (mentioned above) contribute to long-term customer satisfaction, they can ensure repeat purchases, improve customer relationships, increase customer loyalty, decrease customer turnover, decrease marketing costs (associated with customer acquisition and customer "training"), increase sales revenue, and thereby increase profit margins.
- Repeat purchase, however, comes from customer satisfaction which in turn comes from a deeper understanding of each customer, their individual business challenges and proposing solutions for those challenges rather than a "one size fits all" approach.
- CRM software enables sales people to achieve this one on one approach to selling and can automate some elements of it via tailor able marketing communications. However, all of these elements are facilitated by or for humans to achieve CRM is therefore a company-wide attitude as much as a software solution.

Technical Functionality:

A CRM solution is characterized by the following functionality:

- Scalability the ability to be used on a large scale, and to be reliably expanded to whatever scale is necessary.
- Multiple communication channels the ability to interface with users via many different devices (phone, WAP, internet, etc)
- Workflow the ability to trigger a process in the back office system, e. g. Email Response, etc.
- Assignment the ability to assign requests (Service Requests, Sales Opportunities) to a person or group.
- Database the centralized storage (in a data warehouse) of all information relevant to customer interaction
- Customer privacy considerations, e.g. data encryption and the destruction of records to ensure that they are not stolen or abused.

Privacy and Ethical Concerns:

CRM programs are not however considered universally good - some feel it invades customer privacy and enable coercive sales techniques due to the information companies now have on customers - see persuasion technology. However, CRM does not necessarily imply gathering new data, it can be used merely to make "better use" of data the corporation already has. But in most cases they are used to collect new data.

CRM in Business

The use of internet sites and specifically e-mail, in particular, are often touted as less expensive communication methods in comparison to traditional ones such as telephone calls. These types of technologies service can be very helpful, but it is completely useless to a business that cannot reach its customers. Some major companies believe that the majority of their clients trust other means of

communication, like telephone, more than they trust e-mail. Clients, however, are usually not the ones to blame because it is often the manner of connecting with consumers on a personal level making them feel as though they are cherished as customers. It is up to the companies to focus on reaching every customer and developing a relationship.

It is possible for CRM software to run an entire business. From prospect and client contact tools to billing history and bulk email management. The CRM system allows a business to maintain all customer records in one centralized location that is accessible to an entire organization through password administration. Front office systems are set up to collect data from the customers for processing into the data warehouse. The data warehouse is a back office system used to fulfill and support customer orders. All customer information is stored in the data warehouse. Back office CRM makes it possible for a company to follow sales, orders, and cancellations. Special regressions of this data can be very beneficial for the marketing division of a firm/company.

GENERAL TIPS TO KEEP YOUR CUSTOMERS SATISFIED

- Always keep your customers courteously and with respect especially when you are working under pressure. Courtesy is the key to success anyway
- Be willing and Help to them to make them feel important. Always give customer's opinion and viewpoints importance and even preference
- The way you behave, reflects on your company. You are the emissary of your company
- Your Personal Appearance also reflects on your company. Dress well. Dressing up is important in business life and our dealings. Dress reflects your mental level and attitude in life. Choice of color of your dress some times becomes the source of people to ascertain your seriousness and validity of your offer to customer.
- Make sure that you are always having up-to-date Supplies of your brochures, price list, forms etc. These things may seem unimportant to you. But that shows how organized you would be in your deals and activities.
- Make sure that your calculators, phones; computers are all the time working. As said earlier, these reflect how organized you are in your own affairs. Customers often do not deal with callous and careless people
- Continuously look for the ways to help your customers and improve your relationship with them. Keep your eyes open when you are with your customers. They may or may not speak with you on certain matters. Help customers. But make sure you are not stepping on some one shoes
- Do not blame your company or an individual, if you cannot find things or supplies. We have a tendency to blame others for certain missing items. Desist from blaming others.
- Always present your company positively on things you cannot even supply. Never blame situation or condition for inability to supply certain products. Maintain positive attitude.
- Always keep handy information about related product/s so that you can provide to your customers
- Always show enthusiasm while talking to customers. Do not show your arrogance or moods to your customers. Keep your personal matters to yourself

Customers with special needs:

Some customers are handicapped. They are unable to communicate or make things understand. Do not forget that the customer has need for a product, but he or she is unable to express it well. Let us categorize these customers and analyze how to handle them?

- Children—usually cannot explain things
- Foreign visitors—usually have language problems
- The deaf—they are deprived of a human faculty
- The blind
- The disabled
- The elderly—they need importance and honor for their age—treat them well
- Uneducated—usually miss words or vocabulary of things—help them speak and express what they ant to say

Children:

They always need special handling and care. They are either dear to the elderly person accompanying them, and there fore dear to them or they are your future customers. They need:

- Simple language
- Patient handling
- Use nice words for them

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- Give them something to play with while with you
- Treat them specially, don't ignore their presence

Elderly:

Their systems have gone slow. They need special care and handling. Give them

- attention
- avoid speaking them down
- behave manner fully
- they tend to explain things slow; have patience to listen

Foreign visitors:

They may be language problem. They have nervousness and ignorance of local customs and traditions. They need:

- to be listened very carefully
- speak slow and easy language
- use short sentences
- ask for help if you have to understand more—language
- avoid shouting, shrieking even with others

Disabled and handicapped customers:

They can be blind or deaf or handicapped. They need top priority on handling.

- Don't let them wait.
- Don't show any offence
- Handle with special aids for the kind of helplessness
- Try to figure out things they cant say or explain
- Be patient
- Avoid making the customer realize his or her handicap

Handling special people is a culture it is a part of our outlook. Be careful.

The nations are recognized the way they handle special people. Our religion is also full of words of advice for them. We should follow them very carefully.

STRATEGIC MANAGEMENT

Strategic Management is the process of specifying an Organization's Objectives, Developing Policies and Plans to achieve these Objectives, and Allocating Resources so as to implement the Plans. It is the highest level of managerial activity, usually performed by the company's Chief Executive Officer (CEO) and executive team. It provides overall direction to the whole enterprise.

Overview:

Resource - Environment fit:

An organization's strategy must be appropriate for its resources, environmental circumstances, and core objectives.

The process involves matching the company's strategic advantages to the business environment the organization faces.

One objective of an overall corporate strategy is to put the organization into a position to carry out its mission effectively and efficiently. And this can best be attained by keeping customer satisfied

A good corporate strategy should integrate an organization's goals, policies, and action sequences (tactics) into a cohesive whole, and must be based on business realities.

Business enterprises can fail despite 'excellent' strategy because the world changes in a way they failed to understand.

Strategy must connect with vision, purpose and likely future trends. To see how strategic management relates to other issues.

Strategic Management can be seen as a combination of strategy formulation and strategy implementation, but strategy must be closely aligned with purpose.

Strategy Formulation Involves:

- Doing a Situation Analysis: both internal and external; both micro-environmental and macroenvironmental.
- Concurrent with this assessment, Objectives are Set. This involves crafting vision statements (long term view of a possible future), mission statements (the role that the organization gives itself in society), overall corporate objectives (both financial and strategic), strategic business unit objectives (both financial and strategic), and tactical objectives.
- These objectives should, in the light of the situation analysis, suggest a Strategic Plan. The plan provides the details of how to achieve these objectives.

This three-step strategy formulation process is sometimes referred to as determining where you are now, determining where you want to go, and then determining how to get there.

STRATEGY IMPLEMENTATION INVOLVES

- Allocation of Sufficient Resources (financial, personnel, time, technology support)
- Establishing a Chain of Command or some alternative structure (such as cross functional teams)
- Assigning Responsibility of specific tasks or processes to specific individuals or groups
- It also involves Managing the Process. This includes monitoring results, comparing to benchmarks and best practices, evaluating the efficacy and efficiency of the process, controlling for variances, and making adjustments to the process as necessary.
- When Implementing Specific Programs, this involves acquiring the requisite resources, developing the process, training, process testing, documentation, and integration with (and/or conversion from) legacy processes.

Strategy formulation and implementation is an on-going, never-ending, integrated process requiring continuous reassessment and reformation.

Strategic Management is Dynamic:

- It involves a complex pattern of actions and reactions.
- It is partially planned and partially unplanned.
- Strategy is planned and emergent, dynamic, and interactive.
- Some people feel that there are critical points at which a strategy must take a new direction in order to be in step with a changing business environment. These critical points of change are called strategic inflection points.
- Strategic management operates on several time scales. Short term strategies involve planning and managing for the present. Long term strategies involve preparing for and preempting the future. Marketing strategist Derek Abell (1993) has suggested that understanding this dual nature of strategic management is the least understood part of the process. He claims that balancing the temporal aspects of strategic planning requires the use of dual strategies simultaneously.

General Approaches:

In general terms, there are two main approaches, which are opposite but complement each other in some ways, to strategic management:

The Industrial Organization Approach:

- based on economic theory deals with issues like competitive rivalry, resource allocation, economies of scale
- assumptions rationality, self discipline behavior, profit maximization

The Sociological Approach:

- Deals primarily with human interactions
- Assumptions bounded rationality, satisfying behavior, profit sub-optimality. An example of a company that currently operates this way is Google

Strategic management techniques can be viewed as bottom-up, top-down or collaborative processes. In the bottom-up approach, employees submit proposals to their managers who, in turn, funnel the best ideas further up the organization. This is often accomplished by a capital budgeting process. Proposals are assessed using financial criteria such as return on investment or cost-benefit analysis. The proposals that are approved form the substance of a new strategy, all of which is done without a grand strategic design or a strategic architect. The top-down approach is the most common by far. In it, the CEO, possibly with the assistance of a strategic planning team, decides on the overall direction the company should take. Some organizations are starting to experiment with collaborative strategic planning techniques that recognize the emergent nature of strategic decisions.

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The Strategy Hierarchy:

In most (large) corporations there are several levels of strategy. Strategic management is the highest in the sense that it is the broadest, applying to all parts of the firm. It gives direction to corporate values, corporate culture, corporate goals, and corporate missions. Under this broad corporate strategy there are often functional or business unit strategies.

Functional Strategies include marketing strategies, new product development strategies, human resource strategies, financial strategies, legal strategies, and information technology management strategies. The emphasis is on short and medium term plans and is limited to the domain of each department's functional responsibility. Each functional department attempts to do its part in meeting overall corporate objectives, and hence to some extent their strategies are derived from broader corporate strategies.

Many companies feel that a functional organizational structure is not an efficient way to organize activities so they have reengineered according to processes or strategic business units (called SBUs). A Strategic Business Unit is a semi-autonomous unit within an organization. It is usually responsible for its own budgeting, new product decisions, hiring decisions, and price setting. An SBU is treated as an internal profit centre by corporate headquarters. Each SBU is responsible for developing its business strategies, strategies that must be in tune with broader corporate strategies.

The "lowest" level of strategy is Operational Strategy. It is very narrow in focus and deals with day-today operational activities such as scheduling criteria. It must operate within a budget but is not at liberty to adjust or create that budget. Operational level strategy was encouraged by Peter Drucker in his theory of management by objectives (MBO). Operational level strategies are informed by business level strategies which, in turn, are informed by corporate level strategies. Business strategy, which refers to the aggregated operational strategies of single business firm or that of an SBU in a diversified corporation, refers to the way in which a firm competes in its chosen arenas.

Corporate Strategy, then, refers to the overarching strategy of the diversified firm. Such corporate strategy answers the questions of "in which businesses should we compete?" and "how does being in one business add to the competitive advantage of another portfolio firm, as well as the competitive advantage of the corporation as a whole?"

Since the turn of the millennium, there has been a tendency in some firms to revert to a simpler strategic structure. This is being driven by information technology. It is felt that knowledge management systems should be used to share information and create common goals. Strategic divisions are thought to hamper this process. Most recently, this notion of strategy has been captured under the rubric of dynamic strategy.

REASONS WHY STRATEGIC PLANS FAIL?

There are many reasons why strategic plans fail, especially:

Failure to understand the customer:

- Why do they buy?
- Is there a real need for the product?
- Inadequate or incorrect marketing research

It is one of the major reasons, why plan fails. We do not make sufficient efforts to understand the customers. We think we understand by knowing his statistical details. But that's not enough. We do understand the reason behind his buying a product. Take cement for example. Application of cement is he same in all case that is used for construction purposes. By one customer is buying for house construction, another one would buy for a project, yet another one would buy for reselling---all the three customers have different reasons for purchase. There may be one customer who is buying for cement supplies in remote areas. We must understand the reasons for each customer and province him service accordingly. They all need different handling and different priorities plans should be made ready accordingly. We will be more successful, if the plans are in accordance to the understanding of the customers

Inability to Predict Environmental Reaction:

- What will competitors do
- Fighting brands
- Price wars
- Will government intervene

This is yet another reason that strategic plan fallout undertakes sufficient study of competitors. Do not ever forget that competitors also have brains and they too are in market due to their efficiency. We must make thorough analyses of brands, competitor's activities and pricing strategies and their distribution strategies and indeed government's policies. As for government policies, we must be able to even anticipate some of the measures and policies of all levels of government departments

Over-Estimation of Resource Competence:

- Can the staff, equipment, and processes handle the new strategy
- Failure to develop new employee and management skills

In the practical world, we have noticed this as a very usual cause of failure of even a well-thought plan. We fail to make exact estimation of our resources especially human resource. Do not forget for even a second that all plans have to be executed by your staff and employees and they need to be trained and up graded regularly and methodically. I have noticed this problem in 90 cases that I have come across as a consultant. Act of or inadequacy of training and then training by not so good experts is the cause of failure. Training of employees should always be kept in high priority and careful hiking must be done about it. The best is to hire professionals in this field. I call this failure as asking a butcher to operate human gall bladder to remove stones.

Failure to Coordinate:

- Reporting and control relationships not adequate
- Organizational structure not flexible enough

If we want the strategic plan to succeed, we need to redefine and reestablish links between departments and people at various levels. Strategic plan is not the responsibility of one individual or even a group of individuals. All are involved in it and they need to coordinate, so that the results are

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obtained. Actually what happens is that in between some link is either broken or suspended? The chain of effectiveness gets hurt and in some cases even stalls. That makes it difficult and sometimes almost impossible to get to get end-results from strategic plans

Failure to obtain Senior Management Commitment:

- Failure to get management involved right from the start
- Failure to obtain sufficient company resources to accomplish task

Now, this may seem paradoxical on the face of it, but then it is true and seen often. Senior management are either split or fail to provide sufficient help in the successful application of plans. Not that this unwanted phenomena is often seen, but it is there and it happens sometimes. And when it happens, it completely ruins the plan and all efforts

Failure to obtain Employee Commitment:

- New strategy not well explained to employees
- No incentives given to workers to embrace the new strategy

Strategic plan fails because employees either fails to give it a requisite push or no push at all. The reason why this thing happens is that plans are prepared as a secret document and employee's opinions or their support is not solicited. Some how, employees are kept in dark. I have often asked some of the people as to why they do they keep their employees away while preparing a strategic plan and the answer I have got most of the time is, "what do they know of such important planning?" amazing answer is this.

Under-Estimation of Time Requirements:

• No critical path analysis done

You know that strategic plans need time for execution. It is systematically achieved stage by stage. These plans require close monitoring and check and adjustments---so time is required. Sufficient time should be allocated to accomplish strategic plans. More time means also a warning—that is why critical path analyses should be done periodically

Failure to Follow the Plan:

- No follow through after initial planning
- No tracking of progress against plan
- No consequences for above

From above, we have learnt that plan should be watched and critically analyzed periodically and amendments if any are made as it is executed. Remember, no matter how well we plan on paper, practical application teaches us every thing. There can be difference in execution and condition too might change, different from what have been conditioned originally. So changes are inevitable and adjustment in action is desired.

Failure to Manage Change:

- Inadequate understanding of the internal resistance to change
- Lack of vision on the relationships between processes, technology and organization

Yes we need to make changes. Remember plan was made say 3 months earlier and condition was anticipated. They may or may not happen that was. So changes must be made. Moreover International scenario changes more rapidly that we had anticipated. Hence flexibility has to be kept.

Poor Communications:

- Insufficient information sharing among stakeholders
- Exclusion of stakeholders and delegates

One of the main reasons of failure is poor communication of the plan. It means poor working in the plan text. Inability to convey to required people, poor response or any thing like that can happen to cause the play to fail miserably-. Utmost care should be taken to communicate to the minutest level and to all concerned---clarification should also be made.

Marketing strategy is a powerful process that gives an organization a competitive advantage in the marketplace. While just defining a marketing strategy will not automatically create a competitive advantage, it will allow the organization to concentrate its (always limited) resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage.

Let me remind you, that the word strategy comes from the Greek word strategies meaning positioning. Strategy is what generals use to win battles. Thus properly understood, marketing strategy is a high-level exercise involving the "generals" of the organization in determining how to build on the firm's strengths while (ethically) taking advantage of competitors' weaknesses?

Marketing strategy is most effective when it is a vital component of corporate strategy, defining how the organization will engage customers, prospects and the competition in the market arena for consistent success.

A marketing strategy also serves as the foundation of a marketing plan:

A marketing plan contains a set of specific actions required to successfully implement a specific marketing strategy. For example: "Use a low cost product to attract consumers. Once our organization, via our low cost product, has established a relationship with consumers, our organization will sell additional, higher-margin products and services that enhance the consumer's interaction with the low-cost product or service."

A strategy is different from a tactic. While it is possible to write a tactical marketing plan without a sound, well-considered strategy, it is not recommended. Without a sound marketing strategy, a marketing plan has no foundation.

Marketing strategies serve as the fundamental underpinning of marketing plans designed to reach marketing objectives. It is important that these objectives have measurable results.

A good marketing strategy should integrate an organization's marketing goals, policies, and action sequences (tactics) into a cohesive whole. The objective of a marketing strategy is to provide a foundation from which a tactical plan is developed. This allows the organization to carry out its mission effectively and efficiently.

Marketing strategies are partially derived from broader corporate strategies, corporate missions, and corporate goals. They should flow from the firm's mission statement. They are also influenced by a range of micro environmental factors.

Marketing strategies are dynamic and interactive. They are partially planned and partially unplanned.

Having said so all about marketing strategy and hopefully learnt, let us see our marketing positioning or strategy to build sound customer relationship. Infect, the most common and popular strategy in these days marketing operation, and for the future, is to built strong footings in relationship wit customers on a long term basis- Do not forget that retaining customer is far less costly that to acquire new ones or replace customers.

Types of Marketing Strategies:

A brief description of the most common categorizing schemes is presented below.

Let us look at them briefly as to how they help us attain better customer relationship

Strategies based on market dominance - In this scheme, firms are classified based on their market share or dominance of an industry. Typically there are four types of market dominance strategies:

- Leader
- Challenger
- Follower
- Nicher

These are positions taken by a corporation not out of your own choice but that which gets established. A corporation has to be one of the four. In any case, customers do know that and that

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gives a customer confidence and trust in your position, product and service. Just because you r a 'leader', the customer is confident of your research, new product, innovation, and quality of service. The customer also takes pride in this. Customers like to deal with 'leaders' and challengers. Indeed, sometimes the product is of such a nature that you are a 'follower'. The customer too understands why you are a follower. For example, if the product requires high technological research and you are good in following the leader or a challenger, the customer s aware of this and strongly follows your position, know that you can further improve upon the product, keeping costs lower and therefore price, at the end of the tunnel

Porter generic strategies: Michael Porter assessed strategy on the dimensions of strategic scope and strategic strength. Strategic scope refers to the breadth of market penetration while strategic strength refers to the firm's sustainable competitive advantage. He felt three types were important: strategies

- Cost leadership
- Product differentiation
- Market segmentation

These strategic positions are very strong in relationship with customers. Cost leadership is a big source of strength to the customer. He knows that the cost and quality of your product brand, of which he too is a partner as an end user, has effective cost.

Cost leadership means that the company has such cost advantage that no competitor can surpass and that advantage remains here forever/ customer confidence of price makes relationship long lasting and strengthened. Same is the case of product differentiation. if the product has some unique design or feature, it goes to strengthen customers confidence and retention for a long period of time. The customer cannot find that uniqueness anywhere with your competitors. Market segmentation or servicing particular clients give you unique advantage. It can be territorial edge. There was a supplier of cement, who had very good transport system. The trucks were new and his district butting system was very modern and firm. The customers, who were located in far flung areas, had that confidence that their supplies would be well kept and well- maintained. So he always bagged big infra-structural projects in the country. Sometimes even slightly expensive delivery cost was prepared to be to be compromised, when it came to making a contract of supplies. His idea was that these customers had to be fed and that he would do this new-trucks distribution system to harvest these customers, one that they were very large customers. Two he said. They pay on time and three they were not exposed to competitors as much as other were in and around main cities. This strategy was very successful.

Innovation strategies: This deals with the firm's rate of new product development and business model innovation. It asks whether the company is on the cutting edge of technology and business innovation. There are three types:

- Pioneers
- Close followers
- Late followers

Well in some cases, we are the pioneers of products. Such a situation can b created, with your efforts in research or scientific support. Our position can be very strong when we are the pioneers of product. Out strength should be well sued to build CRM with our customers. We would be very happy that we are the originator of product design or features. This thing should not be exploited. Infect such a situation is used to promote other range of products and building customer relationship. Same goes as flowers ...both close and late.

Growth strategies In this scheme we ask the question, "How should the firm grow?" There are a number of different ways of answering that question, but the most common gives four answers:

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- Horizontal integration
- Vertical integration
- Diversification (or conglomeration)
- Intensification

These are integrations of your product range and suppliers. Again by virtue of vertical and horizontal integration, we can develop our service strengths and pass it on the customers. N diversify products as well intensify our efforts on give range of products. Such strategies are common when our product has different morels and sizes in application.

Now last words on strategies are that strategies mist be used to build relationship. Do not have to show to customers. We must tell customers that we are using tactics and poisoning as per customers requirements and not only to better our position-vis-à-vis customer.

STRATEGY IMPLEMENTATION INVOLVES

We will now discuss those measures that would make strategic plans implementation not only possible but also to succeed. Let us look at some of the important steps that we need to take.

Allocation of Sufficient Resources (financial, personnel, time, technology support):

Obviously, the first and the foremost step is to allocate sufficient resources on the part of management to make strategic plans successful. These resources can vary from plan to plan –built will definitely contain financial resources –m personnel and technology support required for that plan. Time indeed, is also important. Every plan requires time to implement.

Establishing a Chain of Command or some alternative structure (such as cross functional teams):

Indeed, chain of command is required to be defines to cast away ambiguities and confusion. We may have to restructure, management set up and chain of command. Who is to report who and who is to wot needs to be fully defined and clarified

Assigning Responsibility of specific tasks or processes to specific individuals or groups:

The jobs have to assign with clear job description and assignments allocation for each level of management and individual. It has been found in the practical world often that individual do not know their role –playing in this setup- management should make its best efforts to avoid this confusion.

It also involves Managing the Process. This includes monitoring results, comparing to benchmarks and best practices, evaluating the efficacy and efficiency of the process, controlling for variances, and making adjustments to the process as necessary.

As said before, things have to be continuously monitored and analyses. Checks and balances have to be done. Variances if any must be noticed and corrective action needs to be taken to rectify the situation. Continuous adjustments have to be made –keeping in view the external environment. Since every plan has its own benchmark tests comparative analyses must be done to keep pace with results and achievements.

When Implementing Specific Programs, this involves acquiring the requisite resources, developing the process, training, process testing, documentation, and integration with (and/or conversion from) legacy processes.

All along training of employees is required. Training must be done. I have noticed in very many cases, that employee training is neglected or under-estimated in importance. This is wrong and training should be given requisite importance to achieve good results.

Strategy formulation and implementation is an on-going, never-ending, integrated process requiring continuous reassessment and reformation. This needs to be understood and applied. It is wrong to assume that once strategic plan is implemented, results would keep pouring in. The results need to be worked for and acquired.

Strategic Management is Dynamic:

Strategic management is continuously changing and dynamic in nature----It involves a complex pattern of actions and reactions. Means that it's pretty cumbersome and action/reaction things, it brings lot of changes in set up sometimes. So we should be ready for the changes and should at no stage are scared of things happening around us.

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It is partially planned and partially unplanned:

Yes some parts of plan are well thought of and anticipated, but some parts are not planned. reasons for this thing is two. One that plan produces it own results and therefore the direction of plan is carved having reached certain stages and secondly, certain environmental condition cannot be correctly projected over a certain period of time. Hence the plan is left in fluidity till those conditions are firmed up. That is why we say that strategic plan is drawn in exactitude to some extent while certain parts are left over to be seen later.

Strategy is planned and emergent, dynamic, and interactive:

Strategic plan involves lots of interaction within the management and with outside agencies. Hence it's always emergence in nature.

• Some people feel that there are critical points at which a strategy must take a new direction in order to be in step with a changing business environment. These critical points of change are called strategic inflection points.

As said earlier, certain factors cannot be taken as sure at the time of initiation of plan. Hence they have to be studied and watched constantly during the execution of plan.

• Strategic management operates on several time scales. Short term strategies involve planning and managing for the present. Long term strategies involve preparing for and preempting the future. Marketing strategist Derek Abell (1993) has suggested that understanding this dual nature of strategic management is the least understood part of the process. He claims that balancing the temporal aspects of strategic planning requires the use of dual strategies simultaneously.

General Approaches:

In general terms, there are two main approaches, which are opposite but complement each other in some ways, to strategic management:

The Industrial Organization Approach:

- Based on economic theory deals with issues like competitive rivalry, resource allocation, economies of scale.
- Assumptions rationality, self discipline behavior, profit maximization.

The Sociological Approach:

- Deals primarily with human interactions.
- Assumptions bounded rationality, satisfying behavior, profit sub-optimality. An example of a company that currently operates this way is Google.

Strategic management techniques can be viewed as bottom-up, top-down or collaborative processes. In the bottom-up approach, employees submit proposals to their managers who, in turn, funnel the best ideas further up the organization. This is often accomplished by a capital budgeting process. Proposals are assessed using financial criteria such as return on investment or cost-benefit analysis. The proposals that are approved form the substance of a new strategy, all of which is done without a grand strategic design or a strategic architect. The top-down approach is the most common by far. In it, the CEO, possibly with the assistance of a strategic planning team, decides on the overall direction the company should take. Some organizations are starting to experiment with collaborative strategic planning techniques that recognize the emergent nature of strategic decisions.

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The Strategy Hierarchy:

In most (large) corporations there are several levels of strategy. Strategic management is the highest in the sense that it is the broadest, applying to all parts of the firm. It gives direction to corporate values, corporate culture, corporate goals, and corporate missions. Under this broad corporate strategy there are often functional or business unit strategies.

Functional Strategies include marketing strategies, new product development strategies, human resource strategies, financial strategies, legal strategies, and information technology management strategies. The emphasis is on short and medium term plans and is limited to the domain of each department's functional responsibility. Each functional department attempts to do its part in meeting overall corporate objectives, and hence to some extent their strategies are derived from broader corporate strategies.

Many companies feel that a functional organizational structure is not an efficient way to organize activities so they have reengineered according to processes or strategic business units (called SBUs). A Strategic Business Unit is a semi-autonomous unit within an organization. It is usually responsible for its own budgeting, new product decisions, hiring decisions, and price setting. An SBU is treated as an internal profit centre by corporate headquarters. Each SBU is responsible for developing its business strategies, strategies that must be in tune with broader corporate strategies.

The "lowest" level of strategy is Operational Strategy. It is very narrow in focus and deals with day-today operational activities such as scheduling criteria. It must operate within a budget but is not at liberty to adjust or create that budget. Operational level strategy was encouraged by Peter Drucker in his theory of management by objectives (MBO). Operational level strategies are informed by business level strategies which, in turn, are informed by corporate level strategies. Business strategy, which refers to the aggregated operational strategies of single business firm or that of an SBU in a diversified corporation, refers to the way in which a firm competes in its chosen arenas.

Corporate Strategy, then, refers to the overarching strategy of the diversified firm. Such corporate strategy answers the questions of "in which businesses should we compete?" and "how does being in one business add to the competitive advantage of another portfolio firm, as well as the competitive advantage of the corporation as a whole?"

Since the turn of the millennium, there has been a tendency in some firms to revert to a simpler strategic structure. This is being driven by information technology. It is felt that knowledge management systems should be used to share information and create common goals. Strategic divisions are thought to hamper this process. Most recently, this notion of strategy has been captured under the rubric of dynamic strategy.

All these factors go into making customer relationship management a lot easier and controllable then other wise.

REASONS WHY STRATEGIC PLANS FAIL?

There are many reasons why strategic plans fail, especially: this reason must be avoided to the maximum and utmost care should be taken to make plan succeed and achieve results better than anticipated. These factors are discussed below

Failure to Understand the Customer:

This is one of he major reasons when strategic plans fail. Most companies fail to understand the real psyche of their customers and to what extend their product/s satisfy customer need. What are the core demand and which particular need is being satisfied by their product-in other words,

- Why do they buy
- Is there a real need for the product
- Inadequate or incorrect marketing research

Inability to Predict Environmental Reaction:

As you are aware environmental reaction always have a direct impact on product and its acceptance in the market. Environmental changes are some times slow, hence predictable. But some changes are very abrupt and quick. Changes may occur due to certain other major change, like laws and social changes. Companies often fail to predict these changes, either slow or long range/ companies fail to at least calculate their impact on their product and customers.

They fail to estimate:

- What will competitors do
- Fighting brands
- Price wars
- Will government intervene

Means that we ail to keep updated on developing situation about market and environment, actually this is an attitude of some people and hence of the organization they lead and that is that they do no keep a vigilant eye on competitors and markets. That is to makes them a poor observer. I have come across numerous cases of this nature that companies do not have enough information to estimate things properly and that is damaging to any plan

Over-Estimation of Resource Competence:

This is yet very serious mistake organizations fail in-that is over estimation of their resources and infrastructure in making strategy fail or at least achieve desired goals. The biggest mistake they make is assessment of their employee's competence and availability of new staff able to handle the strategy. These are the following questions they must thoroughly research in before implementation of a strategy Can the staff, equipment, and processes handle the new strategy? And do we have or can we have new staff to develop new employee and management skills. This is poor vision of management. They fail to see and make right judgment of things

If you noticed that poor management evolve all these causes and poor handling of affairs is the main reason, why things fail and do not yield results. The asking is not just a lovely plan or strategy. What matters is the implementation and monitoring. I have come across many CEO making a very bold statement about their staff, very optimistic approach. I have often advised them that while considering things, do not forget threat they are human beings and have their limitations, however. Do not overestimate their capability or their commitment. Make a realistic approach and be on the guard all the time, while your excellent plan is being implemented

Failure to Coordinate:

This is yet another failure on the part of management. New strategy always requires management adjustments and new format of reporting and structural systems. Often, the failure takes place in this sector. Reporting and control relationships are not adequate. Organizational structure is not flexible enough. Actually, coordination is one thing that we often ignore or we assume it to be there. It is

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wrong on our part. Coordination needs to be infused and installed just like a computer programme. It has to be there to work. It has to be in system to make things moving. Coordination, to me, is like software in computer. It has to be installed and saved and promoted over a period of time. Coordination must be seriously handled and managed

Failure to obtain Senior Management Commitment:

No strategy can be successful if the management commitment at senior or middle level is not obtained. Failure to get management involved right from the start or in. middle of implementation diffuses strategy. Failure to obtain sufficient company resources to accomplish task is therefore inevitable phenomenon.

Failure to obtain Employee Commitment:

- New strategy not well explained to employees
- Incentives given to workers to embrace the new strategy

We have said before, employees are to be made part of the plan. Their role-play and their efforts in making a plan successful must be articulated clearly

Under-Estimation of Time Requirements:

Critical Path Analysis is a prerequisite to success of a strategy. Time framing and planning is important to monitor results and take effective action to correct the situation- Management fails to do sufficient homework in this area

Failure to Follow the Plan:

Same as above, proper tracking is not done. No follow through after initial planning, No tracking of progress against plan, No consequences for above are the kinds of mistakes done.

Failure to Manage Change:

Inadequate understanding of the internal resistance to change and lack of vision on the relationships between processes, technology and organization is yet another cause of failure of strategies

Poor Communications:

Insufficient information sharing among stakeholders and Exclusion of stakeholders and delegates is often disastrous and causes failure

All these factors are controllable and all these factors can be efficiently handled, if the management takes a serious view on the execution. In fact the truth is that efficiency of management is judged by how well the plan is executed.

There is a major difference in planning and implementation. Planning is done on a piece of paper or as we call it drawing board. While execution is done in reality and in the field in implementation, lots of unknown factors appear. I will quote an example. During the execution of one of the infrastructural projects in Pakistan in 1964, snakes appear in abundance from under the ground upon excavation. These snakes were biting the labor sleeping in far flung areas of the project. Several deaths took place, which demoralized the labor to a great extent. He project got late and the contractor had difficult hardship procuring skilled labor special assistance was taken from experts around the world to meet the critical situation. The project and all its plans failed to meet target dates. The labor requirement was immense and the location of project deep in desert required in-house labor and labor could not be procured due to delay in establishing labor colony for labor.

SPECIFIC SKILLS FOR CRM

CRM is a way of management and approach. We have so far seen that those special skills are required by the management to seek results. Few skills are common for all management activities. But we have seen that some special skills are needed or usual skill are needed to be applied in a special way to make CRM successful and result-oriented

The commonly required Managerial Skills in general and Marketing Skills in particular, a set of specialized skills is also desirable for the purpose of CRM.

We will discuss these skills so that we can learn how these skills are applied in CRM. However, before we go on to analyze them, please note that today's challenges require high degree of these skills and we need to upgrade them periodically and continuously. No words are considered as last words

Skill to communicate:

CRM needs to be communicated and made to understand to all staff members. Hence, we require all kinds of communicative abilities first to be able to express ourselves and explain CRM measures and then to harness staff support and customer relationship, we need to make it understand to customers. About communication, a lot can be said and would be discussed at various places. But it is sufficient to say here that what is the use of doing anything for any one, unless that is not made to understand for whom it done. You may have seen or read a famous movie and novel. "For whom the bells toll".

Skill to listen:

CRM entails lots of suggestions and reports—hence learn to listen well. Listening is the other end of communication chain. We need t listen very carefully to the customer and his needs and real needs. Now we all listen. But when we say here learn to listen; we are saying listen to understand. For that we have to have patience to listen and understand while listening. Take a class of some 30 odd students. Some listen very carefully and understand the crux of lecture and some listen to forget all that they heard. We will cover this point also later. What we mean by the 'listen to understand' and we will see how we can improve this skill. Understand that it is extremely important skill for modern managers to learn to listen and understand. Remember. Something is not said. We have to understand what is said at times. Meaning is clear but we have to sharpen our skills to listen and understand of what is said and what is also not said.

Skill to tolerate:

CRM is sometimes sensitive—learn to be tolerant well this skill is more human than managerial. Tolerance is a virtue. We are sometimes faced with situation with a customer that you know that the customer is wrong or allegedly saying things. We must be tolerant to that. Again a lot can be said about it. But I would confine in saying that we have no battle to win with customers. It is not a war game that needs to be won and we must strive to win always. Sometimes, tolerance makes you win the argument. Show patience and tolerance and in the end of the day, we win the deal and we win more forcefully than we can win with arguments. I have always emphasized his to my executives that learn to be patient and tolerant. The deal will be on your side eventually.

Skill to foresee:

CRM is broad-based. It needs to be foreseen and anticipated. Here again ability to forecast and foresee is a special human trait that we need to sharpen and use very often in CRM. We must learn to understand situation more clearly and from that situation, draw logical conclusions and inferences. This demands logical approach and sufficient knowledge of things and references of past events. Usually 80 % things repeat the same way or at least likelihood is almost clear. This is how we foresee event and developments.

Skill to convince:

This is important because you have to convince staff members of its importance and ways to achieve it. This demands logical and pragmatic way to communicate. Convincing is to make other person think your way. This we cannot do by any other means except by making other person understand and convince to agree with your logic and arguments. You have heard advocates to plead your case before a learned judge to convince him to give judgment in your favor. The speech is clear, concise and precise and relevant. Same way, we in CRM use this technique to convince customers and your own staff member on CRM

Skill to advice:

CRM requires serious handling. Your communication style should be advisory and suggestive.

Advice is the most difficult thing to do. Why would other person take your advice? Why should customer listen to your advice in CRM and implement the course of action that you may desire, for good advice he needs to respect you and be mindful that your advice is worth implementing. For this you need to make clear that your relationship with customer is that of an expert and that he trusts you and your advice. There fore the asking is always maintaining a profile of a serious person and a person of some knowledge. I remember that during y days at dealing with a customer in my area, one customer was so arrogant that he would not listen o any other suppliers of things except me. The joke of my other friends from different companies used to ask me what I have done to make him so docile with you, while he shows Mr. Know-all attitude to rest of them. At that time I also used to think what? Now I understand that he used to respect my expression of opinion about things other than business. Be careful of your viewpoints when talking to customers. Inducement obviously comes from asking or infusing some catalyst we all take actions when we are induced to act upon a certain thing. This is different from convincing and advice in that it leads to action. We must have social skills t induce customer to take actions.

Skill to educate:

CRM needs to be educated and its importance etc and lots of questions answered to staff. This is a special skill to educate and enlighten other person with your knowledge. CRM preempts that and want education to be imparted to staff as much as customers.

Skill to convert

Convincing is important—so that staff members convert their thinking in total and in spirit. This is continuation of ability to convince. Convert the thinking in your way. The customer may not be right in some cases. He too is human after all and may not have knowledge enough about your field of product. You are supposed to have ample product knowledge and related products. Here let me give you a piece of advice. Do not ever denounce he competitor products. Yes you may highlight your own product more. But avoid comparison and denouncing others products. Do not forget that competitors also are making same and similar products and they too have technology behind their efforts. So why denounce. Show your superiority in CRM.

Skill to induce:

CRM needs to be infused into total behavior of staff members---it must be induced. This means to inculcate spirit of CRM, and always keeping customer relationship in mine.

Skill to minimize FUD (fiasco, uncertainty, doubt):

There should be no uncertainty and fears and doubts etc left in the minds of staff members convince them rather than order them. Any doubts and confusion must be made cleared and nothing will be taken for granted.

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Skill to create desire:

CRM should be framed in such a manner that there is a desire created in the minds of staff members to incorporate it. This is fundamental in effective CRM.

Skill to add satisfaction:

CRM advantages to the overall organization leading to customer satisfaction as a tool should be highlighted and trained. Satisfaction in services and customer care is essential in CRM- we must maintain close touch with customers.

Skill to provide positive experience:

Positive experiences of such policies and framework must be high lighted and fully explained to customers and staff periodically.

Skill to correct:

CRM is dynamic and constantly changing to correct situations and to adjust with the requirements.

Skill to speed up response:

Managerial skills in motivation are always considered very effective.—it is more prominent and result - oriented

Skill to innovate:

CRM is dynamic and adjusting to new challenges due to changes in the environmental changes hence innovate your own methods to match with his need of the hour.

Skill to build emotional response:

CRM is providing customer services—its package should have an emotional appeal as well. This means that customs satisfaction is well attained if and when it not only covers physical things but also emotional attachment with brand or product.

Skill to be accountable:

Indeed it is a managerial skill which is so necessary for every manager to have it—that is to be accountable to organization or employers as also to customers and community at large. Self accountability is also part of the deal.

Skill to help:

Indeed it is the help which we render to customers that can win over his goodwill and also relationship- help is usually rendered when due to some mistake on the part of customer, some lapses take place—that's where the customer need extra favor and help from suppliers.

Skill to be receptive:

Immediate attention and help must be given to customers—receptivity to some problems is half solution some times—we must learn to be receptive and sensitive to situations.

Skill to fulfill needs:

Customer services are fulfilling needs and demands of the customers there is ought to be a format to fulfill needs.

Skill to make the customers feel important:

Skill to make the customers feel important and like wise make him feel important and necessary.

Skill to keep up promises:

Making promises are easy-keeping promises is another doctrine and elevates organizations in the community.

Skill to anticipate difficulties:

Difficulties do not come with a warning and if they do come with a warning-then difficulties are not.

Special Skills Needed:

- Skill to Develop Expertise
- Skill to Co-ordinate
- Skill to be Honest
- Skill to Respect Sentiments
- Skill to Respect Values
- Skill to Deliver Quality
- Skill to Ensure Credibility
- Skill to Build Confidence
- Skill to Provide Compensation
- Skill to be Enthusiastic
- Skill to Operate under High-tech Environment

In addition to the above skills it is also essential that the personnel involved in CIM should have sound knowledge as regards the organization in terms of its Structure, Style, Strategy, Policy, Procedure, Programmed, Performance, Process function, etc..

The Marketing Mix in terms of Product, Promotion, Pricing, Place, Market conditions, Competitors etc., and the customers in terms of:

Who Buys? How they buy? Where they buy? How frequently they buy? When they buy? What they buy? What is their profile'? What is their profile'? What is their perception? What is their expectation? What are the frequently asked questions? Under the present context of competitive environment, the focus of the organizations is more on customer retention than simply on customer acquisition. Customer retention is the process of keeping customers in the customer inventory for an unending period by meeting the needs and exceeding the expectations of those customers. It is the approach of converting a casual customer into a committed loyal customer. This focuses attention on several issues connected with customer retention.

Why is Customer Retention Preferred?

Why at all should organization to opt for customer retention? The answer lies in the inherent benefits an organization can get by retaining customers. Some of the major benefits are presented below:

- It is on tenth the cost of acquiring customers
- It builds good Image in the market
- It assures volume of sales; hence planning much easier
- It becomes a good reference in the market
- It is lo easier to have a customer for a long periods of time and to understand customer more

Building Customer Relationship Management:

Customers come within the fold of an organization in the following ways:

Customer by Chance:

Those customers who just come your way in search of some product or particular interest, we call them customers by chance because they are visiting you or buying from you just incidentally. We must work upon then to build relationship. We must give them special rather than casual attention and service.

Customer by occasion:

These customers are by occasion in that they happen to be there at your point of sale. For example, a contactor who got infra-structural project in a certain area or a customer visiting hills station during summers or certain historical place. I once asked a retailer in an area where there was a shrine of a saint/ during the anniversary, the sale of his product in 10 days was almost equal to the sale in the rest of the year quantity wise.. I asked him what problems he could be facing during these ten days. He said, he has manpower shortage at his store. How does he solve this problem? Cause he would surely lack manpower. He smiled and said –"I make my females and males, all in the family, work during these days and I have trained them to work".

Customer by Choice:

Customer, who is really caught after and we make efforts to harness hat customer. Some customers have good reputation and image in the community. If these customers are in with you, you have a good reference to make to your other customers as well. We make special efforts to harness their business and built strong relationship with them to retain them for long period of time.

Customer by repetition:

These are those customers who keep coming to you and pick up their supplies. In fact, they keep coming to you even if they shift their own venue, again contactors who keep getting contracts in any part of the country.

Customer by Loyalty:

Indeed, these are your highest category of customers for they remain loyal to your product and association. That is why we call them loyal customers. They do not shift to any competitor and they admire you and your product and services. Special care must be given to them. These customers are also happy as they know they are your loyal customers. They work upon being so, for they too enjoy priority in purchase etc.

In the customer retention approach the organization makes every effort to convert a customer by chance into a customer by loyalty. A retained customer who turns out to be loyal will shift his focus of relationship with the organization, from a mere transactional relationship to a relationship tied up with emotion and commitment, which will benefit the organization a long way. Those customers by retention may prove to offer a benefit to the organization as:

- An Asset
- An Ambassador
- An Experience Shaper
- A Winning Edge
- A Knowledge Provider
- A Spokesperson
- A Driving Force
- A Caretaker
- A Resource Provider
- A Partner

Customer Retention would enable the organization to minimize expenses in terms of acquisition of new customers. Customer retention cost for an organization is expected to be far less than that of the acquisition cost.

Customer Retention enables a long—term relationship of mutual benefit, both to the organization and to the customer concerned. There appears to be close interaction between customer retention and customer loyalty.

Loyalty is usually measured in terms of longevity of the patronage of customers. Loyalty that arises out of retention is a preferred state, as compared to loyalty of reluctant customers. A reluctant customer may also appear to be a loyal customer, which is a type of spurious loyalty or artificial loyalty forced by various factors such as situational, limited brand choice, limited income, limited supply, and so on. Customers who are not retained may even opt for shared loyalty which is risky because the chances of brand switching are likely to take place more frequently. As such these loyalty statuses are not dependable, as these would be eroded quickly. More over, part of these customers would be engaging themselves in the attrition process at the same time being engaged in the loyalty process. On this line loyalty based on retention is a more welcome step. Customer retention would further enable customers to spend more and more on organizational offerings. Customer's share of business will increase,

Accordingly, cost of serving retained customers would be less compared to serving fresh customers every time. Retained customers would help to spread a positive image of the organization by word of mouth, which in turn helps to acquire new customers to the customer inventor.

CUSTOMER LOYALTY AND ITS TYPES

Loyalty is a very important term in the world. We all have loyalties to our families and country and religions and areas and sects. We use this term in business matters also loyalty in the marketing context may be defined as a Willful, Voluntary, and Repeated Choice of a Specific Brand of a Product or Type of Service. The true meanings of loyalty .still remain there and we develop loyalty towards various things of commercial transactions.

Before we go into some discussion of loyalty here, let me reiterate that loyalty is very good thing to have, in which ever form I is and where ever it applies. Loyalty, as a trait, is fast extinguishing from the world. Is worrisome to all of us?

Loyalty caters to fulfilling a particular category of need. In the case of one-time purchase, loyalty could be explained in terms of the extent of commitment to the brand selected; the positive attitude developed towards using the brand selected and the positive image the customer projects about the brand he owns. Repetitive buying of the product is a clear cut exhibition of likeness and approval of the product. And sticking to the same brand and avoiding shift over to other brands is absolutely a commitment to the fact that the customer has identified with a product and demonstrated loyalty to it. Loyalty of customers, for whatever the loyalty is with, is a creditable achievement of a business man and very satisfying. In fact it is the ultimate degree of success of the concept which the business men have achieved. Do not forget, as said earlier, loyalty is not a force or any thing, it is voluntary

Loyalty may be explained further. Suppose a buyer visits a shop in anticipation of selecting a brand or opting for a specific service, the buyer would prefer not to buy any substitute in case of nonavailability of the brand he has specifically opted for. He would prefer waiting for the brand of his preference. Loyalty in sense is a willful commitment to the brand in view of perceived satisfaction.

The action of loyalty is a positive, repeated behavior of preferring one brand of a product from among the several brands available.

Customer Loyalty may fall into Several Types that include:

- Loyalty towards Brands
- Loyalty towards Stores
- Loyalty towards Organization
- Loyalty towards Sales Persons and
- Loyalty towards any other Related Aspect in the Process of Purchase and Consumption.

Brand loyalty manifest product characteristics or features, which are some how unique or peculiar in one way or the other. It can be its taste, shape, size, longevity of product use; can be packing or some kind f thing, which is unique with that particular product. Do not forge that nearness of products type is now more than ever. With slight variation, products are quiet similar in features or in price and other shapes of offerings. Then why loyalty is there?

Manufacturers must identify that feature or that characteristic that has worked upon to create that loyalty and must always be careful and mindful of that thing always

Loyalty can occur in for stores. Here again, if we look at the stores, here is tremendous development in retail stores. From a common shop to a departmental stores and shopping mall have we gone in this field? If we look into this, loyalty to stores comes from the customer handling and treatment. I have noticed in my trip to Singapore that efforts are made to make customers loyal by giving them extra-ordinary personal treatment, no matter how big the store is. This personal handling and excellent behavior with customers in the shop is in competition in Singapore. The slogan there is "customer is a customer, regardless of the off take of purchase; teat them all best and equally". In Singapore, customer is a blessing of god they believe in a treatment is there a religious sin. Avoid religious sin of this type.

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Same is the case with loyalty to organizations. Mostly, loyalty to brand and organization is the same except that when it is loyalty to organizations; it is mostly in case of service companies. For example, hotels and restaurants of airlines, such a loyalty is built on assurance of quality of service or the kind of services that are offered. I know of an example of a international chain of hotels, where I would always stay. I will not travel if the hotel reservation is not available. Means I was loyal to that chain for a reason. They always provided me with on going hotels and their associate hotels which I badly needed to make my tip as short and as successful as possible. Hotel reservations is a big hassle in traveling, particularly for executives

Loyalty can also occur due to people. Here again loyalty can accrue to certain organizations due to excellent staff or friendly staff. Making it home like environment is a major factor contributing to building loyalty to a certain hotel in certain cities. We all know then when we travel on business, we are away from home and we miss homes. Giving a cordial environment in a hotel makes it very easy and comfortable for the executives on tour. I remember that one hotel in USA had a slogan" "we can not give you your wife and your kids—rest all we can to make you happy"

Process of Loyalty and CRM:

The ultimate goal for an organization is to have as many as maximum numbers of customers loyal to them. We have seen advantages of them all.

The process of attainment of brand loyalty starts with awareness of the fact that the brand is available. Creating such sense of brand awareness is one of the major responsibilities of the marketer. In the contest of brand proliferation, where there is a battle of brands. Unless the brand maintains very strong brand identity it would be very difficult to create a mark in the mind of the prospective buyers. Developing a strong brand identity is therefore an obvious need. Brand identity is a non-transferable means to establish the uniqueness of the brand in terms of various tangible and intangible attributes of the brand. The essence of brand identity is all about what a brand stands for and how it differs from the competitor brand. The brand identity plays a key role towards creating brand awareness. The identity so created must be repeatedly communicated so that, it would help in building awareness among target customers and make them familiar with the brand.

The matter of creating brand familiarity the brand name, symbols, design, marks etc. relating to the brand have a definite role to play. A good brand name must be simple, suggestive, memorable, unique, and meaningful, understand able and related to the product and should have retention, recognition and recall values.

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CUSTOMER LOYALTY

Customer Loyalty may fall into Several Types that include:

- Loyalty towards Brands
- Loyalty towards Stores
- Loyalty towards Organization
- Loyalty towards Sales Persons and
- Loyalty towards any other Related Aspect in the Process of Purchase and Consumption.

We have discussed them in our previous lesson in details and I am sure you are clear on this concept of Loyalty

This repetition is just to remind you of what we have studied before.

The process of attainment of brand loyalty starts with awareness of the fact that the brand is available. Creating such sense of brand awareness is one of the major responsibilities of the marketer. In the contest of brand proliferation, where there is a battle of brands. Unless the brand maintains very strong brand identity it would be very difficult to create a mark in the mind of the prospective buyers. Developing a strong brand identity is therefore an obvious need.

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A good brand name must be simple, suggestive, memorable, unique, and meaningful, understand able and related to the product and should have retention, recognition and recall values.

Brand Recognition is the End Result of Brand Familiarity:

In the process of brand loyalty how the brand is positioned is another important aspect.

Each brand assumes a brand personality and as already mentioned each customer would tend to match his self-image with the brand personality. How a brand is positioned will help towards framing specific image of the brand and different prospective customers would perceive that image differently. Having perceived the brand in their own way the prospective customer moves further in the selection process namely brand acceptance which means accepting the various tangible and intangible core as well as augmented benefits offered by the brand. The brand acceptance would lead to brand selection and based on satisfactory performance, the customer would keep on insisting the same brand of that firm that would finally make him a loyal customer.

In the above process, it is likely that at any stage in view of the dissatisfaction accumulated or may be due to the competitors' pressure, the customer may not join brand loyal group and may get out of the chain to join with brand rejection group.

In tune with the loyalty, the Customers may be classified under Three Heads:

- The Hardcore loyalists
- The Soft-core loyalists
- The same watchers

The hardcore loyalists are those who maintain undivided loyalty with regard to their brand choice. They would restrict their brand choice to one or selected few brands and normally would not switch brands.

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Loyalty Continuum:

Organizations must focus their attention on conversion of switchers into soft-core loyalists and softcore loyalists to hardcore loyal customers. How quickly an organization could attain this conversion depends on the number of loyal customers in the organization's customers inventory.

brand itself may be a reason for not selecting the same during their immediate next purchase.

Loyalty towards stores refers to the loyalty developed with reference to the point of purchase. The customers may develop abundant confidence in the quality and other aspects of whatever is sold in a given shop. They may be happy to restrict all their purchases from a particular store. The location of the store, interior atmosphere, quality of sales persons, variety of products avail able, the incentive schemes offered, terms of sales, sentiments attached, previous experiences, etc. matter in developing and maintaining loyalty towards the store concerned.

A customer who develops loyalty towards an organization might willfully offer to accept whatever product or service is offered by the organization. It has developed a definite confidence in the offerings of the organization. He would be a strong supporter for the organization's products and services. Such a loyalty is a result of the organizations image, the customer's long association with the organization, the performance of the organization, bad experience gained from the competitor organizations, and so on. In fact, organizations are very fortunate to have loyal customers as the role played by them is very valuable. Details on this aspect are dealt in this chapter under the head "Why do organizations need loyal customers?"

It is also possible that customers would build loyalty towards salesperson of a store or an organization. This is in view of the total satisfaction enjoyed by the customers from the salespersons concerned. The total satisfaction from salespersons is a result of the services, the confidence offered, pleasant manners, knowledge, helpful tendency, advice and guidance they offer, their sense of recognition, and similar other factors. In case of medical, financial, travel, personal care, educational services, etc. loyalty development towards sales persons are very common. The risk to the organization is that in the event of such salespersons, moving from one organization to the competitor's organization, the customers who have developed loyalty towards them are also likely to move along with the salespersons.

In addition to the above, loyalty may be built up based on other characteristics, which are perceived important by the customers concerned about their brand selection and consumption process.

Brand Switching Behavior:

Brand switching is the behavioral action of the customers with reference to their choice of brand. A number of factors are responsible in initiating the brand switching behavior. These include:

- Dissatisfaction with Present Brand—this can happen at any stage of consumption age.
- Change in Fashion—his often happens and usually in some products, it happens very fast
- Promises made by Competitors—competitors often come up with some peculiar offers
- Change in the Perceived Benefits—this shift can also happen with new offerings
- Personal Characteristics of the Customer concerned-some customers are in the habit of trying new products or new offerings. They are called 'hunters' as well.
- Pressure of Salespersons and so on-this can occur due to sale persons or mishandling on the • part of organization.
- Personal Reasons.—can be friends coming in with new product •

Every organization aiming to build customer loyalty must concentrate on the pattern of brand switching and safeguard them with suitable marketing strategies.

This is something that is most unwanted and undesirable for any marketing setup. Customers leave with or without a reason. For any marketing organization, this is the most painful thing to witness that their customers defect. Some have genuine reasons, while some due to over all bad performance on the part of organization. CRM has a strong recommendation to avoid this ugly scene. Let us discuss them one by one, and see how we can avoid if we can avoid defection.

It is essential to discover the reasons as to why customers become defectors. Following are some of the commonly found defection drivers: the asking is can we avoid or minimize this happening?

They moved over to the Different Product Category:

This is the most common reason. The customer may have moved away from their business. They may shift to some other type of product or some category different from yours. Hence they shift to another supplier of their requirement.

Dissatisfied with the Elements of Marketing Mix:

We should know the marketing mix that we offer to our customers. Some customers have specific demands of a certain thing more than others. For example, timely supplies of product, for some customer's timely supplies mean any time on every Saturday. For some customers, timely supplies may mean any time Saturdays and Mondays.

Perceived better value for money from the competitor's offerings:

This depends on offering made by the competitors from time to time. For example, an air conditioner is offered with power or energy conservation as a special offer. It can change the customer and defect him to another brand.

Developed misunderstanding with the value delivery system:

This again is the offer of competitors and other brands. More value delivery system may have been offered by them and that can attract customers to that brand.

The customers' specific need has not been fulfilled. Means he wants some thing extra-ordinary. That particular thing may not be fulfilled by your product. This can happen quiet often. Nothing may be wrong with your product, but it does not satisfy customer specific need.

Displeasure at the point of purchase:

We are all human and no matter how much we want to give the best of ourselves, some thing may have gone wrong at point of purchase. This can cause the customer to leave you. I remember, once our delivery van driver was rude to a customer over a glass of water. That was a major complaint by customer. I lost that customer. But then I paid special attention to drivers and trained them some norms and manners.

Dissatisfied with the performance of after sales services:

This is again as above.

Inherent feelings of individuals to try new products:

Some customers are in the habit of trying different things. Their psyche is not to be depended on one brand or supplier. They want to keep shifting to various suppliers and product brands.

Compulsion due to technological and environmental forces:

Sometimes, change is desirable for environmental laws and regulations, which are being imposed more rigidly now. So the shift place.

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Induced by changing life style and stages in the life cycle:

New demands and technology may require newer things. Computer technology is one example, where new things are making some of the old things redundant.

Demographically moved away from the market place:

Now this can happen any time and always. Contractors move from place to place to infrastructural projects. They keep shifting suppliers. Geographical nearness is more important to them.

Communication evoking poor or improper response:

Communicative faults may also make customer to shift to other suppliers. I remember one of my customers wanted quantity lifted every month report on 4th of every month for previous month. I had to supply him that without fail.

Personal reasons:

Personal reasons can supersede all other reasons. Some cousin of yours may be working some where or some influence from some authorities can force to shift over.

Whatever may be the cause leading to defection of customers it is essential to evolve appropriate strategies to prevent customers defection and to win those lapsed customers back to the organization.

Strategies to Prevent Defection and Recover Lapsed Customers:

Total Knowledge about Customer Behavior:

- The organization should have complete knowledge regarding the behavior patterns, migration patterns of the target customers.
- Interactive Communication System.
- It is essential to develop transparent and interactive communication system.
- Special Promotion Campaign.
- Whenever the signals of customer defection are noticed, it is essential to come out with the specially designed promotions to attract the attention of likely defectors.

Developing Barriers to Exit:

The Organization should carefully Evolve Barriers to Exit which Include:

Emotional Appeal:

This is to remind customer of the relationship of a long periods of time and explain him the advantages he is enjoying being so old a customer. May be customer did not take into account all these factors.

Conformation to specification Durability:

To meet the customer and advise him in a friendly way, the specification of your product and how well they conform to his requirements. Here again the customer may have ignored this vital point

Lifetime Utility:

It is always useful to inform customer that life time utility of using your product is there and in fact may be now quiet visible. Hence explain to customer in easy language

Social Relationship:

Of course long relationship builds social relationship. I know of a customer show used to say to me "known devil is better than unknown". Indeed. It was a joke but I showed the value of relationship in his eyes.

- Flexibility
- Added value

I would say here that added value can be offered at times and we have go to be flexible to do so when Loyalty comes under test.

Customers Specific Approach:

Some times the customer has specific approach to purchasing or buying your product. It may not be in consonance with general norms of the market. You have to meet it to assure your customer that you care for him.

- Customer Win—Back Programmes
- Concession Price Schemes
- Commitment
- Innovative Approach
- Reducing Risk
- Avoiding Threat
- Holistic care

Knowledge about Lifestyle and Life Cycle:

Lifestyle of the target customers has to be studied. The life style represents the activities, interests and opinions of the customers. Knowledge about the life cycle stage is equally important. Organization should match its offerings to the lifestyle and life cycle stages and this approach would prevent defection.

Establish Measurement System:

Organizations cannot manage their tasks well if they cannot measure the extent of customer satisfaction, defection rate, etc. Therefore, effective system of measurement has to be introduced for measurement of customer satisfaction and related aspects.

Attempt to Track Losses:

Many organizations do not pay adequate attention to the losses suffered because of lapsed customers. The cumulative impact of this would be unmanageable. Therefore appropriate attempt should be initiated to track losses on a regular basis.

Customers Specific Approach:

The approach to prevent defection must be customer category specific. In tune with the customer categories contribution towards revenue generation of the organization, and also with specific personality traits of the customers such as aggrieved customers, annoyed customers, and frustrated customers, etc. should he developed.

Customer Win—Back Programmes:

The organization must introduce reward-based customer win back programmes. Employees involved in customer win back programmes should be given suitable

Incentive and every win-back should be celebrated and documented.

Building customer care Team:

A customer care team specially focusing attention on defection driver should be formed. The team can devote attention to identify causes for defection and rectify the same.

Developing Bondage with Customers:

It is a vital to develop bondage with customers. Such bondage could be developed on several ways. For example: bondage through professionalism, which means the customer is liked to the organization in view of the professionally expertise service the organization offer. Bondage through zero option refers to the monopoly status of the product/service provider. The Customer has no

other option available. Therefore there has to necessarily link himself to the organization. Further, bondage could be developed through customization which means tailoring the product or service to the specific requirement of the customer concerned.

PUBLIC RELATIONS

Public Relations (PR) is the art of Managing Communication between an organization and its key Customers, Manage and Sustain a Positive Image. It is a tool by virtue of which we project our business to people and attract them in our business and try to take an edge over others.

Definition:

"Public Relations are a management function which tabulates public attitudes, defines the policies, procedures and interest of an organization followed by executing a program of action to earn public understanding and acceptance."

We all know that your business is your concept put into action. And we also know that we have a society and a community in which we are always doing business. We always have to watch public acceptance of your business, before we can start selling or promoting our product. For that, we exercise public relation as a tool. In building customer relationship, we use Public Relation as a tool to come to closer understanding and accord with public. Of course, as will see, we use different methods and techniques in doing that. All permissible methods within the norms of society and that of the country we are operating in public relations is the art and science of managing communication between an organization and its key public constituents to build, manage, and sustain its positive image. Positive is the key word in this context. It means that the feelings are good and friendly, customers would also come from people, so customers would have positive feelings to begin with. Then of course we open our batteries to build more intense relationship with customers.

Public Relations Involve:

Evaluation of Public Attitudes and Opinions:

We need to first understand the psyche of people at large through our research and marketing tools. What do people think of the nature of the product? I remember when burger was coming into our country; we spent lots of time to judge how people would react to burgers. We did have our own kind of indigenous burger but we are not sure, if the burger in this shape would be acceptable to general public. Our first study at that time was that people in Pakistan like locally made and indigenous bread and not an imported recipe of burger and at that price. Then anyway, burger was launched as a fast food. Now it is part of our daily food, specially it is very popular amongst youth and children. Burger now is a part of our diet.

Formulation and Implementation of an Organization's procedures and policy regarding communication with its publics:

The message sent to public was that burger is tasty fast food and different from the rest. The service at these outlets was a deviation from standard fast food places. Hence people got to it and now customer relationship with burger is friendly and healthy.

Coordination of Communications Programs:

The service package with customers was in consonance with what they communicated. Fastness in delivery, air conditioned waiting, nicely packed, quick and prompt ordering and delivery and meaningful sales people and prompt service and smiling faces are far healthier and firm.

Developing Rapport and Good-will through a two way Communication process:

We can build that rapport through services. At the end of the day, we all need product and value for our money. Ordering and delivery system plays a very significant part in this process of communication.

Fostering a Positive Relationship between an organization and its public constituents:

Specializations:

- Property Development
- Real Estate
- Retail Store
- Agricultural Supplies
- Food Service –restaurants etc
- Health Care
- Transport
- Recreational places
- Technology/IT
- Public Affairs
- On-line
- Financial/Investor Relations
- Employee/member communications
- Community
- Not-for-profit
- Crisis Communication

All these sectors display personal handling of customers as most important element in building relationship.

Public relations (**PR**) are the art of managing communication between an organization and its key publics to build, manage and sustain a positive image. However, the industry is also widely criticized for its willingness to lie and deceive the public for the good of the companies it represents.

PUBLIC RELATIONS

A number of specialties exist within the field of public relations, including:

- Crisis management
- Reputation management
- Issue management
- Investor relations and labor relations

Methods, Tools and Tactics:

Public relations and publicity are not synonyms. Publicity is the spreading of information to gain public awareness in a product, service, candidate, etc. It is just one technique of public relations as listed here.

Audience targeting:

A fundamental technique used in public relations is to identify the target audience, and to tailor every message to appeal to that audience. It can be a general, nationwide or worldwide audience, but it is more often a segment of a population. Marketers often refer to economy-driven "demographics," such as "white males 18-49," but in public relations an audience is more fluid, being whoever someone wants to reach. For example, recent political audiences include "soccer moms" and "NASCAR dads."

In addition to audiences, there are usually stakeholders, literally people who have a "stake" in a given issue. All audiences are stakeholders (or presumptive stakeholders), but not all stakeholders are audiences. For example, a charity commissions a PR agency to create an advertising campaign to raise money to find a cure for a disease. The charity and the people with the disease are stakeholders, but the audience is anyone who is likely to donate money.

Sometimes the interests of differing audiences and stakeholders common to a PR effort necessitate the creation of several distinct but still complementary messages. This is not always easy to do, and sometimes – especially in politics – a spokesperson or client says something to one audience that angers another audience or group of stakeholders.

Press Conferences:

Press Conference consists of someone speaking to the media at a predetermined time and place. Press conferences usually take place in a public or quasi-public place. Press conferences provide an opportunity for speakers to control information and who gets it; depending on the circumstances, speakers may hand-pick the journalists they invite to the conference instead of making themselves available to any journalist who wishes to attend.

It is also assumed that the speaker will answer journalists' questions at a press conference, although they are not obliged to. However, someone who holds several press conferences on a topic (especially a scandal) will be asked questions by the press, regardless of whether they indicate they will entertain them, and the more conferences the person holds, the more aggressive the questioning may become. Therefore, it is in a speaker's interest to answer journalists' questions at a press conference to avoid appearing as if they have something to hide.

But questions from reporters – especially hostile reporters – detract from the control a speaker has over the information they give out. For even more control, but less interactivity, a person may choose to issue a press release.

Press Releases:

Press Release Format:

The typical press release announces that the statement is "FOR IMMEDIATE RELEASE" across the top (some may instead be embargoed until a certain date), and lists the issuing organization's media contacts directly below. The media contacts are the people that the release's issuer wants to make available to the media; for example, a press release about new scientific study will typically list the

study's lead scientist as its media contact. The bottom of each release is usually marked with **###** or **- 30-** to signify the end of the text.

Five "W"s and an "H" There are 6 vital facts to convey in the first paragraph of a release to ensure that it doesn't end up in the bin.

- Who
- What
- When
- Where
- Why
- How

Lobby groups:

Lobby groups are established to influence government policy, corporate policy, or public opinion. These groups purport to represent a particular interest. When a lobby group hides its true purpose and support base it is known as a front group.

Astroturf:

Creating an artificial "grassroots" movement is known as Astroturf. A typical example would be the writing of letters to multiple newspaper editors under different names to express an opinion on an issue, creating the impression of widespread public feeling but being controlled by one central entity.

Spin:

In public relations, spin is a, sometimes pejorative, term signifying a heavily biased portrayal in one's own favor of an event or situation. While traditional public relations may also rely on creative presentation of the facts, "spin" often, though not always, implies disingenuous, deceptive and/or highly manipulative tactics. Politicians are often accused of spin by commentators and political opponents, when they produce a counter argument or position.

The term is borrowed from ball sports such as cricket, where a spin bowler may impart spin on the ball during a delivery so that it will curve through the air or bounce in an advantageous manner.

The techniques of "spin" include:

- Selectively presenting facts and quotes that support one's position
- Phrasing in a way that assumes unproven truths
- Euphemisms to disguise or promote one's agenda

Another spin technique involves careful choice of timing in the release of certain news so it can take advantage of prominent events in the news.

The process of public relations:

Scott Cut-lip, Allen Center and Glen Broom describe the public relations process in four steps (1994). The first step is "Defining Public Relations Problems," usually in terms of a "situational analysis," or what public relations professionals call a SWOT analysis (strengths, weaknesses, opportunities, threats). According to Cut-lip, Center and Broom, this should answer the question, "What's happening now?" The next step in the public relations process is "Planning and Programming," where the main focus is "strategy," Cut-lip, Center and Broom argue that this step should answer the question "What should we do and say, and why?" The third step in the public relations process is "Taking action and Communicating," also known as "Implementation;" this step should answer the question "How and when do we do and say it?" The final step in Cut-lip, Center and Broom's Four-Step Public Relations Process is "Evaluating The Program," making a final "assessment," which should answer the question "How did we do," this is where public relations professionals make a final analysis of the success of their campaign or communication.

CRM ONE- TO-ONE MARKETING TO THE NEXT LEVEL

Achieving the goal of generating profitable revenue has become increasingly difficult — challenging even for the most seasoned marketing and sales executives. Unfortunately, there have been very few advances that improve the marketing and selling process until recently.

The current economic situation makes it's more critical than ever to improve the efficiency of a company's marketing and sales operations and introducing new dimensions such as CRM. Fortunately, new methods and technologies are helping marketers and salespeople deliver marketing messages that focus on the needs of each potential customer, present a clear and consistent message on how a company's products meet the prospects' needs to the existing customers, and then help close orders. For example, more washing of clothes of the family and brighter washing with lesser hassle. Let us say 'dip and wash' message. This is a clear message to a housewife that clothes can be washed in larger number and that too brighter wash. Now this seems a major problem of a housewife, hence addressed straightaway in advertisement. Same is the case of toilet soup. The message is clear and loud

Improved precision in targeting marketing activities allows each message to deliver greater impact, which helps prospects quickly see why they should buy your product. The result is greater efficiency in attracting the right prospects and retaining existing customers reduced time and effort in closing sales. While the products you sell have specific features and functions, there can be many reasons why customers buy those products from you. Customers could consider straightforward technical requirements to more intangible attributes such as availability, reliability, dependability, and maintainability. In addition, the importance of competitive pricing can range in importance from low to very high. This means improving marketing and sales present's management with some very complex challenges:

- Reaching the target market and existing customers with messages that are more appropriate.
- Reducing the time and resources required to generate leads, qualify prospects, and close sales.
- Improving your marketing team's understanding of information needs of each target market.
- Improving your sales team's understanding each individual needs and decision criteria

In other words, it's important to refine and manage each prospect's entire information gathering, product evaluation, and purchase decision experience. Since this buying process frequently requires many interactions with multiple departments over a lengthy period of time, you have an opportunity to develop a relationship between you and your customer.

This two-part lecture is designed to help you improve the process of managing customer relationships by integrating online marketing, offline marketing, and direct sales activities to form a unified, one-to-one approach to managing customer relationships.

One-to-One Marketing Strategy:

Marketing is about markets — communicating with, selling, and servicing them. One-to-one marketing is about individuals. Communicating with, selling, and servicing individuals by providing a unique and valuable personal experience. One-to-one marketing is a philosophy of understanding a customer's needs through asking questions and really listening to the answers, as well as through observing their actions.

We have moved from mass marketing to direct marketing, and now to one-to-one marketing. And, marketers are changing their practice of company-centric database marketing to customer-centric one-to-one marketing.

With direct marketing, marketers target customers so they can communicate more at less cost. With a one-to-one strategy, marketers focus on what the customer wants to buy rather than what the

company wants to sell. This meets the customer's needs and helps the customer become comfortable doing business with you.

There are many ways to apply the principles of one-to-one marketing to improve communications effectiveness. In a book on one-to-one marketing, One-to-One Web Marketing, 2nd edition (1998, John Wiley & Sons), they covered seven technologies used to implement a one-to-one strategy. These technologies include targeted advertising and promotions, Web and e-mail personalization, customer care, and other methods of interacting with — and learning about — prospects and customers.

APPLYING CUSTOMER RELATIONSHIP MANAGEMENT

As we have seen up till now the need to improve the way companies manage customer relationships has led to the term customer relationship management (CRM). CRM has become a tool like to thing to find a way closer to customer and understanding customer and making customer understand your position.

Today, the field of customer relationship management has encompassed those technologies to help marketing and sales executives manage the process of implementing a one-to-one marketing strategy, as seen in our previous lecture.

One of the first questions people ask about CRM is whether it is a process or a product. The answer is that CRM is both — just like other aspects of business. For example, is financial accounting a process or a product? The technique of accounting is definitely a well-defined process, and many companies use an accounting software product to make the process more efficient and ensure that the process is followed and results tracked and monitored.

The same approach is needed for a company's marketing and sales operations. It's time to unify marketing and sales functions by using tools and techniques that brings marketing and sales together as a team while maximizing the performance of both groups. This approach to managing the customer relationship involves tracking the full range of interactions with prospects and customers:

- Every marketing interaction
- Every sales interaction
- Every customer service and support interaction

Only by tracking the interactions that lead to sales can the customer relationship be truly managed, maintained, and nurtured. So, how do these elements of an effective customer relationship fit into a definition of CRM? In other words, just what is CRM? We will study in some details in our next lecture as to what are the concepts of CRM

CRM CONCEPTS

Customer relationship management is the technique of providing information to prospects and customers, and collecting information about prospects and customers, that allows us to help them evaluate and purchase products that deliver the best possible value to them. Or, as author/consultant Patricia Seybold has said, the purpose of applying techniques such as CRM, one-to-one marketing, and relationship marketing is to make it easier for the customer to do business with you. Marketing and sales people have many opportunities to influence customer purchase decisions. Until recently it was normal for these functions to be performed separately — by different departments within a company — without acting as a unified team. So we must understand that coordinated efforts are now being made to unify approach

Customer Relationship Management has become a popular name for a variety of software tools and techniques aimed at attracting and retaining customers. In general, CRM uses a centralized database to bring marketing and sales activities together in a unified approach to serving customers. CM serves as a bridge between the two as well as a bridge in selling through on line sales and direct inter-personal selling

CRM vendors like to think of CRM as a category of products that can be compared and evaluated against each other. However, CRM shouldn't be thought of as just a technology or product. Instead, marketers need to think of CRM as managing the company's resources to create the best possible experience and value for customers — plus the software tools needed to implement that philosophy.

While the name CRM is new, the idea has been around a long time. Salespeople responsible for selling big-ticket items have always managed customer relationships by monitoring their customers' needs, product orders, shipments, and customer service requests. Many times they do this by making frantic telephone calls to headquarters demanding information that's stored in stand-alone computer systems.

By applying CRM principles, data that's now stored throughout the company is brought together in a unified database. This approach also brings employees together as a team to better serve customers.

CRM combines many of the traditional marketing techniques that have been used effectively by them, such as:

- Direct Marketing
- Telemarketing
- Web Personalization
- E-mail Marketing
- E-commerce
- Sales force Automation

These are the methods and tools of personal marketing. By that of course we mean by manual or human action. Each of the above listed method of marketing involves human beings and we interact directly with customer using modern technology is helping us reach the customer

Some CRM software providers want to provide a complete, enterprise-wide real-time system that replaces many of the tools and processes that are already in place. Other vendors want to provide just a piece of the CRM puzzle in what they call a "best of breed" approach where multiple products work independently but can exchange data with each other.

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While it's usually best to keep the number of technology vendors to a minimum, other factors may be more important when implementing CRM. It's likely that a combination of technologies is needed in the beginning to keep the company functioning smoothly as it grows its CRM initiative for the future. For example, it may be best to start by using a sales force automation system that is part of an integrated marketing and sales system. Then, upgrade your Web site and e-mail marketing to use the CRM system's personalization and other techniques to gather profile data for use in one-to-one marketing.

A key to CRM success understands a company's needs and requirements, not just for the present but the foreseeable future. This requires that a multi-departmental planning committee examine all customer interactions, sometimes called "touch points," to fully understand how customers view the company. The analysis should cover how to track customer interactions from ad response through product delivery and follow-on service.

Customer history information can then be used to map the process of how potential customers gather information about a product and make purchase decisions. In addition, this analysis should include learning what customers want in a purchase experience and in the value delivered after the sale. Understanding what customers want from your company — and how to provide it — is the foundation of the one-to-one marketing that is needed to implement a successful CRM system.

CRM is typically composed of two functions:

Marketing automation:

Raising awareness and generating leads with online and offline marketing

Sales automation:

Responding to leads and communicating product features, benefits, and values, as well as closing sales.

These functions are traditionally performed by separate departments working independently within a company. However, the application of one-to-one marketing and selling requires close cooperation and teamwork — and an effective CRM system can help achieve that goal.

The Challenge of B-to-B Marketing and Selling:

For years marketers relied on traditional mass marketing methods to spread a general message across a broad spectrum of potential prospects. Times have changed. The expression "business as usual" has become a phrase that practically no one uses any more. Today's expressions are:

360-degree view of the customer:

360 degree customer means that we know customer from all angles. We normally know customer vital statistics like we know details of office numbers and personnel etc. but CM demands that we also know what is the process of production and how a certain thing is being done. Take an example of sugar mill. Sugar mill once it starts it cannot be stopped till crushing is over and final. Hence your material must be supplied uninterrupted all the time during 5 months of crushing season. Now this information about the sugar plant is called 360 views. That means that u should not let your supplies be hindered, during that period of time. I was quite bewildered at this knowledge for the first time. I was even nervous to commit to a sugar mill customer.

One-to-one relationship marketing to understand the customer:

This point we have discussed previously

24/7 readiness to serve the customer:

This actually means that we should be fully prepared to service customers at all times of day or night, if need be.

In other words, we now live in a customer-driven, value-focused environment where marketers and salespeople work as an integrated team to understand each prospect and customer.

Traditional Marketing:

For many years the process of business-to-business marketing has used several reliable, but expensive, techniques, such as:

- Public Relations
- Advertising
- Direct Mail
- Trade Shows

We call them expensive because one that they are time consuming and secondly require lots of efforts to do these.

These marketing activities are designed to generate responses from people who are interested in learning more about the company's products. In other words, they are designed to generate leads.

Lots of unqualified leads:

Each of these marketing techniques performs well under the right circumstances; however there are problems with traditional b-to-b marketing:

- It takes too much time for an inquiry to be processed.
- It is too expensive to generate the inquiries.

However, by combining a comprehensive database marketing system with the precision of Web and e-mail marketing, it's now possible to integrate traditional marketing campaigns with online marketing to produce more leads that are more highly qualified.

Traditional Selling:

Traditional business-to-business selling has been about as efficient as traditional B-to-B marketing. The marketing department has either provided inquiries, or leads are generated by the salesperson through various prospecting techniques.

Salespeople then make telephone calls, leave voicemail messages, and send sales letters to these people trying to make contact. Once the salesperson does make contact, it takes several telephone calls or inperson visits for the contact to decide to make a purchase or, for larger purchases, include the seller on a short list to be evaluated. It's a slow, laborious, time-consuming process.

The limitations of traditional sales practices are:

- Wasted time trying to contact people who have not indicated a sincere interest in evaluating the company's products.
- Inefficient process to understand the prospect's real needs and evaluation criteria.

The bottom line problem is that too little is known about leads that have indicated an interest. And, too much time is required to convey information in order to turn inquiries into prospects.

The solution is to automate the process of providing the information needed by potential customers to make that initial decision to visit with a salesperson. That's where integrating Internet-based marketing into traditional marketing and sales activities delivers significant value.

CRM FUNCTIONS

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PERSONALIZING WEB SITE

Today, a significant part of the product evaluation and purchase experience occurs when a prospect visits a potential vendor's Web site.

Prospects may go to a Web site while searching for products to meet a need, or they may be drawn to the lead capture portion of a Web site by advertising or direct mail programs. As you are aware, lots of interesting people today rely upon internet and visiting websites. In fact, people do surfing as a regular thing to learn new envelopments. Normally they may not be aware of things, which may have come in the market. Surfing and finding things on web site is an art today. No very many people can do surfing as efficiently as others can do. So the asking is to make your website as easily accessible as possible. I know of some one working in my office that can do surfing so well that she finds lot of internet sites. I once, appreciating her, asked how can she do that or where has she learnt that from. She quietly answered me, "sir patience is all that is required". She really meant that.

No matter how they find a Web site, it's important that they find information appropriate for them.

Using Web Personalization to Tell the Right Story:

The idea of personalizing Web content is becoming well accepted because most of us already personalize the telephone and e-mail communications with friends and associates every day. Until recently, using personalization in a Web site had proven to be more of a challenge than many marketers had imagined.

However, advances in personalization software have almost eliminated the large, programming projects of early personalization and made the technology a simple point-and-click approach.

Now that the software is easy to use, it's time to deal with the next challenge — deciding how to use personalization.

Early in the planning process it's important to establish clear goals to guide what is personalized.

For instance, if the goal of personalization is to increase loyalty, then adding features to increase return visits would be desirable. On the other hand, if a company's customers usually make large purchases that involve a significant amount of research and evaluation then the use of personalization should focus on improving the prospect's decision making process.

Using Personalized E-Mail Marketing to Increase Frequency:

No matter how you generate interest in your product, and no matter how good your Web site is at telling your product's story, it's a fact of marketing life that the average person spends only a few minutes reading a Web site. And, unless they are pulled back to the site effectively and repeatedly, you have lost a sale before you even get a chance to talk to them.

If every visitor to your Web site picked up the phone and called your sales team, you'd have more revenue than you could handle. What actually happens, of course, is that customers who finally make a purchase have probably seen your printed marketing materials and visited your Web site several times over a period of weeks or months. Only a few prospects are dedicated enough to make the effort to return to a Web site on their own. So, it becomes important for the marketing team to pull visitors back to your Web site over and over again until they are ready to talk to take the next step — talking to a salesperson. E-mail marketing is proving its power to support both online and offline sales and marketing campaigns. Forrester Research recently interviewed companies about their results in using e-mail marketing techniques. They found that e-mail marketing is both effective and efficient. Their study reported that sending e-mail to in-house lists cost about \$5 per thousand messages sent, which is much lower than advertising and other marketing communications activities. They also found that click through response rates average 10 percent, which is also higher than most other marketing activities. Most marketing and sales executives know it's important to contact prospects and customers frequently to create "top of mind" awareness. What's not always clear is exactly why this is true and how to accomplish it.

Today, e-mail marketing can deliver a company's marketing message more quickly and less expensively than many other methods. In addition, a combination of e-mail and Web behavior tracking can accurately pinpoint when prospects are ready to hear from a salesperson.

It's clear that until a prospect is ready to talk with a salesperson, these automated marketing activities can target appropriate marketing messages more efficiently than sales resources can.

AN INSIGHT INTO CRM AND E-CRM

Managing relationships with customers and making them delighted has become a necessity in the wake of globalization, where customer delight is the only key to success and to the very existence of the company. Scary as the situation may seem, it is a ground reality that many companies in the world over have realized that customers need to be given more care seriously than ever before.

The perception of a company is based on the customer's varied experiences with people within the organization.

it's a proven fact that is costs ten times more to acquire a new customer than to retain an old one or existing. Furthermore, the choices open to the customers today are so much. Here information is the key to success. The only entity seen by the company is its customer. This requires a better understanding of the customers and what they expect form the organization. It needs to be understood that not all customer contribute equally to profits.

Evolving to e-CRM:

How do we optimize interactive relationships with customers?

The e-CRM, i.e. .CRM online implies and additional means of communication and level of interaction with the customer where there is a real difference in the technology and its architecture, which allows for ease of self-service to the customer. It overcomes time restraints and efforts to reach the customer in a traditional manner. Moreover, it also facilitates the interaction with customer more conveniently. It gives time o customer also to think and plan of explaining his needs. In inter=personal contact, sometimes the customer is unable to explain his real need and real requirements, may be he knows them but he cannot explain in straight words.

How does a company go about building an e-CRM solution? It must:

- Define its business objectives.
- Assess its current "sophistication" along the e-CRM continuum in terms of process and technology.
- Define business processes and changes needed to support its goal.

This is the logical way to explain things. Means first we assess the objectives. Let us say, a contractor has time contract. He has time as most important element. He wants schedules of supplies already worked out, which can vary during the tenure of his consumption. So he clearly spells out the time constraint for supplies and the quantity required a different stages. I remember in one major project in my area, I worked with customer some 2 weeks on this scheduling and logistics and then commenced supplies and that too he wanted bulk cement supplies instead of bags. So silos had to be arranged and the whole process of measurement of supplies had to be worked out with the customer, including baulkers. The changes had to be made to make the supplies smooth and easy for both the customer as well as for us, the suppliers.

To develop an effective solution, an organization may need to consider a host of professional service offerings and products to improve internal development.

Specific Service Areas of Assistance might include:

- Business and Marketing Process Consulting
- Technical Consulting for database-design optimization including the extraction, transformation, cleansing, and loading of data into aware hose.
- E-CRM application and implementation, integration and project management
- Hosted services through Application Service Providing
- E-Marketing strategy consulting

CRM and e-CRM: The Differences:

Being able to take care of your customer via Internet or customers being able to take care of themselves online, that's the difference between CRM and e-CRM. It implies a myriad of issues, questions, approaches, technologies, and architecture that are different from client/server-based & CRM. If you look at the philosophical, methodological, systematic process functional differences between CRM and e-CRM they are minimal. But the engineering and architecture for their execution is very different because the communication media is different._Companies agree that e-CRM is critical to their business, but unfortunately very few understand exactly what it is or how to evolve form their existing database marketing practices to an e-CRM solution.

Why the move to online CRM?

Can't we just do things the old way?

As the world population becomes increasingly comfortable using the internet securely, it is increasingly likely that most of the standard business transaction, which are done on the phone or even in person, will be done via the internet.

This is reflected in an AOL Cyber study conducted in early in 2000 about online purchasing habits. It showed an increase form 3 per cent of the internet community purchasing something online in 1998 to 42 per cent of the same group purchasing semi-regularly online in 1999. The increases were due to more women getting involved. In 1998, 24 per cent of the purchasers were women; in 1999 that same gender hit 37 per cent of the total.

WHAT IS E-CRM

In simple terms, e-CRM provides to companies a means to conduct interactive, personalized and relevant communication with customers across both electronic and traditional channels. It utilizes a complete view of the customer to make decisions about massaging. Offers, and channel delivery. It synchronizes communication across jointed customer-facing systems.

It adheres to permission-based practices, respecting each individual's preferences regarding how and whether they wish to communicate with you. While the definition above is simple, achieving effective e-CRM is itself stupendous task for fortune 500 companies, evolving to e-CRM requires Process and organizational changes a suite of integrated application.

Web Experience:

Basically, we are talking of interaction between two different individuals or groups or parties. This is matter of communication and interaction generated thereof. In Interpersonal we are physically face to face with each other. Then we have letters, faxes and emails and telephones and SMS and hen we have web sites to interact now each one has some handicaps and some advantages. Our job is to over come or minimize these handicaps and get going with communication.

It is a complex set of relationships between the Web suffer and the person(s) at the other end of the internet line. The relationship between the parties and the interaction between them are very different form other forms of interaction. For example, how often have you decided to e-mail a friend rather than call him? The thought behind it is that, it is easier to send on e-mail than to given him a call upon him. Is that the reason? Let's take a quick peek. You're e-mailing him a four paragraph note on something that happened to you at work.. You'd, of course, like his comments on it. You then feel compelled to reply to his comments. A phone call, would probably additionally, there are no distractions in the discussion.

This is a reflection on what is both good and peculiar about the web experience. Why peculiar? It is a social interaction done in isolation that creates as many problems as it solves. There is never actually a substitute for human interaction, but there is also no way an individual human can cover all bases all the time with a customer.

e-CRM is the customer -facing Internet portion of CRM. It includes capabilities like self-service knowledge bases, automated e-mail response, personalization of Web content, online product bundling and pricing and so on.

Web browser:

This model preserves the fundamental value of the internet as a communication medium, and pervades a common platform for independent access to data anytime and anywhere.

Modules in CRM:

The CRM applications are a convergence of functional components, advanced technologies, and channels. Functional components include sales applications marketing automation, and customer service and support application.

Sales Applications:

- Calendar and Scheduling
- Contact and Account Management
- Compensation
- Opportunity and Pipeline Management
- Sales Forecasting

- Proposal Generation and Management
- Pricing
- Territory Assignment and Management
- Expense Reporting

Marketing Applications:

- Web-based/traditional marketing campaign planning, execution and analysis
- Collateral generation and marketing materials management
- List generation and management
- Budgeting and forecasting
- A marketing encyclopedia (a repository of product, pricing and competitive information)
- Lead tracking, distribution and management
- Marketing Application primarily aim.

Customer service and Support Applications:

These applications have gained a major importance for effective customer retention and in many cases profitability depends on providing superior service.

Common application includes:

- Customer care.
- Incident, defect, and order tracing
- Field service
- Problem and solution database
- Repair scheduling and dispatching
- Service agreements and contracts
- Service request management

So you can imagine the extent of service we can provide through CRM. All these services will go a long way in strengthening relationship with customers.

CRM APPLICATIONS AND OBJECTIVES

D OBJECTIVES

The following are some of the strategic objective's applicable to CRM sales application.

CRM suits and objectives:

The CRM may be implementing with a different application options. Each CRM suit may have its own strategic objectives and there fore handled separately..

Increased Revenue:

Make your sales force focus on increasing your company's revenues through better Information and better incentives to drive top line growth.

Improve Global Forecast and Pipeline Management Improve information access, forecasting and pipeline management improve your organization's ability to close deals, field sales. Online provides up-to-the minute pipeline and forecasting information to an account manager, sales manager, or territory manager. For an account manager, sales executives, 01 sales group, a pipeline analysis is available in real time by sales channel, sales status, and sales stage. Field Sales Online's multi-currency consolidation of divisional forecasts provides sales executives with a higher, global visibility of their company revenue forecast. Sales executive can review and monitor the health of their sales pipeline through graphical views. Sales executive can easily manage and view any combination of won, forecast, upside or lost pipeline opportunities by depicting their sales information through this fully interactive interface. Sales executive can also define a forecasting window on a "rolling" schedule for any number of pre-defined periods. This gives your sales organization the flexibility to project forecasts for multiple periods, freeze-forecasting periods, and retain historical information for trend and win/loss analysis. Sales executive can also generate sales forecasts in units as well as currency. Unit forecasts integrated with Materials Resource Planning, allow MRP planners to include the sales pipeline in their manufacturing forecasts

Improve Win Probability:

Global organizations have atop-line view of their entire sales pipeline across business units and products. With this view, sales organizations can better qualify leads and assign their top sales executives to the top accounts that have the highest win probability. Sales executives also have access to competitive information collected from deals lost through pipeline management features, thus increasing the chances for a successful sale. Through mobile functionality sales executives have the ability to download complete territory information to their laptops for better account management while on the road. Account, contact, activity, and opportunity information can be accessed and updated throughout the sales cycle, completely disconnected from the corporate network. Next time when the sales executives connect to the network, the information is uploaded and is available throughout the organization.

Reduce Cost of Sales:

New technologies can lower the cost of deploying sales automation solutions and at the same time improve the effectiveness of your sales efforts. Field Sales Online reduces implementation time and also promotes sustained use of the application by the sales force, reducing the cost of deploying sales automation solutions within your organization. Field Sales Online's Web architecture enables global deployment and upgrade to remote users as well as easy customization. Dynamic menus and tabs facilitate navigation and eliminate the need for user training. Users can access summary information for their customers, opportunities, and compensation by a single click of the mouse, export the information to their preferred spreadsheet or drill-down to the lowest level of detail. This reduces costs and extends the mobility of sales one step further, with the introduction of application support for mobile hand-held devices.

Increase Sales Executives Productivity Field Sales Online provides sale managers with an efficient tool to monitor sales force performance. Opportunities and pipeline are hacked at each stage of the sales

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funnel by channels, sales groups, sales executives, or partner sales executives. In addition, sales managers and executives can identify their top and bottom performers. Managers can then analyze background, training, and tools used by their top performers to replicate successful profiles within the sales organization to maximize its efficiency and performance.

Promote Sales Executives Retention:

Empower your sales force to pro-actively track and monitor their performance and compensation levels and provide them the incentives to achieve goals and be successful within their positions and for your company.

Sales applications enable sales executives to view their compensation summary, the breakdown of their commission by deal, product line, and period, adjustments and transactions. In addition, sales executives can "blind-rank" themselves anytime to measure their performance against a group of peers. Sales executives can forecast their future compensation and commissions based on their current pipeline, and focus their selling time on the most valuable opportunities. Effective tracking and reporting options provide verification to the sales force that they are receiving appropriate compensation, so they can track their own performance.

Sales compensation offers flexible reporting access, letting you define the information, users can access. For example, you can allow users to create reports for only their commission and performance data, or sales managers to create reports related to the sales people who are assigned to them within the salesperson hierarchy.

In summary, these are the things that are ideal for any organization to achieve and cultivate for a strong a healthier relationship
INTRODUCTION AND OBJECTIVES OF A CRM PROCESS

CRM process is defined as any group of action that is instrumental in achievement of the output of an operation system, in accordance with a specified measure of effectiveness the final objective of the CRM process is to originate a powerful new tool for customer retention ship.

Benefits of a CRM Process:

- Ability to Retain Loyal and Profitable Customers and channels for rapid growth of the business project.
- Acquiring the Right Customers, based on known characteristics, which drives growth and increased profit margins
- Increasing Individual Customer Margins, while offering the right products at the right time.

Closed-Loop CRM Process:

Gathering information:

Initially, gather information about customers, Customer data comes or sources both internal and external to organization.

Perform data aggregation:

it is here that the data is merged and compressed into a complete view of the customer. A large customer data repository is produced.

Create "exploration warehouses": there are extracts of the customer data needed to supports specific analyses, such as customer profitability and predictive modeling. Execution of Strategies: Execute these strategies by developing and launching marketing campaigns across targeted segments of customers. Campaign execution inevitably results in an interaction with customers.

Finally, once a customer interaction takes place and the customer responds, capture that response and recycle" it to use in the on-going learning analysis, and refinement process.

Why you need to create this process?

CRM process is the systematic determination of the methods by which a project is to be implemented, economically and competitively.

To do this effectively, WE MUST:

- Creatively translate business innovation, structural transformation, and value measures into CRM investment priorities
- Continually refine interaction approach based on the following five major areas:
- Customer
- Competition
- Market
- Growth
- Technology innovation

Process Selection Procedure:

This determines how the service will be produced. It involves:

- Major technological changes
- Minor technological changes
- Specific component choice
- Process flow choice

Major Technological Changes:

This includes the following:

- Does technology exist or not?
- Are there competing technologies between which we should choose?
- Should the technology be developed in the country itself?
- Should innovations licensed from foreign countries?

Minor Technological Changes:

Once the major technological choice is made, there maybe a number of minor technological process alternatives available the director should be involved in evaluation alternatives for cost and for consistency of the desired product. Deciding on the best combination of processes in terms of costs and the operation process could be a difficult job.

Specific Component Choice:

This needs answer for:

- What type of Hardware is to be used?
- How effectively should we use the technology?

Process flow Choice:

The final process selection step determines how the CRM product will move through the system How should the process flow be with the existing organization system?

Four C's (elements) of CRM Process:

The appropriate approach for the CRM process involves:

Correlate: A series of transaction and interaction that make up a dialogue between customer channel / end user and an organization. This is the data that is collected form all contact points and communications, with outside points of contact.

Combine: The mapping and management of interaction points between a customer/channel/end user and an organization.

Cognize: The insight gained through capture and analysis of detailed information is to create continuous learning (about customer, products, channels market, and competitor) form the data warehouse and knowledge base that is created, interrogated and analyses.

Connect the application of insight to create relevant interaction or communication with consumers, customer's channels suppliers and partners that build value relationships.



These four activities will help you to achieve the extended CRM process. The basic structure-of the

CRM organization should align around the key communication process. In order to recognize there right customer, relate the right offer and schedule the interaction or communication of the offer at the right time, with the connection across the right channel. People will have to share a process and activate their skills to complete the activities and tasks required for success.

CUSTOMER RELATIONSHIP MANAGEMENT

CRM - principles, strategy, solutions, applications, systems, software, and ideas for effective customer relationship management. Customer Relationship Management, or CRM, is an essential part of modern business management. as you have up to now understood that it is used as a tool in this completive world to take an edge over others. And it has proved very effective and forceful

Let us again take a look at Customer Relationship Management, or CRM?

Customer Relationship Management concerns the relationship between the organization and its customers. Customers are the lifeblood of any organization be it a global corporation with thousands of employees and a multi-billion turnover, or a sole trader with a handful of regular customers. Customer Relationship Management is the same in principle for these two examples - it is the scope of CRM which can vary drastically. CRM focuses on the Relationship.

Successful Organizations use Three Steps to build Customer Relationships:

- Determine mutually Satisfying Goals between Organization and Customers
- Establish and maintain Customer Rapport. ٠
- Produce Positive Feelings in the organization and the customers •

The organization and the customers both have sets of conditions to consider when building the relationship, such as wants and needs of both parties;

Organizations need to make a profit to survive and grow Customers want good service, a quality product and an acceptable price

Good CRM can influence both sets of conditions.

Why do organizations undertake CRM?

CRM is a new concept to many organizations. If it is new to you, here is why most forward-thinking organizations devote lot of energy and resources to the set up and management of a CRM capability. These organizations see clear advantage of using CRM as tool and process.

How CRM Impacts on the Organization:

CRM can have a major impact on an organization through:

- ٠ Shifting the focus from product to customer, traditionally, focus had been on product. It is only in the last decade or so that the focus has not shifted on customer.
- Streamlining the offer to what the customer requires, not want the organization can make. It • was for a very long time that we put emphasis on what companies can produce and their efficiency in that. But now the focus is on what the customer wants.
- Now emphasis is on highlighting competencies required for an effective CRM process

Why does the Organization need CRM?

The ultimate purpose of CRM, like any organizational initiative, is to increase profit. In the case of CRM this is achieved mainly by providing a better service to your customers than your competitors. CRM not only improves the service to customers though; a good CRM capability will also

- Reduce costs •
- Wastage
- Complaints

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(Although you may see some increase initially, simply because you hear about things that without CRM would have stayed hidden).

If we make a sum total of all these three factors, we will easily arrive at a conclusion that companies are today benefiting from CRM and running more profitably than ever before. Reducing costs, reduction in wastage and fewer complaints is the dream of any organization today. Competition and cost of doing business has gone up sky rocketing. We have to save and reduce all kinds of costs which, hitherto, were ignored. The times have changed considerably and so are the requirements and demands. The customers have their own obligations to meet. So in this age of tense war-like situation, we have to work every bit to cut edges.

Effective CRM also reduces staff stress, because attrition - a major cause of stress - reduces as services and relationships improve. Stress is by itself a menace today all over.

CRM enables instant market research as well: opening the lines of communications with your customers gives you direct constant market reaction to your products, services and performance, far better than any market survey.

Good CRM also helps you grow your business: customers stay with you longer; customer churn rates reduce; referrals to new customers increase from increasing numbers of satisfied customers; demand reduces on fire-fighting and trouble-shooting staff, and overall the organization's service flows and teams work more efficiently and more happily.

FEATURE OF GOOD CRM

The old viewpoint in industry was: 'Here's what we can make - who wants to buy our product?'

The New Viewpoint in Industry is:

- What exactly do our customers want and need?
- What do we need to do to be able to produce and deliver it to our customers?

This is a significant change of paradigm and a quantum leap in terms of how we look at our business activity. Completive world has now forced business into an area, where business has to develop this new approach towards customer. I would be wrong in saying it as a new approach. It is the thought that has changed. Customer had always been there and had always been there. We have now learnt to approach business from customer viewpoint

In his lecture, we will study that. We begin with first understanding what does customer want? Means not only in terms of tangible product and services, but also in terms of large number of other things that they want and we have to understand the package as shale to start learning this viewpoint.

What do Customers Want?

Most obviously, and this is the extent of many suppliers' perceptions, customers want cost-effective products or services that deliver required benefits to them. (Benefits are what the products or services do for the customers.)

On this point let me assert that any single product or service can deliver different benefits to different customers. It's important to look at things from the customer's perspective even at this level. Take a simple example. A contractor working on an infra=structural project, needs cement. The project director would know off-hand approximately how much and what kind of cement he needs. Say he needs OPC grey cement. Now when he works out the logistics of his project, he knows and works out that cement wastage is an element that makes or breaks his project. So he worked out supply of bulk cement, instead of bagged cement. For bulk supplies from suppliers he needs silos (on ground erected big buckets of cement). He needs to offload supplies directly to his silos and then to take cement for use he needs to draw cement in bulk. He needs silos and baulkers (round bulk carrying mounted on trucks and suction system and loading and off loading system at site. This is totally different from bagged cement supplies. He needs measurement of quantity and so on. His entire system is changed as far as supplies are concerned. The questions are; do we have bulk supply system? Can we use baulkers? What size of baulkers? What and how to invoice? Do we have suction pumps attached to our baulkers? We will have to change the system at our end and train our distribution people on this newer method of supplies. Then what is the economics of supplies. What will we do with these baulkers, when supplies are not made to an X customer? What changes do we require at our end? All these newer methods have to be incorporated at our end? These and many questions need to be answered before we make contract with this customer for supplies. Do not forget that all such customers have time-constraints.

More significantly however, customers want to have their needs satisfied. Customers' needs are distinctly different to and far broader than a product or service, and the features and benefits encompassed. Customers' needs generally extend to issues far beyond the suppliers' proposition, and will often include the buying-selling process (prior to providing anything), the way that communications are handled, and the nature of the customer-supplier relationship.

Modern CRM theory refers to the idea of 'integrating the customer'. This new way of looking at the business involves integrating the customer (more precisely the customer's relevant people and

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processes) into all aspects of the supplier's business, and vice versa. This implies a relationship that is deeper and wider than the traditional 'arms-length' supplier-customer relationship.

The traditional approach to customer relationships was based on a simple transaction or trade, and little more. Perhaps there would be only a single point of contact between one person on each side. All communication and dealings would be between these two people, even if the customers' organization contained many staff, departments, and functional requirements (distribution, sales, quality, finance, etc). The modern approach to customer relationship management is based on satisfying all of the needs - people, systems, processes, etc - across the customer's organization, such as might be affected and benefited by the particular supply.

Generating a Customer focused CRM solution:

So what do we need to make this quantum leap of customer integration?

A New Way of Thinking:

- Change in Paradigm
- Change in the Messages sent and Received
- Change in the Overall Culture

And a New Way of Doing Things:

- Processes that are Capable and Effective
- Structures and Systems that Support a Business Centered on its Customers
- Connectivity (end-to-end processes) both Internally and Externally (e.g., with suppliers)

This entire thing means that we will have to incorporate new methods and changes. They might appear simple and ordinary. But if you look at the above-mentioned case of bulk cement supplies, I will show that the whole lot of system has to be changed, including your invoicing and delivery system. We have to make massive changes in supply system and for customer satisfaction.

I remember this case in my experience also. The customer mentioned bulk supplies in tonnage. As each baulker contained bulk cement. So weight was important for billing and supply control. This was a massive shift from bags or slings to tonnage. I remember that I had to train the organization people, even in accounts, department to talk in terms of tonnage. Imagine when we start counting water in tonnage instead of liters or gallons. It required a new culture, a new outlook. The process had to be changed. This is CRM.

We will discuss this need knowing basis in subsequent lectures

CUSTOMERS' EXPECTATIONS

If an organization cannot at least meet its customers' expectations it will struggle. Ideally a business organization should exceed its customers' expectations, thereby maximizing the satisfaction of its customers, and also the credibility of its goods and services in the eyes of its customers. Customers normally become delighted when a supplier under-promises and over-delivers. To over-promise and under-deliver is a mistake on the part of suppliers for customers to become very dissatisfied.

Generally, what is Expectation?—Expectation is nothing tangible or defined or quantifiable. It is just sometimes not even expressed in terms of exact thing. It is desired and expected. For example, we supply and invoice the quantity in term of gallons or liters or bags or drums etc. the customer may not have time or facilities to check every thing. So he expects the supplies to be right and as pr invoice. Good service, prompt attention, adherence to quality, availability of product, cleanliness, hygiene in case of eatables, purity and things like these are expected. In our customer relationship, the customer expects these things from us, without even specifying them in clear terms. The more we develop rapport with customer, the more are these things expected? The moral of the story is to take utmost care of these things to begin with

However, these can be categorized, and therefore:

Those expectations which any one can expect in business, such as honesty, truthfulness etc Those which are specially expected from your company dues to Image, reputations, size etc

Rule No 1 - You cannot assume that you know what a Customer's Expectations are you must ask. **Rule No 2 -** Customer Expectations will Constantly Change so they must be determined on an ongoing basis.

The Expectations of Different Customers for the Same Product or Service will vary according to:

- Social and demographic factors
- Economic situation
- Educational standards
- Competitor products
- Experience

Therefore, given all these variable factors, it is no surprise that one size certainly does not fit all. Ask your customers what is important to them.

There are a Wide Variety of Relationship Drivers. For example:

- Quality
- Price
- Product
- Location
- Customer service

It is one of these factors, which may have instrumented to bring your customer Find out why your customers do business with you. This is a very vital question the answer of which is usually given by the customer his own way. We must however know the reason. The idea is to determine the range of his told and untold expectations. We often even ask the customer straightaway as to how and why he has chosen us as suppliers. I remember, in one case, the customer even said that he has chosen our company, amongst other reasons, is that he likes me. This was when I was field sales officer in a region. I asked inquisitively, what does he like in me? And the buying manager said, the way I talk and

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behave in our meeting. Now that may seem small and insignificant. But when I told my senior person this, he cautioned me that I must always watch my language and behavior when I am dealing with this customer. "be always mindful", my manager said—smilingly.

When you ask you Might Discover some Factors that you'd perhaps never even Considered, for example:

- Health and safety support
- Systems compatibility
- Contract structure
- Distribution flexibility
- Technical support
- Troubleshooting and problem-solving, to name just a few

Here again, there can be one factor that has played its role to bring in customer and stay with u for long period of time. In my own experience, one of he biggest textile mills in the county was with me as a customer. The reason that customer could not be snatched away by the competitors, despite their multiple attempts, was that our company was providing extensive lab –test reports to the lubricants we were supplying to them and that was making his not-so-technical buying manager satisfied and content with our service.

What Service Features will keep your Customers Loyal to you? Find out.

CRM as a process: it is our duty to probe into this feature

CRM can be Regarded as a Process, which has:

- Identifiable inputs
- Identifiable components
- Identifiable characteristics, which define CRM for your organization and customer base
- Capacity for improvement and evolution over time

Managing Customers:

Why manage customers? Customers are the usual source of income for an organization. (If not then they will certainly leverage your income, as in the case of readers of a free publication which is funded by advertising. As such there are two types of customers: the readers and the advertisers).

Customers are also an exceptional source of information - information which is vital to enable a business to succeed; i.e., giving customers what they want.

Managing Customers Entails:

- Knowing what customers want and need which enables you to focus your production and service efforts.
- Knowing which products or customers have most growth potential which enables you to focus on developing highest potential.
- Knowing which products or customers are most or least profitable which enables you to focus on maximizing profit.
- Knowing which customers will be advocates and supporters which enables you to provide references, case studies, and to safely test new products and services.

VU

WHAT DO CUSTOMER WANT AND THE APPEAL THAT WE CAN MAKE?

We have seen that every customer has its own demand and wants. Their product indeed differs, but more than product their demands and wants can vary a lot. However, there can be some classification in which we can put their wants and make specifics appeals to Built Relationship.

Four classifications can be built, which applies to all customers, regardless f heir location or size or whoever.

- Customer wants Gains and Profits
- Customer wants Control and Independence
- Customer wants Reputation and recognition
- Customer wants Security and Self-preservation

Selling from Customer's Viewpoint requires that you have this general knowledge of why he accepts or takes action. However, specific appeals and benefits, falling within these broad classifications, appealing to the wants and needs of the Prospects must be developed to apply to Specific Selling Situation.

Let us review each of the above and see how many appeals can be developed — generally:

Customer Wants — Gains or Profits:

Will your proposal (Product, Service, idea) increase his profit or reduce his costs? As we all know the primary motive of every business is Profit — the difference between Cost and Return. If you can convince your prospect that your specific appeal can either reduce his cost of storage, handling, labor, replacement parts, down—time, production or other costs or increase his efficiency, production, sales, turnover, etc.

Customer Wants - control or Independence:

Will your Proposal (Product, Service, idea) provide Prospect greater influence and control over his employees, markets, inventories, product quality, his purchasing or company growth? This desire for control is a basic one. Everyone, rich or poor, seeks greater controls, and independence of outside influence, in various Company operations or added knowledge or skill.

Customer Wants — Reputation or Recognition:

Will your proposal (Product, Service, ideas) enhance his reputation or status? We all want to stand out and acceptance to 'stand out' in some way. We take pride in accomplishments. Will your proposal give your customer Recognition or Personal Reputation in the business community, amongst his competitors, employees, superiors, Govt. circles? If so, he is quite motivated to accept.

Customer Wants - Security & Self Preservation:

Will your proposal make his job easier, reduce or eliminate fear and worry, safeguard his property from theft and pilferage. We all want to save what we have. Self Preservation is an age-old and basic motive. We want in our life things that are pleasant. Will your proposal make it more convenient for him? Will it free him from fear, worries, and apprehensions? Will it provide him security against losses, or elimination from business? If so he is motivated to accept or act.

Suggestions on use of specific appeals:

First of all we must understand this word 'appeal. This has very special meaning here; from what the meaning it carries otherwise. Appeal is always that call of communication, which entails action and persuasion. When we make appeal in the court of law even, we expect, and it happen, that the appeal is responded to and answered back. The court may accept or reject. Bu it is always answered or responded. The same connotation is derived her. When we say we appeal to the customer we man that customer must answer back. Means the customer must accept or reject.

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We have explored some of the wants which motivates your customer to accept or act. In using these appeals, however, the following points must be noted:

• Any appeal or set of appeals which you have selected to use must be appropriate and fit he approached Customer or selling situation.

This is logical. An appeal should match selling or procurement situation of the customer. The customer is demanding a specific product. Our appeal should cater for that. This sets the customer to start listening to you because you are talking some thing to do with specific product that he needs not any other product or products. Here I remember that young man who was dealing with the sale of textile chemicals in my area. Once he was sitting in the office of the buying manager of a textile mills. The manager, sort of agitated, said to him this sentence which is quite clear for us too to understand our point here. He said, "et us talk bout textile chemical X and not chemicals for tanning. We are not a tannery". I later asked that young man why he was mentioning about them. He said, "Our tanning chemicals are very popular and I don't have he X chemical he was talking about or that which he need". I smiled at his 'intelligence'.

• It must be combination or two or more appeals to be used to kindle interest.

The idea is to kindle interest. Interest in him to start communication

• Just as an appeal for gain is motivating

Gain is something that starts any one's brain to think and we know that very well. It is a common joke that when some one saw sitting in a blazing sun and not in a shade nearby. The man answered, "What will you give me to sit in shade"

• "Fear of loss" can be equally powerful.

We all fear loss whether we admit or not? So sometimes, not always, give this fear to the customer specially when you product has some exclusivity and uniqueness. We obviously desist from a common product sale. In selling ice cream or bread, we may not use his tactic.

• All appeals must be carefully studied.

Now we understand that appeal should be carefully devised and made.

There is only word of caution for all of us. That is appeal, if fails, can work like breaking relationship with customer than to strengthen it which may have been our intention. So be careful in this exercise

Preparation of Specific Appeals:

In preparation of specific appeals, apart form other things, following factors should be fully taken care of:

- Knowledge of the customer
- Knowledge of the product
- Knowledge of the competitors, activities
- Application of your product
- Timing of your Appeal
- Kind of Appeal or Appeals

We must have collected all information about above-mentioned things before making an appeal. We should also not confine to making one appeal at a time, we must devise to make set of appeals

SPECIFIC APPEALS THAT CAN BE MADE

Specific Appeals or Benefits you can offer: "Would you like to?

- Reduce costly downtime on your equipment, plant & machinery
- Save money on labor, replacement parts, repair time
- Make more turnover of your activity
- Save handling or storage costs

Other appeals you can think of control or independence:. These are a few 'appeals' that can be made to attract any customer and strengthen your relationship straightaway. Actually select this "would you like to appeals" with pertinent preparation and figurative presentation. The customer is also a great thinker. He may have these things in mind already. But when he listens them from your mouth. He feels very happy that you are also thinking on his behalf. That is a very good feeling. Don' you also feel that some one is thinking o your behalf and in your favor. All appeals that I have suggested is not the end of the rope. We can devise many more and I am sure you must have already been using in your practical life. My idea is to trigger your thinking and sets you going. If we frequently use this term "would you like to" and then start thinking as to HOW? We will also start more deeper thinking. Please see below all areas that I have thought of, but ot limited to these.

All appeals suggested below are leading to not only financial gains but also better control, longevity of plant life, better control, quicker and better turn over, good image and good reputation, better operating conditions etc

In my experience, the best appeal, that I have seen and used in practical life, is fewer worry about the product that we are dealing with. Inspire confidence in your customer that by selecting your brand, he has one worry less to think about. You must have noticed that people with hypertension or diabetes, when they listen to an advertisement of food that has lessee cholesterol and lesser damaging to their health, feel very happy and comfortable that they have one thing more to eat and depend. I remember that on announcement of sugar free ice cream, my friend called me on cell to tell me that he can now eat ice cream too. He was so over joy. He sounded like a (62 year old) baby craving for ice cream to his mother.

When you sit before local TV in the evening, you would notice that most appeals are "would you like to" message, even if they don't say that in these many words. Start from margarine to baby nappies to milk to cooking oils o just about any thing. Most of advertisements are kind of relief to end-users.

Even when, I advise my clients on making appeals, when they discuss their product with me as a consultant. My first question to them is what your product is doing in human use or consumption. Means, which part of human want and gain is your product doing servicing? In analyzing the answer, I advise them to use best appeal. One client, who was introducing sweets and candies to small kids, said 'our candy is very sweet, besides other things'. I suggested that they ca use this appeal of 'extra sweet' and associated this feature with being extra sweet in behavior. The message was well taken and well responded.

"Would you like to?"

- Save chances of wrong application
- Increase knowledge about your product
- Improve purchasing/cost controls
- Achieve greater operating efficiency

Other appeals you can think of reputation or recognition: 'Would you like to:"

• Associate your company with ours

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- Gain reputation as being first
- Benefit from special virtues in your
- Product not available to others

Other appeals you can think of security & self preservation:

"Would you like to?"

- Customer complaints
- Protect your valuable equipment
- Prolong life of your plant
- Ensure safe operating conditions
- Have fewer worries for stocks other appeals you can think of

HOW A CUSTOMER DECIDES OR ACCEPTS

This might seems a lesson on psychology, but then we have to understand and sharpen our technique on how does a customer accept. What and how he arrives at his decision. In CRM this is the most crucial moment when he takes a final decision towards buying.

Imagine a customer going around market place in the evening. He or she is doing window shopping and checking various shops just a buy summer cloth. She is, first of all, going around checking the material available, the price range, new offerings by textile mills etc. She is constantly also determining her buying power and her need and her preferences. A lot of process is going up in her mind. She then finally makes a decision t buy and she purchase. We have to examine all those multiple factors that have gone through her mind and ascertain what made her decision. We have made an attempt to simply present below this mind set in a simple form. Although it is pretty complex and cumbersome. The psychologists have spent million of hours contemplating it. But we don't need t do that- we have made an attempt in simpler way to explain this.

To know WHY a customer and HOW a customer decides or accepts provides you the basis for determining the appeals or benefits you can offer to him. Equally it is important for you to know for getting the final action of acceptance. By understanding his natural process of thinking, we can pattern our selling efforts to his natural thinking process.

Selling process, the basic thing in Relationship, is essentially a process of communicating thoughts, suggestions and ideas from your mind to the mind of others. If we can determine how an idea starts, develops and gets entrenched in the mind of our prospects, it becomes lot easier.

How an Idea Develops?

- Every idea starts through human senses. The sense of learning, seeing, smelling, feeling and tasting. All these sensory impressions are telegraphed to our mind at the rate of approximately 100,000 impressions per day. We see things, hear them, smell then, even perhaps taste them and feel them. That is during an ordinary day of our lives. Not all become ideas. Most of them are tucked away.
- Because of Wants & Needs, some ideas are developed and evaluated. They are castled in the test of reason and logic. Becoming reasonable and logical, they begin to form and weighing process sets in. This leads to process of acceptance of an idea.
- Since most human beings are not pioneers or they wish to 'play safe. They search for proof and witness or examples. This enables to fortify the formed idea. Man searches for evidence to corroborate his idea.
- Once the idea is seeded by Sensory Impressions, nurtured by evaluation and reasoning, firmly rooted by proof and justification, it is accepted and acted upon.

Significance of Idea Development in Relationship MGT:

All ideas develop through the explained process. Whereas the process is common and uniform to all decisions big and small the time involved and emphasizes on each phase can vary considerably.

A decision to buy a can oft & is arrived at in two seconds. A decision to merge, buy a new company, open new business avenue or to go back to your country may take long. When the decision is small, the process takes place quickly. When the decision is a big one, it takes a long time. Temperament, personality, education, knowledge, versatility, adaptability, existing situation, etc. affect the length of the process.

In selling, since it is the transformation of ideas from one to another, it is important for you to know, from your knowledge of your product and customer, how long should it normally take for your customer to Accept/Act.

How to Accelerate and Guide the Process:

To ensure that your prospect accepts the idea and takes action in your favor that he decides to BUY from you can develop methods to help him arrive at his decision faster, easier and with more assurance:

- Be certain that he receives the correct and stimulating sensory impressions of your product, ideas, etc. CRM pus lot of importance to i. we must explain fully all aspects of product, both the positive as well as negative, if any. Usually negative aspects are impact on environment, maintenance, storage, losses that can accrue from mishandling etc
- Make certain that he will not have to go through a time—consuming search for facts on your product. This makes it necessary for sales people to answer all questions that the customer may have about the product. Some times, the answers may not be available with you. So make efforts to get them from your technical people or international tests reports etc.
- Make certain that he has ample evidence and proof for his justification and conviction. If your product is technical in nature, then laboratory testing reports, recent ones, are presented r in case of edible products, international agencies certification is good enough. Such agencies, which are well-reputed
- Make certain that he does not delay unnecessarily. This important. Decision should be deferred. Now, we must ask for action. In human relationship, this last moment motivation is necessary to take a action If the decision is delayed, be sure that the fault is somewhere on your side and not his. Rind out soon and correct to accelerate the decision.

HANDLING A DIFFICULT CLIENT?

Customer can be difficult and it is our major challenge to handle difficult customer Customer:

- Existing or former
- Regular or irregular
- Individual or institutional
- National or international
- Potential or impossible
- Seasonal or all-the-year-round
- Government or private

Let's Classify A Typical Difficult Client:

A difficult CUSTOMER can be or is the one who:

- Is Remotely Placed
- Is Very Demanding
- Is Contractual, hence time-scheduled
- Demands Variety of Services
- Does not Pay
- Is himself Disorganized
- Has tedious Paperwork
- Is difficult to Meet
- Is difficult to Approach
- Is highly Inquisitive
- Is Ill-advised
- Is not-so-well Educated
- Is Nervous and Confused
- Is Finicky and Complaining
- Is usually Hesitant
- Is resistant to Change
- Lacks Decision Power
- Gets Agitated easily
- Is ill Mannered by nature
- Is very High in status and Sensitive
- Has an Ego problem
- Is Seasonal for Services and Payments
- Has Financial Constraints
- Is Fearful and Doubtful

Difficult Customer Carries the Following Moods:

- Rejection mood
- Indifference mood
- Objection mood
- Complaining mood
- Hypocritical mood (drama).

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ANALYSIS:

- Rejection Mood Customer: (He rejects your services). He is decisive, educated, smart, knows what he is doing, straightforward, analytical.
- Indifference Mood Customer: (He is indifferent to you). He is unaware, not-so-well informed, careless, callous, not-so-well analytical, and conservative probably not-so-well educated.
- Objection Mood Customer: (He raises questions). He is inquisitive, thorough, well informed, careful, analytical, positive, intelligent, finicky, and nervous.
- Complaint Mood Customer: (One who complains). He is finicky, very careful, values for money, not-so-well educated, listens to people, gets agitated, by nature blamer or complainer.
- Hypocritical Mood Customer: (He is not serious & is procrastinating- creates Drama)

Simple: Tackle his Difficulty

Difficulties are difficult to handle; that is why they are difficulties:

Let's understand his difficulties and simplify them; they will be simpler to handle.

HANDLING A DIFFICULT CLIENT IS A CHALLENGE!

He has:	Needs, desires, and problems
He is:	In business of things, services or ideas
He has:	To exchange Values
He wants:	To grow, survive or retain his stature
He survives:	On commercial posture

Complaint Handling:

- Complaint is the First Reaction of a Difficult Client
- Complaints are how he demonstrates his rejection or resistance.
- Complaints, if left unattended, lead to Conflict.

Handle complaints urgently---how?

First & the foremost (Highly Important)

'Let him to say what he has to say'. (This discharges his agony, his worry, his reasons, his trouble, etc.)

After his formal, informal registration of complaint, find out the specific are or areas about which he is complaining or talking. (Thinking Process)

- He may have a genuine argument
- He may be in trouble
- He may have a reason
- He may be misunderstanding

Disregard:

- His verbatim (Language, tone, pitch)
- His exaggeration / connotation
- His way of expression (Facial, gesture, gesticulation, nodding)
- His time of complaint

One alternative: (If complaint is removable):

- Remove his complaint
- Retrieve his position
- Restore his loss
- Restore his confidence

Second alternative: (If complaint requires time, people, or multiple handling):

- Listen to what he said attentively.
- Give him time which will take to handle his complaint
- Give him your full assurance & authenticity

Follow-up strongly:

What all have we learnt in this lecture?

- Courtesy is the key to all locked doors
- Courtesy costs nothing but it dividends are unlimited
- Courtesy is a part of our religion and a way of our life
- Job is a job but if we do it within the dictates of our religion it is an 'IBADAT'
- Courtesy brings not only rich rewards in terms of tangible things, it also brings in a lot of happiness and satisfaction
- Understanding other people's problems is godliness
- Allegiance and loyalty to your own profession is like your 'faith'
- Such courses are a beginning of learning never let your learning stop
- Focus on things learnt keep them in mind
- Lastly, please change yourselves -you are the easiest person for own self to handle

COMMUNICATION AND CRM

We have said that communication is the hall mark of understanding and relationship. It is always miscommunication or wrong communication that goes to cause dissension or misunderstanding or wrongness of all sorts between two individuals or two parties. In this case, between suppliers and customers, it is therefore required that our communication be kept very clear. Lots of definitions can be framed of communication. But the best and the most appropriate definition that can be given, and simple to understand, is communication is all about "understanding and being understood" Sounds simple, his definition leads us to hundreds of cares and skills that we need to apply. We ought to understand the customer, his expectations, need and wants and aspirations –and we need to communicate, likewise, lots of our messages, alongside product, its application, it characteristics and precautions, and the whole lots of services and package that we offer to customer.

Make customer feel and experience that we offer as against his needs:

For this and in order to achieve this goal, we ought to follow Seven Cs of good Communication. These Cs are Cs because, every word starts with alphabet C.

These principles of Communication have always worked well:

We as CRM students must follow these principles and try to avoid making a mistake in communication, so that we can build, maintain and sustain long term relationship with customers and avoid to the best to breakdown caused to neglect and ignorance. We will talk of two major aspects only"

- Effective speaking
- Effective listening

First the speaking Seven CS (SEAS):

Completeness:

- Ask all questions asked
- Give something extra
- Check 5 Ws—who, what, when, where, whom (and how)

Conciseness:

- Avoid wordy expression.
- Avoid repetition.

Consideration:

- Focus of 'you'
- Show benefit.
- Emphasize pleasant facts
- Apply integrity/ethics.

Concreteness:

- Use specific facts & figures
- Choose image building, vivid words

Clarity:

- Short/familiar words
- Construct simple sentence
- Achieve readability.

Courtesy:

- Be sincere, tactful
- Avoid irritable words, expression etc.

Correctness:

- Use correct level of language
- Include verifiable facts & figures.

Effective listening:

Of all the five sensory inlets; hearing or listening is the most effective, easy and clearer of all. Hearing is the other End of Communication; Speaking being one

Listening is Important because:

- It makes the whole process of Communication Logical. Unless you are listened, what is the logic of speaking?
- Listening Generates Interaction
- It Prompts Feed back
- Listening Germinates Receptivity

Symptoms of poor listening:

- Condemning the subject
- Criticizing speakers delivery
- Do only selective listening- of ones choice
- Interrupting without purpose
- Start day dreaming
- Get distracted to external matters
- Eradicating details
- Submitting to emotionalism
- Falling asleep

Avoid above symptoms to be a Better Listener.

Guide to Good Listening:

- Find areas of interest
- Judge content not delivery
- Listen for ideas
- Work at listening (Generate interests)
- Resist distractions
- Capitalize on thought speed
- Concentrate

Receptivity Predicament:

Receptivity is that Element of listening which:

- Is Understood
- Is Retained
- Creates reaction
- We can all hear all the time
- We do not listen at all time
- We receive & retain even less

Receptivity Depends upon:

- Reason
- Time
- Physical setting
- Mood
- Occasion
- Need to listen
- Personal involvement
- Personal attitudes
- Communicator's skill

Receptivity comes from concentration graph:



Receptivity:

• Is "Meeting of Minds"

How to Spin up Receptivity:

- Select the right time
- Select conducive physical setting
- Declare agenda
- Select good starting words
- Start with something of interest
- Arrange to eliminate external distraction
- Be logical
- Use easy language
- Be slow and avoid questions
- Keep gestures in control
- Ask simple question

- Don't argue at the outset
- Keep pleasant gestures
- Don't assert your authority
- Be firm and friendly

COMMUNICATION AND CRM

Communication is central to any successful relationship. In terms of Customer Relationship Management, communication needs to be consistent and high quality; as determined by:

- On time
- Focused
- Relevant
- Reliable
- Coherent

Importantly also, for Effective Communications it's the message and meaning that is received that counts, irrespective of what the communicator thinks they've said, or written. Communications must be judged most vitally by the reaction of the receiver. If the reaction is not good then the communication is poor. The information contained in a CRM system allows communication to be directed at the correct audience, in the correct way. The communication system must also encourage and facilitate honest and actionable feedback. Feedback from customers, especially complaints are essential for good organizational performance and ongoing development. Most organizations avoid, discourage and hide from complaints. Don't. Complaints are free guidance for improving your quality, and free opportunities to increase customer loyalty.

People and CRM:

As with any other business process your people have a huge impact on the success of the CRM process. Successful and effective Customer Relationship Management people tend to display the following key characteristics.

- Positive attitude
- People orientation
- Organizational skills
- Analytical skills
- Customer focus (natural empathy)
- Understanding of the link between CRM and profitability

The kinds of people in CRM are extremely important. Actually people and their training is important in management anyway, but in CRM, we have to have specific people. I will go that far to say that our business education would also emphasize this more prominently then before

On the subject of empathy: Empathy is about understanding, not necessarily agreeing. Effective customer focus enables the organization and its staff to see both sides, and to work with the customer to arrive at a mutually satisfactory and sustainable solution. Agreement alone amounts to capitulation, which is neither practicable nor sustainable.

Benefits of Effective CRM:

There are significant business benefits which accrue from an effective, integrated Customer Relationship Management approach. These include:

- Reduced costs, because the right things are being done (i.e., effective and efficient operation)
- Increased customer satisfaction, because they are getting exactly what they want (i.e., exceeding expectations)
- Ensuring that the focus of the organization is external

- Growth in numbers of customers
- Maximization of opportunities (e.g., increased services, referrals, etc.)
- Increased access to a source of market and competitor information
- Highlighting poor operational processes
- Long term profitability and sustainability

Forward thinking organizations understand the vital need to maintain a strategic focus on CRM and to resource and manage it appropriately. This guide to CRM methodology and application is provided by Ellen Gifford, which is gratefully acknowledged. Aside from being a UK-based specialist in CRM with many years' experience large and small organizations, Ellen is also a trainer in Neuron-Linguistic-Programming (NLP); management development, and personal coaching. As an advocate of all aspects of interpersonal skills and their importance in modern organizations, Ellen started her own business, The Learning Path, in 1998, to concentrate on providing training in these areas, in which the complementary disciplines of NLP and CRM provide an innovative and effective approach to Customer Relationship Management and to achieving sustainable organizational performance improvement.

CRM Software Solutions and ICT (Information and Communications Technology):

Software and ICT play a significant part in enabling an effective CRM capability, especially in large organizations. There are many and various systems available, and it is important to have a clear idea of your requirements during the software solution selection process, which for most organizations will also involve the selection of ICT service provider too, since any software solution, for all but very small companies, generally requires support for specifying, implementation, training and maintenance. Siebel, Sage (who now provide the well-known Accpac and ACT! CRM solutions), and Front Range (whose product is Goldmine) are all significant and proven CRM software products companies. There are many others, and very many more ICT service providers through whom distribution and support is normally arranged. As with any ICT project, ensure you work with reliable and knowledgeable advisors, with access to cost-effective proven solutions, which can help you to build and implement an effective CRM software and ICT capability.

ACHIEVING GOOD CRM

Achieving effective Customer Relationship Management requires many organizations to adopt a new perspective. Consider the following:

- Traditional Customer Service is something you 'Do To' the customer
- modern Customer Relationship Management is 'Done With' the customer

The second statement is emphasizes the big differences between conventional traditional customer service, and the modern progressive CRM approach. Your relationships with customers should be ongoing, cooperative, and built for the long term. Organizations that have many transitory relationships with customers consequently have to spend a lot of money on finding new customers. The cost of keeping existing customers is a tiny fraction of the cost of acquiring new customers.

Pareto's Law ('the Pareto Principle')

Pareto's Law is commonly known as the 80:20 rules. Typically in any organization:

- 20% of customers account for 80% of your turnover
- 20% of customers account for 80% of your profits
- 20% of customers account for 80% of your service and supply problems

It is important to know is which customers fit into which category and then to manage them accordingly. Highly satisfied customers who perceive a high value in your products and services commonly make excellent advocates for your organization - nurture these customers and give the special treatment. Dissatisfied customers who perceive a low value in your products and services are potential saboteurs. These customers could have little or no loyalty and may actively 'engage' against your organization. Therefore you should seek to rebuild relationships and trust, and a new basis for a future relationship, or manage the separation with dignity, professionalism and integrity.

Focus on Building Relationships

The essential CRM focus of any organization should be on developing core competencies, and an overall strategy of building customer relationships. In this way, all efforts in the organization can be aligned to

- Customers and the culture of exceeding of customer expectation
- Understanding and managing the people impact on the culture of the organization
- Customers being recognized and treated as partners
- The value of relationship-building being valued
- Service being seen as a value-adding activity
- Reward and recognition being based on customer focus i.e., 'going the extra mile'
- Evidence of corporate support for service activity

Characteristics of Excellent CRM:

The following characteristics are associated with delivery of excellent CRM:

- Reliability
- Responsiveness
- Accessibility
- Safety
- Courtesy
- Consideration
- Communication

Lesson 44

- Recognizing the customer
- Competence

'Moments of Truth':

'Moments of truth' are encounters with customers which cause them to form a view of the organization based on how they are engaged, particularly compared to their expectations.

Expectations can be met, exceeded or disappointed. Moments of truth can therefore be positive, in the case of meeting and exceeding expectations, or negative, in the case of disappointment. Monitoring the 'moments of truth' allows the company to focus on improving areas responsible for negative customer experiences.

Remedial action to prevent repetition is crucial. A single mistake is forgivable. A repeat rarely is.

If you put things right your customers will see that they are important to you. Put things right and you will be seen as a supplier who knows how to manage quality.

Organizations that fail to put right things that go wrong, might as well say to the customer, "You are not important to us". Failing to put things right and to prevent reoccurrence says of the organization "We are not capable of managing quality service."

Bear in mind also that research has proven time and again that when an issue of poor service to a customer is satisfactorily resolved by a supplier, the customer increases their loyalty to the supplier to a higher level than existed prior to the problem.

An approach to managing 'moments of truth' involves 'continuous improvement'. This entails processes that continually monitor, check and resolve negative moments of truth by ensuring alterations happen to the customer process, and integrating theses changes into 'business as usual'.

Here are the elements of such an approach:

- Define the cycle of service
- Identify negative moments of truth
- Define the reasons (i.e., root causes not symptoms)
- Develop solution/s
- Test solution(s)/review/amend
- Implement
- Monitor impact on the cycle of service

The cycle of service is the looped service that we establish for each customer. Means, salient points are added in this cycle and made sort of permanently fixed for that customer. If we are able to identify any weaknesses in this cycle we should develop solution in this to plug those weaknesses and implement the with care.

Negative moments of truth carry a lot of weight with the customer and will adversely affect the relationship.

To maximize positive moments of truth - set standards in your processes. Standards using SMART criteria Standards (which may also be objectives) can be established using the SMART framework.

- Specific
- Measurable
- Agreed
- Realistic
- Time-bound

In the end of our study and before we conclude the long road we have traveled, let me say it in a few words that CRM is very effective when and if it is implemented effectively and carefully. My words of advice to CRM and sales managers is to take it seriously, study carefully all aspects, devise measures to correct the wrongs and enjoy the fruits of CRM in modern –day management.

CONCLUSION

Customer is the main element of any business, big or small why?

- Customer is the reason for business
- Customer gives us revenue
- We exist because of customer

Customer has needs and wants and demands and therefore Expectations. Needs are naturally born and demand comes up with customer's ability to buy

Expectations are built over a period of time.

We are the manufacturers and suppliers of customer's needs and wants—. We make product --.

Tangibility and services associated with it.

Product is offered and supplied after negotiation and settlement of agreement or what we call "meeting of the minds ".

- We offer the whole lots of services associated with product delivery
- Pricing and offering, packaging
- Supplied and delivered
- Quality as per specifications
- Quantity and correctness
- Follow up
- Apares etc
- Follow up

We communicate through interpersonal and through other available techniques.

Offer and acceptance we make customer accept the way he wants and accepts.

We handle customer difficulties.

Tackle them and alleviate them or redress them systematically.

Aim is to retain customer and make him loyal to our brand and forms of supplies.

Retention costs one-tenth the cost of acquiring new cost.

Services and service package are what we use as a tool.

Customer relationship is way of achieving the retention and loyalty.

Hence all techniques and strategies to CRM.

Are we now able to achieve, build, sustain and maintain relationship?

• Just last few words:

Adapt to this concept and incorporate changes in your personality, approach and attitudes— Success is around the corner waiting for you

- Courtesy is the key to all locked doors
- Courtesy costs nothing but has unlimited dividends
- Courtesy generates-relationship
- Courtesy brings rewards in tangible things, and a lot of happiness and satisfaction
- Understanding other people's problems is godliness
- Focus on things learnt keep them in mind
- Lastly, please change yourselves –you are the easiest person for own self to handle