

A CRITICAL EXAMINATION OF CUSTOMER RELATIONSHIP MANAGEMENT

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Abstract

CRM is a holistic strategy that integrates every aspect of a company that interacts with a customer, such as "marketing, sales, and customer service, as well as people, process, and technology". It establishes a win-win connection with consumers. CRM is the process of gaining, keeping, and collaborating with customers in order to generate more value for both the company and the customers. It's a never-ending process of locating, training, recruiting, and keeping lucrative consumers. It is a business strategy that monitors and appreciates each partner's contribution to the overall well-being of the organisation.

Paper Identification



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Introduction

It's not simple to come up with a single concept of CRM when there are three kinds of CRM and so many

misconceptions regarding CRM. CRM is a profit-oriented "fundamental business strategy" that seeks to "develop and provide benefit to targeted consumers." This makes it obvious that CRM isn't simply about technology. CRM is a system that "integrates internal processes and functions." That is, it enables departments inside companies to break through the barriers that divide them. Accessibility to "customer-related data" enables sales, advertising, and support functions to be informed of one another's contacts with consumers. Back office activities like company operations may also benefit from and contribute to client data. Suppliers and participants of its "external network," such as "distributors, value-added resellers, and agents, may use customer-related data to fulfil their responsibilities with those of the focal business". In the vast majority of instances, "IT – software programs and hardware" – is at the heart of this fundamental corporate strategy. Traditionally, most businesses were situated near the marketplaces they serviced, and their consumers were well-known. Face-to-face, even day by day, contact with consumers was common, and understanding of client needs and preferences developed as a result. Companies, on the other hand, have increased in size and distance from

the consumers they serve. The isolation isn't only geographical; it may also be philosophical. Even some of America's most respected businesses haven't always grasped the markets they serve. Disney's construction of a tourist attraction near Paris, France's capital, was a failure at first because it fails to satisfy European consumers' value expectations. Disney, for instance, did not provide alcohol to guests on the premises. Europeans, on the other hand, are used to having the glasses with their meal. Because of geographical and social range, as well as the detachment of business owners and management from interaction with customers, many industries, even micro - enterprises, lack the instinctive knowledge and awareness of their consumers found in small non like local shops and hairstyling salons. As a result, there has been an increase in demand for improved consumer data, which is a key component of successful CRM. In conclusion, we believe CRM is an innovation approach to customer engagement management. Consumers' expenditures and income streams are expected to be affected by most CRM efforts. The customer's perspective of purchasing and interacting with a provider is also altered by the usage of technology. As a result, the customer's viewpoint on CRM is a key issue in this book. CRM has a significant impact on customer experience, which is important from a strategic standpoint.

Customer Relationship Management - Definitions

According to Peter Drucker- "The purpose of a business is to create and keep a customer"

According to Martin Walsh – CRM is "A comprehensive business model for increasing revenues and Profits by focusing on Customers"

According to Anton and Hoek- "CRM is comprehensive and Marketing Strategy; that integrates technology, process and all business activities around the customer."

CRM in Banks:

A CRM is a complex and nuanced solution and a strong business policy that identifies the bank's most financially viable prospective customers as well as wanted to devote focus and effort to growing account relationships with those customers through targeted "advertising, reprising, concessional decision - making process, and customized service, all conveyed through the bank's multiple channels. It focuses primarily on advertising, sales, as well as "customer service/support" that are why it is adaptable to a wide range of company types. Banks must not only handle client information, but also develop customer acquisition and retention initiatives. Banks may segment customers using CRM systems based on account information, interaction history, and the products they use, and so on. CRM aids in the administration of sales for banks. It aids in the identification and conversion of leads into leads. It aids in the acquisition of new clients by leveraging their history and worth to the bank. CRM's main functions include retaining prospective and current customers, controlling workers and establishing standards, and collecting and consolidating data. The major utilities of CRM are to retain potential and existing clients, to control employees and set standards and to collect and consolidate data. All the sectors of banks are utilizing the benefits of CRM techniques/strategy for to enjoy the successful outcomes. The important strategies in CRM of banks are;

- Develop a customer-oriented organization and infrastructure.
- Focus on maximum Customer profitability.
- Recognizing the existing opportunities in markets.
- Maintain a good Customer relationship.
- Assist channelizing of business.
- Attaining a clear idea about categorized customers.

- Assessment of lifetime value of customers.
- Prepare to attract new customers and retain the existing best customers.

CRM during COVID Pandemic Phase.

The breakthrough corona virus illness (Covid-19) has thrown economy and personal life into disarray. To minimize the risk of infection in the office, several organizations have switched to working remotely. In their locations and other workplaces, banks, which are one of the most powerful functions in business, have implemented remote operating and social distance policies. Since the methods of communication have changed significantly, this shift has unavoidably impacted salespeople's interactions with their consumers.

Because since early 1990s, the term "Customer Relationship Management (CRM)" has been in usage. Since then, numerous efforts have been made to define the CRM domain. A broad agreement has yet to develop as a field fiercely disputed by different information technology (IT) companies, consultants, and researchers. The definition of the 3 acronym CRM is also up for debate. While most individuals know that CRM stands for "Customer Relationship Management", some have misinterpreted the term to represent "Customer Relationship Marketing". CRM is a word used by information technology firms to represent software program that help organizations with their marketing, sales, and service activities. CRM is equated with technology in this way. Despite the fact that the CRM software industry today has a plethora of competitors, Tom Siebel established Siebel Systems Inc. in 1993, which significantly aided its adoption (now part of Oracle). The word CRM was coined during this time period. According to Gartner Inc., an i.t. research and consulting company, yearly CRM technology expenditure was \$14 billion in 2013 and is expected to reach \$18.4 billion in 2016. 7 Others argue that CRM is a systematic strategy to establishing and sustaining lucrative customer connections, with or

without technology, and that innovation may or may not play a role. However, it's difficult to see a big company dealing with millions of consumers across numerous channels implementing a customer strategy without the support of Information System project and well-designed business procedures. We may reconcile the management and technical schools of thought by considering CRM in three distinct forms: "strategic, operational, and analytical".

WHERE DOES SOCIAL CRM FIT?

Managerial, functional, and statistical CRM are the three kinds of CRM we've identified. Another term that has lately gained a lot of momentum is 'social CRM.' Although this term is frequently used by technology companies with products to sell, we do not consider it to be a basic kind of CRM, comparable to strategic, functional, and analytical CRM. We believe that in the future, this phrase will be eclipsed by a broader debate of big data, which we address in this book. In essence, social CRM solutions, which we go over in more depth in Chapter 9, allow users to utilize data from social media for customer relationship management. Individual interactions inside social networks have generated a massive quantity of data, most of it unstructured, which some companies are now attempting to gather, analyze, and utilize in order to establish and sustain long-term positive connections with their consumers. CRM became popular as a management technique as database technology advanced, allowing most businesses to have a single picture of the consumer, as well as statistical tools as well as infrastructure services (such as contact centres) that allowed businesses to utilise that data. CRM was fueled by data produced and stored primarily inside "an organization's operational systems: sales, call centres, service requests, and so on. Customers' data is now just as likely to be discovered in their Facebook or Twitter activity, as well as user-generated material on YouTube". As a result, there is a need to combine 'owned' data from organizations with data produced

socially to build a more complete picture of the consumer. Social media assists and enhances analytical CRM when it generates customer-related data that is utilized by businesses to manage customer interactions. When customers utilize social media to make transactions, social media becomes a component of crm System. Crowd-sourced customer support also extensively utilizes social media. On a corporate strategy, we think that only a small number of companies are presently ready to replace an entire relationship with the business with one based only on media platforms, but new businesses will certainly emerge.

COMMERCIAL CONTEXTS OF CRM

The following characteristics may be found in an interconnected CRM system:

Feature	Benefits
• A central database that is accessible by all employees to view and update customer data.	• Improved customer service, loyalty and retention.
• Analysis of customer data including customer segmentation and segmentation of potential customers.	• Customized marketing or sales campaigns. • Improved campaign targeting.
• Customer self-service where the customers can self-order and help themselves using web-based, password access.	• Reduced order entry cost and customer service cost.
• Identifying and tracking potential customers.	• Wider customer base. • More focused prospect tracking.
• Reports generated with up-to-date information, including revenue forecasting and trend analysis.	• Better and more timely decision making.

Social and Cloud-Based CRM

Aside from the two major system-based alternatives for adopting what might be termed conventional CRM, as mentioned above, there is a different strategy to CRM that is becoming more popular. Social Customer relationship management is a kind of customer relationship management system that makes use of social media services and technologies to engage as well as attract more customers. Social Customer relationship management can also be used to keep track of what people are saying about your brand or business on social media. Web-based tools from companies like "Vitrue, HootSuite, and HubSpot" may

help you successfully post content, monitor reactions, and track product reviews on social networking platforms. Because you can expand your outreach and have instant interaction with your consumers, social Customer relationship management may be very beneficial to your company. It may also provide you with another avenue for receiving feedback from your consumers on your goods, services, and brand. This method also has the benefit of being fast to adopt. However, you must integrate your Social CRM into your entire marketing plan and brand management. You should also bear in mind that any bad comments made about your branding or item will be difficult to manage. You'll also need to guarantee that your workers have social media expertise or training in order to deploy Social Customer relationship management. Simultaneously, there is cloud-based Customer relationship management. Cloud computing are growing more popular, and they provide companies with a cost-effective method to collect consumer data. Cloud computing refers to any computing infrastructure service that you may access via the Internet (e.g. Gmail, Dropbox). Several CRM cloud-based solutions are currently available, allowing companies to access, organize, and analyze customer sales info on the internet. Because many other businesses are also "cloud-based, cloud-hosted CRM software makes information management from other sources easier".

Implementing CRM

Acquiring a software program isn't enough when it decides to implement a CRM system. " Human resources, marketing, sales, IT, product development", and other departments in your company must all be involved.

You'll need to make sure that everyone in your company knows what CRM is and what it implies. Formal training or informational sessions may be used to accomplish this. Another effective means of communicating with your workers is to write a CRM

plan. How much info is enough? It's often difficult to determine when to discontinue gathering data about your consumers after you've begun. There are 2 things to keep in mind if you gather a lot of data:

1. Is it possible for your existing systems to store and handle it?
2. Is it really necessary to save every piece of data you get (for example, if you only need it once)? The amount of preparation that went into creating a complete Strategic plan during first place is likely to influence how well CRM is implemented in your company. It will be simpler to create a strategy to execute these efforts to ensure that all of your workers comprehend how they connect to the performance of your company if your CRM goals are clear.

Future Trends

CRM has evolved throughout the years, and it will remain to do so as new technology advancements improve companies' ability to connect with consumers. In a competitive marketplace, businesses must be ready to adjust their CRM efforts to match changing consumer behavior. Businesses may expect a number of CRM developments in the future. People are extremely online at all hours of the day as technologies such as mobile phones and tablets become more prevalent. These latest smartphone technologies provide customers and businesses a feeling of immediacy they've never had before. Customers who have continuous permissions and tools to voice their views will need Customer relationship management to be harmonized with changing consumer requirements and expectations. CRM Integration into Business Processes - Advanced CRM systems are making a plethora of customer data, sales patterns, and other important information impacting the company accessible. CRM will need to be incorporated into all aspects of the company process, from advertising and marketing to customer support and senior management, to ensure that everyone is listening, engaged, and in touch with

customer group. Customers are inundated with brands and options when it comes to customer relationships. Businesses must do more than simply provide knowledge to attract and keep customers: they must leave a lasting emotional impact. New Customer relationship management solutions will provide companies the data they need to better understand their consumers and what types of interactions they like.

Key Messages

- The corona virus issue has struck emerging countries at an inopportune time. Previous to the recession, funding had indeed fallen by the wayside of the expenditure required to meet the Targets by 2030, and budgetary headroom had been constrained by increasing public indebtedness and service costs.
- The COVID-19 issue has the potential to cause significant setbacks in responsible development funding. As economic growth declines, domestic investment mobilisation will suffer. Foreign private investment inflow are expected to fall by USD 700 billion in 2020, outstripping the effect of the "2008 Global Financial Crisis by 60%". With increasing domestic expenditure and currency fluctuations versus the US dollar, fiscal headroom is expected to shrink much further.
- In the near term, government development money should be used to offset the decline in other funding sources. Emerging economies may struggle to fund appropriate "public health, social, and economic responses due to already limited resources and the economic impact of the crisis". There will be no one form of financing sufficient to cover the COVID-19 funding shortfall.
- In the longer run, players in development assistance and beyond must work together to "build back better" for a world that is more fair, sustainable, and therefore resilient. Though domestic investment mobilization will continue to be the only protracted feasible source of funding for many essential public

services, improving the situation will require intervention from all sources of financing with the shared aim of assisting "national sustainable development" plans. Aside from development financing, there's any need to revive commerce and, in the instance of tiny islands emerging economies, create a sustainable maritime economy. The corona virus pandemic has struck emerging countries at a crucial time. Before the COVID-19 crisis, funding for long-term development was already in jeopardy. "The SDG funding gap in developing countries was projected by UNCTAD to be USD 2.5 trillion in 2014. To close the gap in SDG expenditure, Gaspar et al. (2019[4]) projected that low-income countries would need to spend an extra 15.4 percentage points of GDP on average, while developing economies would need to spend an additional 4 percentage points of GDP. While the deficit may be explained in part by inefficient expenditure, it is widely known that domestic and foreign resources were inadequate to achieve the SDGs prior to COVID-19 (UN SG, 2019[5]). Furthermore, high debt levels restricted the margins of manoeuvring to narrow the deficit."

Conclusion

Customers have grown more demanding, empowered to do certain tasks formerly only performed by banks, more educated, intelligent, aware of various choices, autonomous, and in a position to trade with a variety of service suppliers and similar. Under the impact of such changes in customer behaviour and requirements, banks spend a significant amount of financial, technical, and "human resources in customer relationship management" in order to achieve and retain market competitiveness (CRM). Relations must be built in such a way that both financial service providers and customers profit over time. Particularly in the development of the connection between banks and clients, profitability and quality of financial services are increasing as a consequence of such interactions. "Customer relationship management" has

evolved significantly as a result of the widespread use of information and communication technologies.

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