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Customer Relationship Management, A Marketing Strategy.

Udaysinh Manepatil

Abstract:

It is needless to mention the need for retention of customers by an organization for which designing an efficient customer retention plan is very essential. Obviously, for preparation of such plan knowledge on the reasons behind losing customer is required. The possible reasons may be – Price related reasons, Product related reasons, Service related reasons, Benefit related reasons, Competitor related reasons and Personal reasons etc. An attempt has been made to study the customer's satisfaction, what customer expects from the seller, what customer hat, motives to the companies to adopt CRM and finally the strategies to prevent defection and recover lapsed customers.

KEYWORDS:

Customer Satisfaction, Consumer Buying Behavior, Lapsed customer, Perceived Performance, Expected Performance, Retaining customer.

INTRODUCTION:-

Keeping the customer happy is obviously one way of ensuring that they stay with the organization. However, by maintaining an overall relationship with the customer, companies are able to unlock the potential of their customer base and maximize the contribution to their business. Whilst the value of customer relationship management has been identified by organizations, the full implication and benefits are yet to be. Those responsible for delivery are perhaps the most informed about these strategic benefits yet the transformation is a long-drawn-out process.

The strategic benefits of customer relationship management allow companies to reduce the cost of customer acquisition and give established players the ability to react like a new market entrant, the very people they are battling against. Ironically these are increased and the potential of customers can be then capitalized through cross selling of other products and services. It is important to understand the key benefits of CRM for most companies.

CUSTOMER:

1. Customers are the- ones who run the business.
2. Customer enables us to maintain sustainability and profitability.
3. Customers is the Boss; just as the Boss can fire an employee when he is unhappy
4. With his work, the customer is the boss who can stop availing our services if he is dissatisfied.
5. Mahatma Gandhi's definition of customer.---

A customer is doing us a favor by letting us to serve him. We are not doing him any favor.

A customer is not a cold statistic; he is a flesh and blood human being with feelings and emotions like our own.

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WHAT CUSTOMERS NEED

A customer contacting a customer service centre, has a set of needs that must be fulfilled.

Customer requirements while contacting a customer service

- 1.To feel welcome: Customers want recognition; this sense of interest translates into a feeling that they have a right to be there and to seek help.
- 2.To be taken seriously: Customers want to feel that reps will give considerate thought to their questions or issues in all cases.
- 3.To feel comfortable: They need to feel that this is an environment where confidentiality can be shared. They need to feel you care about them and you can be trusted to help them.
- 4.To be understood: They might have trouble speaking the language; they might not be able to put all details of their situations together easily; they might be missing important facts about the situation; they might have a speech impediment or disability. Customers expect service people to go the extra step to make sure they are understood.
- 5.To feel important: Customers want to have full attention and all of your company's capabilities put to work to resolve their issues.
- 6.To accomplish their objective: Customers contact service departments because they have a goal to be accomplished. When the conversation is complete, they want to know they have attained something tangible, even if it is not a full resolution of their issues.
- 7.To be handled quickly: They expect customer service reps to be efficient. They expect you to be knowledgeable about your products and service and know how to resolve their issues.

Factors which influence Consumer Buying Behavior

- 1.Personal – Age, Circumstances, Personality.
- 2.Psychological – Motivation, Perception, Attitude.
- 3.Cultural – Part of the world he belongs to.
- 4.Social – Reference group, Status.
- 5.Financial – Monetary status.

WHAT CUSTOMERS HATE

- 1.Unstable Responsiveness: Failure to return phone calls is the most common customer complaint.
- 2.Poor after sales services: Not responding to customer's call.
- 3.Not knowing what's going on: Customers want to know how you're dealing with their inquiries or orders.
- 4.Unnecessary costs: Customers hate paying unnecessary costs or for service they feel provide no value.
- 5.Vague, confusing and incomplete bills: Customer hates paying bills which don't have details.

CUSTOMER SATISFATION

- 1.Customer Satisfaction is measured by the following formula:
Customer Satisfaction = Perceived Performance (PP) – Expected performance (EP)
There are three cases of this formula:
Case#1 – If PP < EP, Customer is dissatisfied
Case#2 – If PP = EP, Customer is just satisfied
Case#3 – If PP > EP, Customer is highly satisfied or delighted

CUSTOMER RELATIONSHIP MANAGEMENT [CRM]:-

CRM process helps and identify and target their best customer, generate quality sales, leads, and plan and implement marketing compalgn with clear goals and objective.

CRM sometimes called customer service management.

A relationship is composed of a series of interactive episodes between dyadic parties overtime.

RULES FOR GOOD CUSTOMER SERVICE:-

Good customer service is the life blood of any business. You can offer promotions and slash prices

to bring in as many new customer as you want but unless you can get some of those customer to come back, your business will not profitable for long. In short good customer service is all about bringing customer back, and about sending them away happy- happy enough to pass positive feedback about your business along to other who may then try the product you offer for them and in their turn become repeate customer.

If you truly want to have good customer service, then you have to do consistently these things.

1. Answer your phone.
2. Don't make promises unless you will keep them.
3. Listen to your customer.
4. Deal with complaints.
5. Be helpful – even if there is no profit in it.
6. Train your staff to be always helpful, and knowledgeable.
7. Take the extra step.
8. Throw in something extra.

Four ways to provide customer service that outshine your competitions:-

There is no real secrets to getting your customer to come back. All you need to do is provide customer service that exceeds your customers expectations and outshines your competitors service.

1. Determine what makes what your offer special:-

Study the competition thinks about their customer service and the customer service you provide what can you offer your customer that is better than the competitive. Here something should be special (x free local delivery) you may prepare list of customer service ideas.

2. Study the customer service ideas on your list and examine their feasibility:-

Only choose what you can definitely do one hundred percent at any time.

1. Choose one / two of your shtiny customer service ideas and implement them.

CRM BENEFITS:-

When implemented successfully companies may be able to attain numerous objectives, including higher productivity in sales, streamlined marketing and sales process, improved level of service, relations and loyalty.

Benefits of CRM:-

A CRM system may be chosen because it provides following advantages-

1. Quality and efficiency.
2. Decrease in overall cost.
3. Decision support.
4. Enterprise ability.
5. Customer attention.

What motivates companies to adopt CRM strategies?

It is generally one or more of these fundamental business reasons:

1. Competition: With globalization and e-commerce continuing to spread, corporate offerings are increasing and becoming commoditized. Differentiating products and services is becoming more and more difficult. In such a scenario, CRM shows a company the way to increase customer loyalty, earn higher margins and stronger branding.

2. Consumer Expectation: E-commerce has competition just a mouse click away and consumers have become more demanding when voting with their pocket books. Companies that use CRM to truly

understand their customers and respond to their needs, will come out on top. Amazon .com is a text book example in this context.

3. Technology: The cost of CRM Technology has dropped, so it is easier to justify systems that consolidate your customers 'touch points'. The separate and isolated systems traditionally used by Customer Service, Sales and Marketing can now be phased out and the old communication gaps filled in.

4. Diminishing impact of advertising: Whether it is primetime TV, print journalism, direct mail or email marketing, all forms of advertising are becoming ineffective. With CRM you can target your message more precisely, hold people's attention better and retain customers longer and at a lesser cost. CRM involves changing from reactive to proactive customer service, giving priority to growing customer value rather than growing customer volume.

STRATEGIES TO PREVENT DEFECTION AND RECOVER LAPSED CUSTOMERS

Total Knowledge about Customer Behavior

1. The organization should have complete knowledge regarding the behavior patterns, migration patterns of the target customers.

Interactive Communication System

2. It is essential to develop transparent and interactive communication system.

Special Promotion Campaign

3. 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.

KNOWLEDGE ABOUT LIFE STYLE 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 be developed.

Customer Win-Back Programmers

The organization must introduce reward-based customer win back programmers. Employees involved in customer win back programmers should be given suitable incentives and every win-back should be celebrated and documented.

Building Customer Care Team

A customer care team specially focusing attention on defection drivers 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 linked to the organization in view of the professionally expertise service the organization offer.

Improvement of Value Delivery System

Value delivery system consists of the entire process right from the time a customer has expressed a need to the time that the customer receives the required service or product.

Practice of Experiential Marketing

To win the confidence of the lapsed customers, an organization may practice experiential marketing.

Benchmarking of Practices

In an attempt to obtain ultimate success with regard to winning back the lapsed customers, organization can benchmark its practices against the best practices available in the industry.

Continuous Improvement

The organization should constantly improve its status in terms of quality, trust, credibility, confidence, and communication. This would definitely help in winning back lapsed customers.

Successful CRM implementation results in to increased sales revenues, increased win rates, increased margins, improved customer satisfaction ratings and decreased general sales and marketing administration cost.

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