

Customer Relationship Management

Customer satisfaction has always been a key element in the pursuit of corporate goals and objectives. However, the current competitive environment fostered by liberalization and globalization of the economy and the rising customer expectations for quality, service and value have promoted many companies to organize their business around the customers they serve, rather than around the product lines or geographic business units.

Customer relationship management (CRM) first gained prominence in the early 1990s. It refers to the holistic approach that organizations can take to manage their relationships with their customers, including policies related to contact with customers, collecting, storing, analyzing customer information, and the technology needed to perform these tasks.

According to Philip Kotler and Gary Armstrong, ‘CRM is concerned with managing detailed information about individual customers and all customer “touch points” to maximize customer loyalty. It can also be defined as, ‘an alignment of strategy, processes and technology to manage customers, and all customer-facing departments and partners’. In short, CRM is about effectively and profitably managing customer relationships through the entire life cycle.

Relationship marketing

Customer relationship marketing is supported by customer relationship management. Think of customer relationship marketing as a strategy and customer relationship management as an action. The latter can be used to carry out the former.

To understand these concepts better, let’s break down the definition of each, their stages, and examples of each one.

According to Techopedia, **customer relationship marketing** is “a business process in which client relationships, customer loyalty, and brand value are built through marketing strategies and activities.”

Relationship Marketing vs. Relationship Management

Relationship Marketing-

Relationship marketing is a sales approach focusing on building a long-term relationship that benefits both the customer and the business. Some of the techniques businesses use in relationship marketing include providing consistently excellent customer service, getting to know the individual and anticipating their future needs, and offering discounts and special perks through loyalty programs for repeat customers. The rise of the internet gives small businesses ample opportunity to build relationships and engage with customers by inviting them to visit their websites and comment on blogs, as well as interact on social media sites such as Facebook, Twitter, Pinterest, YouTube and LinkedIn.

CRM-

CRM is the acronym for customer relationship management, a phrase describing web-based computer systems or software that helps businesses organize and provide marketing, sales and customer service assistance. Data collected includes information about customers' purchasing history, demographics, details of purchases and returns, and anything that will help salespeople assist the customer in future interactions. Much of this data must be entered by the sales team. CRM systems are also mined to identify new sales leads and potential new product or service areas.

Main Differences-

While relationship marketing is a sales and marketing concept, CRM refers to the tools used to carry out the concept. Relationship marketing is implemented as a strategy and includes activities such as identifying long-term sales and retention goals, public relations, marketing and advertising campaigns.

CRM includes the operational tasks that support the relationship marketing strategy. Activities may include gathering data about the customers, then organizing and analyzing it to create target customer profiles. CRM data is also effective in finding opportunities to create special offers to reward long-time customers for their loyalty, further building the relationship.

Relationship Marketing	Relationship Management
1. Focus on buyer-seller relationship	1. Focus on supplier customer relationship
2. Relationship are built using technology	2. Emphasizes what man can do with technology
3. Commonly used in B2B and service firms.	3. Commonly used in consumer goods and service process.

Types of Customer Relationship Management

1. **Operational CRM**:Operational CRM provides support to “front office” business processes, including sales, marketing and service. Each interaction with a customer is generally added to a customer’s contact history, and staff can retrieve information on customers from the database as necessary. One of the main benefits of this contact history is that customers can interact with different people or different contact “channels” in a company over time without having to repeat the history of their interaction each time. Consequently, many call centers use some kind of CRM software to support their call centre agents.

2. Collaborative CRM: Collaborative CRM covers the direct interaction with customers, for a variety of different purposes, including feedback and issue- reporting. Interaction can be through a variety of channels, such as internet, email, automated phone (Automated Voice Response AVR), SMS or through mobile email. Studies have shown that feedback through SMS or mobile email provides greater efficiency relative to alternative channels. Part of this has to do with the ease of use of particular feedback channels. The objectives of Collaborative CRM can be broad, including cost reduction and service improvements.

3. Analytical CRM: Analytical CRM analyses customer data for a variety of purposes including:

- i. Design and execution of targeted marketing campaigns to optimize marketing effectiveness
- ii. Design and execution of specific customer campaigns, including customer acquisition, cross-selling, up-selling, retention
- iii. Analysis of customer behaviour to aid product and service decision making (e.g. pricing, new product development etc.)
- iv. Management decisions, e.g. financial forecasting and customer profitability analysis
- v. Prediction of the probability of customer defection (churn).

Analytical CRM generally makes heavy use of predictive analytics.

Significance (Importance) of CRM:

1. Better service to customers: CRM provides more avenues for customers to communicate and explain their needs to the organization through numerous contact points. Customers get increased satisfaction and a feeling of being special and important because of the increased personalization of services and customization of goods offered to them.

2. Customization of market offerings: Companies can customize a product or service depending on the data available with the firm. The firm can facilitate customer-company interaction through the company contact centre and web site. Such interactions help develop customized products.

3. Reduction in the customer defection rate: CRM emphasizes on training and development of the employees to become more customer oriented. Due to CRM training and development, employees show care and concern towards the valuable customers; therefore, the customer defection rate may be reduced.

4. Increase and improvement in long-term relationships: Some firms treat their customers as partners. Firms solicit the help of the customers to design new products or to improve their services. If the customer gets involved with the firm, they are more likely to remain with the firm.

5. Increase in customer equity: CRM increases customer equity. Firms focus the marketing efforts more on the most valuable customers (MVCs). The main aim of CRM is to produce high customer equity. Customer equity is the sum of lifetime values of all customers.

6. Competitive advantage: The firms that adopt CRM get competitive advantage in the market. They can face the competition with much ease. Competitive advantage helps in generating higher returns on investment.

7. Building and maintaining corporate image: The image of the firm also gets enhanced. Loyal customers become evangelists. The evangelists spread a good word about the company and its products. This enables a firm to get additional customers to its fold.

8. Higher return on investment: Due to CRM, a company gains a position to generate higher returns on investment. This is because of the repeat purchases on the part of the loyal customers. The company also makes money through cross selling. The higher return on investment increases the shareholders' value.

Global Marketing

Global marketing involves planning, producing, placing, and promoting a business' products or services in the worldwide market. There is significantly more to global marketing than simply selling goods and services internationally. It is the process of conceptualizing and subsequently conveying a final product or service globally. The company aims to reach the international marketing community.

Global marketing is a specialized skill. If marketing professionals do their job properly, they can catapult their company to the next level.

Several different strategies are possible. Which one to implement depends on the company's target area. For example, the menu of a fast food restaurant will depend on whether it is in Europe, Asia, Africa, etc.

Global marketing is part of marketing. Marketing refers to analyzing the market, finding out what consumers want, and determining whether you can make it at the right price. You then produce it and sell it.

As per Prof M.V. Kulkarni "Global marketing involves identifying needs, wants and demand of global customers and making the products/services available to them either through own manufacturing or outsourcing and distributing the product/service at the places convenient for consuming."

Advantages:

- a. Economies of scale in production and distribution
- b. Lower marketing costs
- c. Power and scope
- d. Consistency in brand image
- e. Ability to leverage good ideas quickly and efficiently
- f. Uniformity of marketing practices
- g. Helps to establish relationships outside of the "political arena"
- h. Helps to encourage ancillary industries to be set up to cater for the needs of the global player
- i. Benefits of e-Marketing over traditional marketing

Current Scenario of Global Marketing

The marketing world moves at the speed of light.

As a marketer at any experience level, keeping up with these changes isn't always easy. But, to succeed in the fast-paced marketing world — and maintain a sense of relevance with your audience — it's vital to stay ahead of them.

To help businesses build cutting-edge and competitive marketing strategies in 2023, the Hub Spot Blog surveyed more than 1,000 global marketing professionals — and talked to a handful of industry experts — to create this bookmarkable guide of marketing trends to watch in the next year.

Trend 1. Brands answer economic instability with marketing investments

Financial uncertainty such as inflation, supply issues and a looming recession is the top-of-mind concern for brands globally. Rather than cost cutting, brands surveyed are planning to weather financial uncertainty with marketing investments.

Globally, the top three strategies include:

- a. Accelerating to new digital platforms/technologies
- b. Expanding into new markets, segments, and geographies
- c. Implementing systems such as artificial intelligence and create greater customer personalization

Trend 2. Chief marketing officers drive growth through internal sustainability efforts

While there are many potential approaches to sustainability, brands surveyed are concentrating their efforts on shoring up the sustainability of their own internal practices, rather than trying to influence customer behavior. These efforts not only establish an authenticity to brands' marketing initiatives but leverages heightened awareness of global uncertainties to help build a more secure, sustainable future.

Globally, the top three sustainability strategies include:

- a. Improving sustainability of internal marketing practices
- b. Promoting more sustainable product and service offerings
- c. Establishing long-term sustainability commitments

Trend 3. Creativity as a force for growth

High-growth brands surveyed are prioritizing creativity as a force for long-term growth over their low-growth counterparts. High-growth brands also place a higher priority on increased risk taking, cross functional collaboration, and looking to the marketing function for its most creative ideas.

Trend 4. Rising technologies for marketers to watch

Which new technologies most interest marketing leaders this year—and which are likely to sustain their interest over the long term? Marketers have their eye on expanding their investment in block chain and the metaverse.