Success and Failure of CRM Programme

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Abstract

CRM, in the present times has become a big marketing strategy. It is gaining momentum with the increase of consumerism in the service sector CRM is the focal point or locus of the business. In the present article, the author has discussed all about CRM and the benefits which occur to the business firm as well as the customer. The author has also discussed some constraints and difficulties which arise in CRM and finally he has tendered useful suggestions to get success in this venture. That India's mutual trade and trade intensities are increasing over the period of time, study explores that after the existence of SAARC Preferential Trading Arrangement (SAPTA) and establishment of World Trade Organisation, mutual trade and trade intensities of export and import are increasing and also more than the desired level.

1. INTRODUCTION

CRM or Customer Relationship Management is a business strategy that helps create and maintain long-term and profitable customer relationships. This is a business strategy that is designed to reduce costs and increase profitability by increasing customer loyalty.

We are witnessing the acronym CRM is often mentioned as the almighty solution for problems in relationships with customers, but that also often hear that these CRM projects failed. If the CRM looks like any other tool, its value depends exclusively on the ways how to use it. In the first place is an important CRM strategy that actually defines what we sell and to whom we sell, how we create value for the customer, to convey the information to the customer and how we sell what we sell. If the CRM strategy well defined in a simple, pragmatic and understandable way to describe the company achieves a competitive advantage in a market where it operates, the chances that the implementation of CRM systems in the business and technical sense not only help the company to generate a competitive advantage rather than to ensure that the advantage of long-term hold.

Today, CRM is understood as an inevitable part of the corporate strategies of modern organizations worldwide. Complete picture of CRM systems is simplified; there is a better understanding of critical system components to support the CRM strategy, and increasing awareness of the futility mutual logical separation of certain subsystems. CRM collects in one place information from all sources within the organization (and where possible, and outside the organization) to provide of a unique image of each client in real time, allows employees in the organization, which directly communicate with customers (e.g. those in the field of sales, technical support and marketing) to make quick, correct decisions based on the number of available information.

CRM process is a well-balanced composition consisting of three segments: Technological Tools, Processes and Human Resources.

Companies that choose for the organized CRM should provide the right technology that will lead to the improvement of business processes, provide timely information to employees and will be easy enough to use. Customers are the most valuable assets of a company with. It has long been proven that only 20% customers generate 80% of revenue, which is why customers often share the important ones "more important". If we know that to attract new customers or service/users should make much more money to retain an existing one, the idea of CRM is clear - keep your existing customers and encourage loyalty and consumer confidence in the company. There is a consistency of opinion that CRM is a mechanism by which the learned who are our customers and using these knowledge the customers of high value (as opposed to high network rich or well off), increasing cross-selling and reduce loss. It is also a way to achieve greater operational efficiency because the processes will be better "matched". To a large extent, the organizations that make a lot of time on management and financial resources in the CRM, it becomes a direct consequence of the general management of the open appearance to the public on the strategic goal "to become obsessed with our clients" or "double profit in three years."

Generally speaking, to project implementation, i.e. building CRM systems failed, before the start of the project itself is necessary to answer and define the strategic value of CRM systems and measurable goals for its implementation, and then ask what are our most valuable customers, who are our plans for growth, which is the value we offer customers, how we keep loyalty customer, such as organizational solutions require that the technology to meet the need of the CRM system and, finally, to consider a transitional period in which they will need to manage change in the procedural and organizational sense, but also how to integrate new technological solution to an existing information system.

In practice, identified a number of steps the success of which we here give the most important ones. The first is related to the target customers, i.e. it is always important to find and retain profitable customers, i.e. those you work with minimum effort and are pleased with your company. After that, customers should be grouped in accordance with the offer added value to the customer. The next step is to maintain regular communication with the customer. It is not good to call the customer at a time, but proper that the customer through regular communication gets a sense of security to you as his supplier, interest in his business and caring for him. Next comes step approach to the customer through multiple channels.

In practice, we encountered various forms of project planning for the introduction of CRM systems. Before project phase is a snapshot of an important phase that would be regulated already started initiatives. Specifically, the problem of managing relations with customers is so much part of everyday business that no company that does in his discussion of several initiatives simultaneously. After that is still in the preliminary project necessary to define the expectations of the CRM system and calculate the cost of its introduction, when the face is used on the revenue and expenses and the amount of investment.

After a good preparation phase begins the definition of CRM strategy across all elements of value creation that we do for the customer: the value of our offer, a way of generating value for the customer, communication value we create for the customer and a description of how to implement the whole process. This phase is important for the Stimulation of sales to changes that will bring a new CRM system. After defining the strategy, concept

definition starts CRM system in terms of process, organizational context, in terms of metrics, indicators, reward system and so on. In order early enough in the project could arrange control points (milestones) implementation.

Finally, after confirmation of the concept remains the planning phase of implementation where the established order for the project management to support project management and facilitate communication about the changes, then develop an implementation plan and the benefits of implementation. Projects to introduce a new CRM system can take 10-16 weeks for the preparation phase, the definition of CRM strategies, concepts and actual implementation may take up to one year.

2. FAILURE OF CRM PROGRAMME

Understanding the challenges and critical success factors are most important to the success of the project. Companies are aware of in this manner by which these factors can be measured success, and will provide CRM system to implementing a way to satisfy all interested parties. Many managers do not realize that the changes in its comprehensive CRM, to demand reform.

The problem is more that many after making a decision about joining such a project, not based on scientific knowledge in management charges. For them, the release itself of the intentions of entering the CRM project and some familiarization with the software company that delivers more than enough to start. In addition it is common that managers are not sure where their place in all this, which often causes problems. They just do not understand the reforms and will have a positive effect on relations within the company. To prevent confusion, it is often to communicate with employees and management to interact with each other to facilitate reforms. This communication is often lacking. On the other hand

companies put great efforts to the choice and implementation of technology often have been made related to training non-technical staff negligible. All this is due to ignorance or lack of organization, a direct consequence of the failure.

One of the reasons is that the IT company that was implementing it was not aware of the complexity that makes implementation of CRM system and that is fitting to agree to implement, but the main reasons for the obstacles that the company may encounter when implementing a CRM system. It is about five groups of obstacles: the strategic, political procedural, organizational and system barriers. Strategic barriers indicate unclear definition of CRM strategies and the existence of a number of strategies that overlap.

3. BENEFITS OF CRM

On the Revenue Side : On the Expenditure Side :

❍ Winning over new, loyal and profitable customers. – Increase the effectiveness of marketing campaigns.

❍ Increase consumption of existing customers. – Increase the cost effectiveness of sales channels.

❍ Expending the cross-sell products and services. – Increase the effectiveness of sales channels.

❍ Increase brand and customer. –Reducing the time needed to launch new products.

❍ Retain customers through increased satisfaction. – Creating synergies in sales supports.

❍ Increase customer loyalty the most profitable. – Reducing errors in contacts with customers.

One of the main reasons for lack of success of CRM applications, or even total failure of implementation lies in the ignorance of the strength of key user-oriented strategies.

Marketing research has shown that about 70 to 80% of all products are perceived as a commodity that is, seen as a more-or-less the same as applies to competitive products. This makes the marketing of products difficult. Market participants have a different approach to this problem, including : branding, product differentiation, market segmentation, and marketing relationships.

Relationship marketing (also called loyally marketing) focuses on establishing and building long term relationships between companies and customers. There are several approaches that are adopted, including management's experience, customer relationship management, loyalty programs, and database marketing.

4. CONCLUSION

Finally, it should instead conclude repeat key messages that will help in planning more real CRM system. In the first place the need for understanding how technology alone will not achieve unexpected benefits of implementing CRM systems. On the second place, needs to understand that CRM systems are not introduced merely increasing incomes, but also to reduce cost of sales. In third place is the need to include all of the project before the initiative started to make a cost evaluation of CRM systems. The fourth to take into account the fact that the new CRM system brings application in business and need to plan the time needed to accept those changes. In fifth place is the need to involve all the project participants that have an impact on relations with customers, even those who support sales aspirations. And in the last sixth in the need for a metric with which to monitor the successful implementation of CRM.

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