

CRM Software – An Introduction

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Abstract

Customer management encompasses all the systems, processes and applications needed to manage customer relationship. Customer Relationship Management (CRM) helps with the task of customer management. CRMs can also be designed to provide analytics to find and follow trends, track sales to maximize success. There are many commercially available software to aid customer management.

INTRODUCTION

Business organizations want to enhance their relationship with their customers to foster a productive business environment and to encourage repeat purchases. Customer management encompasses all the systems, processes and applications needed to manage the customer relationship (The Magazine for Customer Service Managers and Professionals 2019). Customer Relationship Management (CRM) helps with the task of customer management.

REASON FOR CRM

Customer Relationship Management can be considered an umbrella term that encompasses all the measures that a company of organization takes to manage its relationship with its customers including policies, practices, organizational culture, computer systems, data collection tools, algorithms and information technology tools that are involved in managing the relationship with customers (Hargrave 2019). Business these days are making increasing use of technologies that make their work easier and effective. CRMs can also be designed to provide analytics to find and follow trends, track sales and customers and the communications and inventories to maximize success.

Customer service managers have access to large array of customer data with the help of advanced technology systems. Hasan et. al (Hassan 2015) looked at several of the most common CRM techniques and sought to find out the CRM program that is most effective. The study determined that customer relationship management has significant effect on the customer satisfaction. In another research study (Hasan 2017) the authors looked at the effects of Customer Relationship Management on customer satisfaction and loyalty. With the help of a systemic review of multiple pieces of research of ten years, the authors identified three characteristics – quality, service access and handling of complaints – as the most common influencers of customer satisfaction. Soliman (Soliman 2011) found that there is a clear and distinct connection between an organization's use of Customer Relationship Management and positive marketing performance especially in financial institutions. CRM continuum was defined by Payne and Frow (Payne and Frow 2005) as follows:

IF	
CRM is defined narrowly and tactically	CRM is about the implementation of a specific technology solution project
	CRM is the implementation of an integrated series of customer-oriented technology solutions.
CRM is defined broadly and strategically	CRM is a holistic approach to managing customer relationships to create shareholder value

According to Payne and Frow, CRM involves establishing which strategic processes take place between an organization and its customers. They utilized the expertise of a panel of 34 highly experienced CRM practitioners. Some of the most important processes identified were the following:

- value creation process
- strategy development process
- multichannel integration process
- information management process
- performance assessment process

The key to successful CRM implementation is to be able to balance and integrate the vital elements of CRM which include the technology and the process and people involved in it (Chen et. al. 2003)

Some of the CRM software is a category of software that covers a broad set of applications designed to help businesses or organizations manage many of the following processes (Pan, Z et. al 2007)

- access business information
- assets or resources
- automate sales
- clients and contacts
- contracts
- customer data
- customer interaction
- customer support
- employees
- knowledge and training
- marketing
- support vendor-partnership relationships
- track leads

CRMs are mostly rated on their ability to help keep down operational (cost) efficiency and the ability of firms or company to generate profits. Additionally, CRM implementation is associated with a decline in cost efficiency but an increase in profit efficiency ((Krasnikov A. et al. 2009). Ryals found that CRM can have a positive effect on business profits (Ryals 2005). CRM can help build better and stronger relationships with customers (Chang 2007). There also exists a lot of hype surrounding CRM and people sometimes expected too much from technologies and many experienced failures in that regard (King et. al. 2008). Shanks (Shanks et. al. 2009) set out to create a structured framework to provide a better understanding of the substantial positive effects that CRM can have on a business organization. They came up with a framework that highlights a set of benefits that were organized in categories, that made use of empirical indicators and example metrics.

SOFTWARE FOR CRM

Many different types of CRM software are available. Microsoft Dynamics and Salesforce.com. Some of the CRM software can be run from servers belonging to the company. These are called on-premise software. Oracle, Siebel and SAP are some examples of on-premise software. Another popular package is Goldmines Premium. Another type of software is the Open Source Software (OSS). Open source software is software with source code that anyone can inspect, modify, and enhance. SugarCRM and Compiere are examples of OSS.

ADVANTAGES AND DISADVANTAGES OF CRM

Some of the benefits of CRMs are:

- drastic reduction of the use of paper – some organizations have gone totally paperless
- relevant customer is readily available for a quick review
- relevant data available in one place
- sales, marketing and customer service activities can be automated
- improved customer service
- most CRMs integrate with many popular enterprise software
- allows multiple departments to integrate and collaborate activities
- ability to analyze data to find trends
- analyze data to aid decision making

Some of the drawbacks of CRMs are:

- expensive to buy
- training users takes a long time
- some CRMs cannot be easily integrated with other enterprise software
- little guarantee in some cases for data stored with external companies

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