

The Role of Customer Relationship Management System in Performance of New Enterprises (Case Study: Business Organizations)

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ABSTRACT

Today, marketing is not only the development, supply and sales but the continuing development and after sales service to customers with long term relationship has been added. Creating customer loyalty is a concept that developed in the today's businesses as the main component in the success of companies and organizations have come, has been more attention. Considering these issues, customer relationship management (CRM) in organizations is considered as strategy. In fact, customer relationship management (CRM) is part of organization strategy to identify and satisfy our customers and convert them into permanent customers. Also, in order to maximize the value of every customer, can help your company. On the other hand, the significant failure rate of CRM projects and considering the implementation of this important customer relationship management in the organization have required large expenditures and its implementation may damage the relationships with our customers, Attention to the management may reveal more risk of this project and factors affecting the success of CRM. In this paper, first, to introduce the CRM system and the success factors and project risk management system will be paid with the customer.

KEY WORDS: Customer Relationship Management / Risk / Successful/ Marketing.

INTRODUCTION

Today's competitive world, organization have to make it more important to customers and instead of mass production and efficient customer service and attention to his satisfaction, customer relationship management will help organizations to identify key customers and the importance of preserving them for future exchange, and thereby reduce costs, attract new customers and also increase the income from loyal customers. Organizations have recognized that their customers are important asset, so the beneficial trading relationships with customers as a look that is the need of management. CRM system helps organization to provide better services to customers. This system provides more opportunities to sell and it is more effective, response time and increases quality of customer service, understanding of the marketing unit and improves customer behavior patterns, dealing with a unique opportunity to provide their customer and ultimately allow the company to choose how to interact. In fact, customer relationship management is one of the main competitive advantages that companies can be exploited in order to prevent transferring customer to other companies.

Principles and Concept of CRM

Customer-oriented management is a set of processes and strategies associated with the customer which is supported with special software to increase customer loyalty and ultimately company's profitability. Requirements can be pointed to attract the right customers institutionalization of the best process, enhancing employees motivation and customer retention and acquisition. In fact, this system to collect strategic needs and business and customer behavior leads to stronger relationships with them. finally, a strong relationship with customers is the most important success of any business.

CRM consists of three main part: Customer, Relationship and Management Customer is the final consumer that is having a supportive role in the relationship value.

Relationship is to create loyal and profitable customer relationships by learning more and management is a leading business process innovation and customer orientation and putting the customer at the center of the process and experience.

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Today, in the organization has been given strategic importance to the customer relationship management and in difficult conditions, competition, communication with organized customers is the best way to increases sales and customer satisfaction while reducing costs. Given these issues, customer management in organizations is considered a business strategy.

The Need for Customer Relationship Management

Today, manufacturing in different environment and transactional marketing based in mix marketing (product, price, place and promoting) can not alone be effective. Due to fluctuation in demand and increases competition in the markets, many organization are trying to create a strategy that has integrated all components of an organization. Users to share information among all and prevent the repetition of useless things.

This philosophy, crated the space in which all information's shared in the time required to be provided to individuals who need it, that is all the employees and all things are connected to each other and burst out of a person will make nothing. Customer relationship management and decision making on information obtained for company's strategy, shares knowledge of customer in the company.

CRM system can help organization to maximize their ability for interacting with their buyers. This not only helps to improve but also accelerate the response to the needs of the buyers.

Table(1) : comparison of traditional marketing strategies and CRM .

CRM Strategy	Traditional Marketing Strategies
<p>How to get closer to customers for value and create value for their.</p> <ul style="list-style-type: none"> • Perspective: customer experience • Defining customer auditing of behaviors and practices • Analysis capabilities • Target customer segmentation based on value • The purpose of each part of customer; attraction, development maintenance and efficiency • Criteria: satisfaction, loyalty costs of services and employees satisfaction • Is based on customer life cycle. 	<p>How to gain market advantages.</p> <ul style="list-style-type: none"> • Perspective: market position • Market definition and audit • Analysis of strengths and weakness, opportunity and threatens. • Purpose of each section of the target market: influence, development, maintenance and operation. • Criteria: market share, capital brand and influence on the market • Is based on product life cycle.

The Reasons for the Success of CRM System

To create a customer-centered culture it is necessary to extend the capabilities of knowledge and as well as the necessary tools to meet customer needs with appropriate products and services. One of the reasons the can lead to a successful CRM, the following cases can be mentioned:

- Implementation of CRM as a strategy in organization effective communication with customers should be implemented as a strategy at all levels of an organization and be familiar with their place in the system would integrate all business process and activity around the customer.
- Maturity of software in the organization is one of the major problems in the imp maturation of software in the companies, users who want to work must have experience in working with the simple software. Also, the system that have not efficiency will lead frustration and loss of senior management support and recording structure is hidden obstacles and problems.
- Determine the duties of each person and group in the organization: people should know what is their role and function in the system and what action should do when CRM optimization is a group. Process and for success in it, all individuals should be familiar with group works and tasks.

Challenges of Implementing CRM

Before an organization can implement CRM, the organization should be aware of potential problems and possible to be deal with them when necessary. At the organization level, business should establish a joint operation between different sectors that are associated with the customer to be more effective.

The main challenges that an organization may encounter in implementing CRM can be divided into three main cases:

- 1) Initial start-up costs: It is one of the CRM challenges that the organization may have invested a large amount of customer management tools.

There may be some specific applications of these tools, they hardly can be shared in difficult sectors.

2) Integrated practical tools: organizations need tools to integrate applications based on customer life cycles and interactions with the customer is created. The organization need to manage the customer interaction to different languages and currencies can not bring to customer CRM through traditional technologies and this would be very difficult for them.

3) Cooperation various sectors: CRM is an integrated approach and requires the cooperation of the business which had previously operated as autonomous.

Data that are gathered in one section should be shared in all other parts.

Some of the sectors to share their data with others may be Unsatisfied or reluctant.

CRM Implementation

For successful implementation of this system should be aware of pre-deployment requirements and procedures. The successful deployment of CRM software is the following way: Two major symptoms can indicate whether a specific business need CRM or not. One of these symptoms are the existing of various ways that customers can call the organization. When customers interact with a set through different ways, CRM offers a coherent and accurate data collection on all customers and storing it in databases structured and equipped to enhance productivity in CRM strategies. Another symptom that can show a specific business to use Software for CRM needs, is variety of products and services that a company offers to customers. Diversity actually means that with a careful study of the behavior and demands can be discovered that investment is more profitable products and services, so increases customer satisfaction. Also a determining factor is the number of customer and their geographical distribution. Whatever the number and the distribution of customers are more, Applicant of customer relationship management increase.

The system ranges can be extended to cover all classes or particular group of them is included. CRM has steps for achieving their objects from different perspective has been proposed.

According kalacota, This model is composed of three stages of the life cycle of recruiting, retaining and promotion that supports each steps of understanding relationship between firms and customer. The theory is that the different methods affect the relationship with customers so that strategies and focus varies from stage to other stage and it is shown in the following table.

Table (2): steps of CRM and Types of organization strategies corresponding it.

Strategies	Firm focus	measures	Steps
innovation	Distinction	Leadership to promote goods and services	Attractive
Reduced costs-customer service	Isolation	Enhance the profitability of existing customers	Promotion
According to customer and new product	Adaptation	Keep your customer for life (focusing services with respect to customer preference	Retaining and conservation

Stages of Service Delivery in Customer Relationship Management

In the first stage of CRM services, The database is based on data supplied by customer. Then Data collected in the database is analyzed based on different techniques. Target customers are selected based on criteria of profitability for the company. In the next step for target customers are designed an appropriate marketing mix. Then by using the last information, communicating with customer and finally after implementation of marketing will controlled provided results.

The stages of implementation services can be in the form of customer relationship management as showed in the figure (1).

Risk Factor For CRM Projects

When CRM fails to full fill the goals of organizations it is said CRM has failed some common mistakes that lead to this, are

1. Weakness in the organizations knowledge management
2. Inadequate understanding of the organization and its external environment.
3. The immature nature of the information technology and information system.
4. Lack of customer-oriented culture, embrace change promotes sharing of information
5. Weakness in the strategy
6. In sufficient support senior managers from customer relationship management
7. Changes in owners and senior managers of organization

8. Lack of sufficient budget allocation to project management, customer relationship
9. Ambiguity in the implementation of customer relationship management
10. Weak implementation methodology and project management.

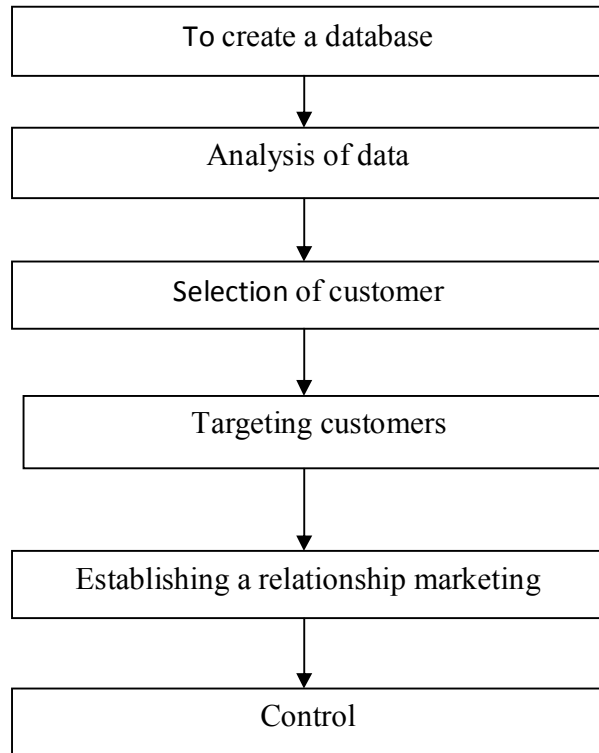


Figure (1): The process of implementation of CRM.

Conclusion

These days, The most important economic challenges that facing any organization is to increase sales. Competition in difficult situations, organized and timely communication with customers is the most appropriate to increase sales while reducing costs. Among the key factors for successful customer relationship management project are working with organizational functions (for example sales personnel and marketing personnel with IT department).

Researchers have stressed the need for integration among areas of sales and marketing function for the success of customer relationship customer Management. The most important factors for project failure is the one of customer, since CRM technology before the creation of customer-centric organization. It is necessary that organization that in tented to implement CRM to be organized so that it can focus on their key customer. It is essential that structure is flexible and if necessary in order to create customer-centric values is organized. CRM gives overall and clear pictures and yet with all details required by customers and the process of sales and this provides a special relationship with each customer and make it work to lose any opportunity for more sales and customer satisfaction than did.

Suggestions

- 1) Essential to the success of customer relationship management determining an organization of profitable customer and customer segmentation is based on the organization's values, Then based on each customer in which category, will determine specific needs and appropriate ways of interacting with customer
- 2) Before implementing of CRM technology, the organization must identify and prioritize their needs of analysis and based on the need, to take action or choose to develop information technology system.
- 3) To achieve the goals of CRM and gain competitive advantage should be designed a program of business for sourcing maintaining and customer information assets and enforcement.

- 4) In order to avoid from strategic and tactical mistakes (individual and process) is necessary at all stages of implementation to control the actions of team members' performance and developed to be implement.
- 5) Agency personnel are bridge between customer and organization before implementation of CRM in the organization, it is necessary to answered to all uncertainties, concerns and questions of personnel about the customer relationship management and they should be given necessary training in this field.
- 6) Key process from customer perspective have identified and process that can create the greatest dissatisfaction can be found in the first phase focusing on them.

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