

# Customer Relationship Management (CRM)

CRM recognizes that customers are the core of a business and that a company's success depends on effectively managing relationships with them. It focuses on building long-term and sustainable customer relationships that add value both for the customer and the company.

- Types of CRM
  - Operational CRM
  - Analytical CRM
  - Collaborative CRM

# Customer Relationship Management (CRM) (Continued)

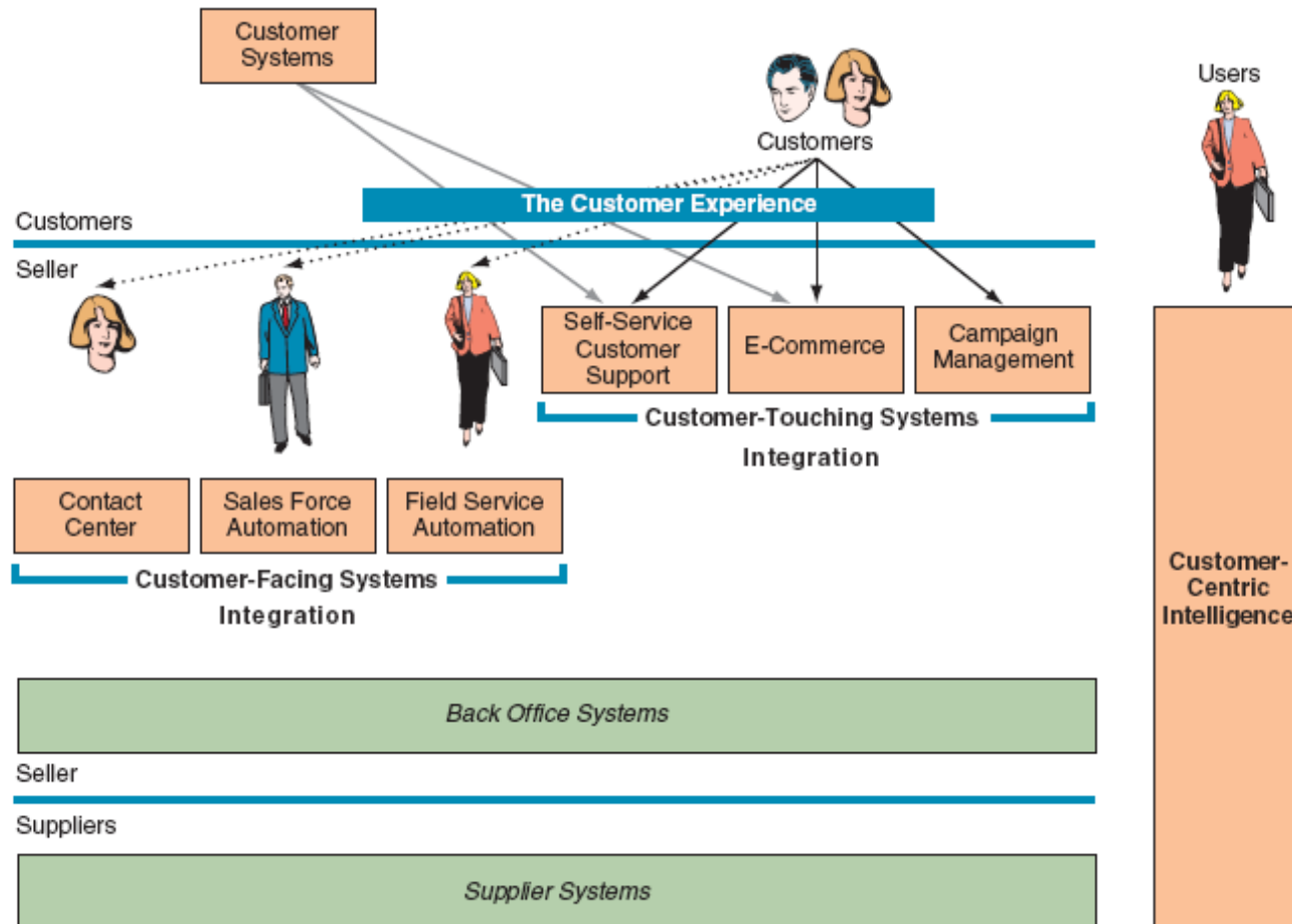


Figure 8.10 CRM applications. (Source: Patricia Seybold Group, *An Executive's Guide to CRM*, March 21, 2002.)

# Customer Relationship Management (eCRM)

- CRM has been practiced manually by corporations for generations. However, Ecrm (electronic CRM) started in the mid-1990's ,when customers began using Web browsers, the Internet, and other electronic touch points.
  - THE SCOPE OF E-CRM. We can differentiate three levels of e-CRM:
    - Foundational service. This includes the minimum necessary services such as Website responsiveness (e.g., how quickly and accurately the service is provided), site effectiveness, and order fulfillment.
    - Customer-centered services. These services include order tracking, product configuration and customization, and security/trust. These are the services that matter the most to customers.
    - Value-added services. These are extra services such as online auctions and online training and education.

# Customer Relationship Management

## CRM Activities

- Customer Service on the Web
  - Search and Comparison Capabilities
  - Free Products and Services
  - Technical and Other Information and Service
  - Allowing Customers to Order Products and Services Online
  - Letting Customers Track Accounts or Order Status
- Tools for Customer Service
  - Personalized Web Pages
  - FAQs
  - Chat Rooms
  - E-Mail and Automated Response
  - Call Centers
  - Troubleshooting Tools
  - Wireless CRM

# Managerial Issues



- **Ethical issues**
- **How much to integrate?**
- **Role of IT**
- **Organizational adaptability**
- **Going global**
- **The Customer is king/queen**
- **Set CRM policies with care**