1. MEANING OF CUSTOMER RELATIONSHIP:

Customer Relationship Management (CRM) refers to the methodologies and tools that help businesses manage customer relationships in an organized way.

For small businesses, customer relationship management includes:

- CRM processes that help identify and target their best customers, generate quality sales leads, and plan and implement marketing campaigns with clear goals and objectives;

- CRM processes that help form individualized relationships with customers (to improve customer satisfaction) and provide the highest level of customer service to the most profitable customers;

- CRM processes that provide employees with the information they need to know their customers’ wants and needs and build relationships between the company and its customers.

Customer relationship management tools include software and browser-based applications that collect and organize information about customers. For instance, as part of their CRM strategy, a business might use a database of customer information to help construct a customer satisfaction survey, or decide which new product their customers might be interested in.
Customer relationship management is a broadly recognized, widely-implemented strategy for managing and nurturing a company’s interactions with clients and sales prospects. It involves using technology to organize, automate and synchronize business processes—principally sales activities, but also those for marketing, customer service and technical support. The overall goals are to find, attract and win new clients, nurture and retain those the company already has, entice former clients back into the fold and reduce the costs of marketing and client service. Once simply a label for a category of software tools, today, it generally denotes a company-wide business strategy embracing all client-facing departments and even beyond. When an implementation is effective, people, processes and technology work in synergy to increase profitability and reduce operational costs.

2. **E-CRM:** eCRM Electronic CRM concerns all forms of managing relationships with customers making use of Information Technology (IT).

The exact meaning of CRM is still subject of heavy discussions. However, the overall goal can be seen as effectively managing differentiated relationships with all customers and communicating with them on an individual basis. Underlying thought is that companies realize that they can supercharge profits by acknowledging that different groups of customers vary widely in their behavior, desires, and responsiveness to marketing.

**eCRM**

As the internet is becoming more and more important in business life, many companies consider it as an opportunity to
reduce customer-service costs, tighten customer relationships and most important, further personalize marketing messages and enable mass customization. Together with the creation of Sales Force Automation (SFA), where electronic methods were used to gather data and analyze customer information, the trend of the upcoming Internet can be seen as the foundation of what we know as eCRM today. We can define eCRM as activities to manage customer relationships by using the Internet, web browsers or other electronic touch points. The challenge hereby is to offer communication and information on the right topic, in the right amount and at the right time that fits the customer’s specific needs.

Channels through which companies can communicate with its customers, are growing by the day, and as a result, getting their time and attention has turned into a major challenge. However, given the newness of the technology, most companies are still struggling to identify effective entries in Virtual Worlds. Its highly interactive character, which allows companies to respond directly to any customer’s requests or problems, is another feature of eCRM that helps companies establish and sustain long-term customer relationships.

Furthermore, Information Technology has helped companies to even further differentiate between customers and address a personal message or service. Some examples of tools used in eCRM:

- Personalized Web Pages where customers are recognized and their preferences are shown.
- Customized products or services (Dell).
CRM programs should be directed towards customer value that competitors cannot match. However, in a world where almost every company is connected to the Internet, eCRM has become a requirement for survival, not just a competitive advantage.

**Different levels of eCRM**

In defining the scope of eCRM, three different levels can be distinguished:

**Foundational services:**
This includes the minimum necessary services such as website effectiveness and responsiveness as well as order fulfillment.

**Customer-centered services:**
These services include order tracking, product configuration and customization as well as security/trust.

**Value-added services:**
These are extra services such as online auctions and online training and education.

Self-services are becoming increasingly important in CRM activities. The rise of the Internet and eCRM has boosted the options for self-service activities. A critical success factor is the integration of such activities into traditional channels. An example was Ford’s plan to sell cars directly to customers via its Website, which provoked an outcry among its dealers network. CRM activities are mainly of two different types. Reactive service is where the customer has a problem and contacts the company. Proactive service is where the manager has decided not to wait for the customer to contact the firm, but to be aggressive and contact
the customer himself in order to establish a dialogue and solve problems.

**Definition of CRM (Customer Relationship Management)**

**Definition of customer**

Imhoff defines customer as: "A party who is involved with the acquisition of the companies' goods and services and who is of interest to the organization."

In this definition, customers can be either individuals or organizations. Customers can also be loose group of individuals joined together as a membership organization, such as the Civil Aviation Authority (CAA) in UK.

They also list some customer types according to their definition, such as:

- Agent
- Beneficiary
- Bill payer
- Customer
- Competitor
- Employee
- Guarantor
- Household
- Prospect
- Referral source
- Supplier

This definition is too broad, in this paper; customer is defined airline passenger only.

**Definition of CRM (Customer Relationship Management)**

First of all, it must be understood that at its core, CRM is more than just a set of technologies: it is a process. This fact will be of significant importance to Information Technology (IT) professionals who will be asked to support CRM with information
and applications. Furthermore, it is intended to be a repeatable process to ensure ongoing, continually improving, and consistent results. Simply stated, CRM comprises the acquisition and deployment of knowledge about customers to enable an airline to sell more of their product and service more efficiently (Flanagan and Sadie, 1998).

Providing customers with a good experience, however, and whenever they choose to contact you, is a key part of managing relationships with them. Ovum defines customer relationship management (or CRM) as:

* A management approach that enables organisations to identify, attract and increase retention of profitable customers, by managing relationships with them.

This definition deliberately makes no mention of any particular means of communication, or channels, whether 'traditional' (mail, telephone, in person) or new (email, Web, wireless devices, interactive television). However, the first wave of CRM, which came to prominence in 1998, centred on 'traditional' channels - supporting front-office personnel communicating mainly by telephone, but also by fax and mail, as well as field personnel. Figure 1 illustrate the Key Elements of CRM Architecture.
What is e-CRM?

Today, more and more airlines are using the Internet to implement e-business applications and CRM strategy. These applications can be very resource intensive. e-CRM is interest intensified in managing customer relationship through the Internet and many airlines approached this as a separate project to their e-business strategy.

What differentiates airlines in today's hyper-competitive and demand-driven markets is their ability to address their customers' preferences and priorities. This means more than simply knowing and understanding their customers better than their competitors do. It means strategically implementing this customer knowledge in every area of the airline, from the highest management level to all the employees who come into direct contact with customers.

Establishing and strengthening long-term relationships with airline's customers is the key to success. It's the focus of a well-
structured and coordinated process of customer relationship management.

   e-CRM involves far more than automating processes in sales, marketing and service and then increasing the efficiency of these processes. It involves conducting interactions with customers on a more informed basis and individually tailoring them to customers' needs.

**Business Drivers--Why CRM**

   There are three primary reasons why CRM has taken hold as rapidly as it has:

1. Competition is fierce;
2. The economics of customer retention are unequivocal;
3. Technology allows airlines to do this more effectively and profitably today.

**The return on CRM methods**

   There are only three ways to increase the profitability of a customer base; acquire more customers, optimize the value of existing customers, or retain the right customers longer. All of these benefits must be achieved with lower costs.

   As the economic climate continues to become more competitive, the fight over customers intensifies. Of the three choices above, acquiring new customers is the most expensive. Research shows that acquiring a new customer costs 5 to 10 times more than retaining an existing one. Studies also show that loyal customers will buy more over their lifetime and are willing to pay a premium for doing business with someone they like and trust.
Therefore, while organisations will clearly continue looking for new customers, once acquired, they now know that it is worth a significant investment to keep them. CRM is a way to do that.

The benefit of application CRM to the airline industry

A vexing question for a number of airlines is how much value does customer relationship management, or CRM, really deliver to the bottom line and how does an airline go about getting it? While this question remains unanswered, many skeptical senior managers will continue to pay lip service the strategic importance of a customer-centric perspective and will continue with business as usual. Applied Technologies Group's investigation of 17 world-class airlines has clear indicated that significant revenue improvements of 0.9 and 2.4% are achievable (see Figure 2) (Binggeli et al, 2002).

![Figure 2: Benefits of a CRM Strategy](image-url)
This revenue increase comes from three areas:

- Re-attracting defected customers, which accounts for between 0.1 and 0.3% of revenues;
- Increasing the share of a customer's travel wallet, which accounts for 0.3 and 1.2% of revenues;
- Acquiring new customers, which accounts for approximately 0.05% of revenues.

Naturally, associated with these revenues are costs, but these only amount to between 0.3 and 0.6% of the existing cost base:

- The marginal additional flights needed as incentives estimated to be between 0.2 and 0.4% of costs;
- Additional CRM initiatives amounting to between 0.2 and 0.5% of costs.

Savings in costs due to more efficient and targeted running of the existing CRM programme, providing a reduction of 0.1 to 0.3% of costs;

As stated above, the bottom line impact of CRM is significant, but varies according to the airline implementing the initiatives. The range estimates are:

- For a large airline: $100-$250 million per year;
- For a midsize airline: $25-$60 million per year;
- For a smaller airline: $15-$50 million per year.

There are many benefits to be gained for airlines and airline passengers. Firstly, passengers could book and check in through internet 24 hours, 7 days a week, at any time, anywhere. Secondly, airlines could reduce sales cost. American Southwest Airlines CEO, Gary Kelly said the Website is playing a major role in mitigating the
rise in unit costs affected by high fuel prices. It’s 10 times cheaper to deliver to customers through the online service than through a travel agent, Kelly said, and costs 5 times less than using Southwest’s own reservation staff. The booking cost per passenger online is ‘well under $1,’ said Kelly, and is scaling down even further. He said Internet use by passengers was helping the carrier keep fares at low discount levels. (Aviation Week & Space Technology/March 6, 2000, p38).

Massive investment in both business-to-business (B2B) and business-to-consumer (B2C) information systems is expected to translate into important cost savings in procurement, sales, billing and other support activities. The airline’s fully automatic ordering system, for example, should reduce order processing costs by 90%, according to Chairman/CEO Juergen Weber of Lufthansa Aviation Group. (Aviation Week & Space Technology/May 15, 2000, p40).

**Specific benefits to implementing a CRM strategy with Interaction Management include:**

- Planning and implementing business processes across airlines and CRM applications ensures customers are handled in the most efficient and effective fashion from the beginning to the end of the interaction based on their real-time value to airlines.

- Implementing CRM applications may simultaneously lower the cost of design, implementation, installation, training, ownership and administration. It also reduces the risk of re-engineering systems at a later date.
• Consistent and dynamic processes are built up-front for the customer. This forces the airline to consider each element in the process design including the network, switch, multimedia management and the CRM—ensuring streamlined processes are in place before the customer makes contact.

• Influence and enhance intelligent call routing by leveraging the data gathered from the switch (ANI, DNIS, Caller ID), caller, and CRM applications.

• Create and leverage detailed statistics/metrics and cradle-to-grave reports.

• Real-time access to historical customer information allows support staff to know who your customer is, why the customer is calling, what’s been done, what needs to be done, and respond in the most efficient, expedient manner possible.

Benefits for the customer

• The E-mail was responded to immediately, with personalized, valuable information.

• Web self-service allowed customer to take immediate action to resolve issue.

• Personalization enabled promotion tailored to customer profile - enhancing one-to-one marketing.

• The ‘callback’ option was easy to use, enabling the customer to quickly request live support.

• The intelligent interaction routing engine immediately connected the customer to the right CSR.
The customer information provided by Apropos and the CRM application enabled the CSR to provide efficient, personalized service. (Prete, 2001)

Customers enjoy personal treatment, together with appropriate advice on getting the best out of their purchases. The airline may also put customers in touch with others with whom they have similarities, for example by inviting them to meetings.

For the airlines implementing CRM, it becomes possible to single out customers who are profitable, gaining an understanding of their preferences to improve retention and increase the volumes sold. These valuable customers can become advocates for the airline and its products. Finally, CRM helps an airline to build loyalty. Because it is a marketing truism that it costs five times more to generate new customers than it does to retain existing ones, that is a compelling argument.

With e-CRM, airlines can increase sales and customer loyalty. This strategy can improve sales effectiveness, bring higher value to all of airline's key business relationships, help airline to understand what each client relationship is truly worth, develop and reinforce a consistent experience for customers, improve management effectiveness, improve tactical and strategic planning, respond faster to competitive challenges, use critical resources more efficiently, and reduce administrative burdens and overall cost.

How to e-CRM
Four steps to e-CRM success

e-CRM is a business strategy that should guide airlines to increased profitability by creating customer loyalty. In order to
implement a true e-CRM strategy, airlines must have a vision and look at CRM as one holistic project - whether implemented all at once, or through a phased approach.

First, an airline must commit to focus on the customer and create a complete vision that fosters a true customer-centric organisation. Once a clear vision is in place, developing a strategy and establishing goals are the next steps toward effectively deploying e-CRM. The entire plan must align the airline's strategy, goals, and technology in order to achieve the objectives of the e-CRM project.

Airlines that make strategic e-CRM investments and align processes, strategies, and technology around customers are in a better position to deliver a seamless, high-quality customer experience across all channels. (Prete, 2001)

1. Airlines have a clear overall strategy to achieve enterprise-wide acceptance of a customer-focused culture. Without clear direction, resources are likely to be misdirected and return on investment sacrificed. Underpinning this must be senior management sponsorship of the complete culture, process and business change needed to successfully re-focus a business on its customers rather than its products.

2. Airlines have maximised value from their investment in technology to achieve the sought after 'single view' of each customer. Being customer-centric is not just about technology, however any airline considering using on-line channels to reach its customers knows it needs a clear vision of what it wants the technology to do. It is essential to have a coherent strategy for unifying multiple customer contact
channels but ultimately, success lies in ensuring that the online customer experience is relevant, personalised, and supported with excellent customer service, support and fulfilment. Done badly, e-business provides an open door for mass customer defection.

3. Airlines have united people and technology for outstanding performance. It is essential to have staff able to proactively connect with the data and create and sustain an appropriate relationship with the customer. Achieving this empathy requires defining new customer-focused, technology-enabled behaviours and delivering these through teamwork and aligning reward recognition with customer delivery. Without proper staff training and motivation, companies will fall at the last hurdle.

4. Airlines use an accepted method of measuring success to justify initial and ongoing investment in customer-focused initiatives. They need to develop appraisal systems for enterprise customer management, which identify all likely costs (including people, technology and process change) and benefits before any investment is made. The creation of robust measurement methods will be key to achieving board-level support.

Web self-service solutions-key to better customer relationships

As customers become more sophisticated, expecting faster, more reliable service around-the-clock, it's no secret that giving them the power to help themselves is key in providing the availability and personalized service they demand. The Web is the
perfect medium to find information quickly and securely-anytime. Start simple by letting customers use airline's website as a way to find out travel information. Book tickets on line; use e-tickets; Check-in through Internet by themselves; check cargo delivery status. Find answers by putting frequently asked questions (FAQs) online. In addition, chat room and personalized Site on the Internet provide airline better customer service, attract new customers and increases customers' loyalty.

When airlines give their customers self-service solutions, not only are airlines managing relationships with them, airlines are giving customers the tools to manage their relationships with airlines. As airlines offer this ability to their customers, the Web provides airline with a cost-effective way to get valuable insight about them-allowing airlines to target individual customers with specific, relevant marketing information.

There are three basic steps involved in establishing effective customer relationship management using the Web:

1. Capture customer information,
2. Build a customer database and
3. Create personalized communication.

Customers like to be recognized by name, and customized marketing increases the likelihood they'll buy from airline again. Capturing services purchases and related demographics helps airline build accurate and timely profiles about airline's customers. Building a database from existing systems and information airline capture is key in its efforts to focus marketing resources on customers who are ready to buy. When customers look for a specific item, they don't want to wade through a mountain of
irrelevant data-they want it now. Getting the right information quickly and easily is a reason for them to do business with an airline versus the competition.

The essence of customer relationship management is to make every interaction with customer count. Using the Web to communicate through methods like e-mail and customized views of airline's Web site is an inexpensive way to build targeted campaigns with a limited amount of resources.

**Airline e-CRM system model**

Airline's success depends heavily on its ability to intelligently manage sales, marketing, and service processes and to draw mutual advantages from understanding of airline's customers. To help airline maximise the strategic value of customer centric initiatives, Airline e-CRM model provides a comprehensive analytical solution, it can contribute toward improving the way that measure and optimize airline's relationships with customers. Figure 3 best illustrates Airline e-CRM model using system engineering methodology.

![Figure 3 Airline e-CRM system model](image)
Airline e-CRM model can be conceptualized as a system that is made up of components, linkages amongst the components, and dynamics-that takes advantage of the properties of the Internet to make money. It takes advantage of the properties of the Internet in the way it builds each of the components-value, scope, revenue sources, pricing, connected activities, implementation, capabilities and sustainability-and crafts the linkages among these components. It is what, preferably, enables an airline to have a sustainable competitive advantage. It includes three components: Web Basec Airline-Passenger Interaction subsystem; Airline Data Warehouse subsystem; and Airline e-CRM operation subsystem.

Airline e-CRM model is an asset-based solution that includes best-of-breed components to build an e-CRM infrastructure and enable any-channel, any-time communication with customers. At the heart of this offering is the CRM Foundation, which includes the CRM data model, starter set of CRM queries, reports and analysis, sample data, a demonstration prototype, data utilities and scripts, and comprehensive documentation that covers implementation guidelines, business perspective and analysis guidelines, system components, data model descriptions and use and customization guidelines.

Since managing customer interactions is a vital piece of the e-CRM puzzle, planning and implementing a Multi-Channel Interaction Management solution with the other subsystems and enterprise solutions is crucial. Without Interaction Management, the puzzle remains incomplete. Interaction Management is the foundation for evolving customer service into customer satisfaction.
by tying together all customer data - no matter where it is located within the enterprise. Making this information easily and quickly accessible to the customer management process and ensuring each customer is handled in the most efficient and effective way possible, is the ultimate result of a well-defined and deployed strategy and solution.

**Airline e-CRM model also:**

- Provides an understanding of customer behavior and enables airlines to measure results of marketing and merchandising changes.
- Supports more effective promotions through integration of data between marketing and merchandising users.
- Provides a single view of customers across the enterprise and across contact points.
- Gives airlines the ability to respond more dynamically and quickly to market demands.

Significance derived from airline-CRM implementation will allow for new e-business model, based on the wide availability of information and its direct distribution to end-customers.

- Directly connect airlines and passengers.
- Support fully digital information exchange between airlines and customers, reduced cost of a customer contact.
- Suppress time and place limits.
- Support interactivity and therefore can dynamically adapt to customer behaviour.
- To be able to satisfy customers’ need, build customer confidence and retention.
• Can be updated in real-time, therefore always up-to-date.
• Enhance airlines competitive advantages over its rivals.
• Profitable and sustainable revenue growth.

Some issues of application e-CRM

If the issues around e-CRM are so well understood by airlines, why do so many senior executives lose sleep over the level of customer churn? And why are so many disappointed that despite significant investment in customer-centric solutions, the benefits envisaged are just not being delivered?

Who is on the web?

It should be born mind, not everybody use Internet. For now, adults ages 25 to 44 comprise the bulk of that base and are most likely to access the Internet and buy online. Specialized markets, including children, teens, young adults, baby boomers, and seniors are rising fast (Korper, 2001).

Korper (2001) lists Top ten reasons teens go online:

1. E-mail: 67%
2. Just surfing: 63%
3. Playgames: 58%
4. Homework: 50%
5. Get to the World Wide Web: 50%
6. Easier than the library: 50%
7. Chat rooms: 48%
8. Learn new things: 45%
9. Instant messaging: 43%
10. Online encyclopedia: 37%

It can be seen from these ten reasons, Internet Booking Air Tickets is not on the top reasons.
Maximizing the Value of e-CRM

e-CRM suites fulfill an important need-to provide a consistent experience in electronic channel the customer uses; and to track and understand customer preferences to drive better business decisions.

The problem is that e-CRM suites alone can’t provide a complete view of the customer. A common error is underestimating the degree to which every facet of the enterprise needs to be involved in the process and integrated into the customer relationship. As Garter Group reports, "CRM involves front and back-office business processes that require accurate and easily accessible data. Access to poorly integrated front and back office processes and a lack of quality in the underlying data within foundation applications will lead to ineffective customer service and a resulting erosion of customer loyalty." (Garter Group report)

This can be seen by examining the cycle of an imaginary airlines that goes through selling a product, from pre-sale, to sale, through product deployment and post-sale service and sales opportunities. The table above shows typical customer-facing business processes that occur during the cycle, the role of CRM and where these processes intersect with the company's functional IT systems data stores.

Clearly, CRM applications in sales, marketing and technique support play a key role in supporting the entire cycle, as do back-office systems and data warehouses.
3. M-CRM

One subset of Electronic CRM is Mobile CRM (mCRM). This is defined as “services that aim at nurturing customer relationships, acquiring or maintaining customers, support marketing, sales or services processes, and use wireless networks as the medium of delivery to the customers” However, since communications is the central aspect of customer relations activities, many opt for the following definition of mCRM: “communication, either one-way or interactive, which is related to sales, marketing and customer service activities conducted through mobile medium for the purpose of building and maintaining customer relationships between a company and its customer(s)”

eCRM allows customers to access company services from more and more places, since the Internet access points are increasing by the day. mCRM however, takes this one step further and allows customers or managers to access the systems for instance from a mobile phone or PDA with internet access, resulting in high flexibility. An example of a company that implemented mCRM is Finnair, who made it possible for their customers to check in for their flights by SMS. Since mCRM is not able to provide a complete range of customer relationship activities it should be integrated in the complete CRM system.

NOWADAYS, customer relationship management (CRM) helps increase business profit for enterprises. Enterprises usually utilizes CRM to know the customers and provide personalized products and services according to increase customer satisfaction for stable and long term relationship. The essence of CRM for a company is to provide a valued relationship and to communicate
continuously with customers on an individual basis. That is why CRM is affirmed from in many industries. Through CRM activities, customers have more interests in interacting with the company.

However, CRM is extremely difficult to implement well. With proliferation of technology-based systems development, enterprises have more interactions with customers by CRM system. In Recent years, the mobile channel becomes a very effective instrument and new to reach customers anywhere and anytime for building customer relationship management.

Mobile phone almost always keeps in the customer's pocket due to it is easy to use and to communicate with people and it also supports interactive applications for business or leisure. In practice, many industries has started utilizing the mobile medium to promote CRM activities in Taiwan, such as bank, retail stores and telecom etc. To illustrate this situation, E-Sun Bank in Taiwan is one of the enterprises to operate a mobile phone service for their loyal credit card holders that enables customers to reconfirm for their spending at the same time via short message service (SMS). By this service, the advantage for the card holders is that they can confirm and control immediately to their spending to avoid wrong transactions or charlatanism on the mobile phone and are accessible whenever and wherever needed.

Recent years, customers using mobile phone have presented a very fast growing on value added services, such as games, ring-tones, stocks, GPS, MSN mobile, and information services. It shows a chance for enterprises that mobile channel is a new opportunity to deliver more complete services to consumers, to increase corporate brand image and to supplement company
products. There are little researches in the literature about mCRM but few articles have been deep discussing customer satisfaction in mobile customer relationship management. Though the mobile medium access to manage customer relationship, it brings not only new transactions possibilities but also new challenges. To operate a successful mCRM, a stable technological infrastructure is necessary. Therefore, mCRM is integrated to the existing customers and CRM activities so it is supported by the technological infrastructure of the mobile medium system.

Before carrying out a deep research exploration about mCRM applications, it is necessary to identify a clear definition of CRM. Following the results of CRM literature review, it produced a definition of mCRM. CRM is an effect of the continuing evolution and integration of markets, enterprises and industries with individual customers. CRM helps the company to create and maintain a relationship with customers and provides a process of linking customers’ knowledge and management. Because different customers have different needs and prefers, they should be treated differently and personally. Hence, CRM is the active process of the knowledge about customers extending, so that enterprises could use that knowledge to personalize the business and strategies in order to satisfy every customer individual need. CRM not only collects customers’ data. It is a complex strategy to strengthen the relationship with customers. CRM is customer-oriented. Enterprises must know their customers and appreciates to the new opportunities given by new information and communication technologies, to build a long-term customer relationship by CRM system. CRM is a corporate strategy and
systematic approach based on relationship and one-to-one marketing that aims to integrate management of personalized relationships with customers and to continue customers' value in the long term and to maximize value creation for companies. Furthermore, there are more and more channels to reach customers. It becomes a new challenge to stand on the leader position by accessing the most appropriate media and strategies to use to communicate with customers for companies.

Moreover, internet application is fast developed. It outcomes eCRM has attracted significant attention in many industries. A structured method by which mobile business can be introduced to the CRM field with more and more mobile phone users. So that mCRM has been concentrated seriously. The mCRM integrates wireless technologies into existing operations and strategies on customers. Consequently, mCRM is a corporate strategy and systematic approach realized by a mobile device (such as a mobile phone or PDA). Through mobile value added, the perception of customer satisfaction is promoted on strengthening a long-term customer relationship.

Satisfaction is the consumer's fulfillment response. It is a judgment for products or services they received and it provides a pleasurable term of retained relationship fulfillment. In other words, it is the overall level of contentment with a service/product experience. Hence, the importance of customer satisfaction to the success of customer relationship and to benefits of enterprises has been well documented. In addition, Customer satisfaction is regarded as a primary determining factor of consumer retention. There is the greater the degree apparent that customers show a
higher retained relationship with a better consumer experiences satisfaction. The role of customer satisfaction has generally focused on expectations, perceived performance, and satisfaction as modeled within a confirmation/disconfirmation paradigm.

Likewise, the comparison of expectations and perceived performance leads to either confirmation or disconfirmation.

Customer satisfaction is the process of comparing expectations with perceived performance, hence, is believed to be comprised of a cognitive process within a consumer's conscious control and an affective process outside of conscious control. When satisfaction becomes an important element, CRM affects retention not only independently but also collaboratively. Moreover, while the main effects of CRM is conspicuous for retention, customer satisfaction is a highly complex and multi-dimensional phenomenon. Most about customer satisfaction research has focused primarily on the ‘disconfirmation of expectations’ model, which states that feelings of satisfaction arise when consumers' compare their perceptions of a product's performance to their expectations. As per the marketing concept, any product should be considered as a ‘total product’ that includes core benefits from the product as well as auxiliary dimensions associated with that product. The customer is satisfied when he/she feels that the product's performance is equal to or more than what was expected (confirmation).

Hence, customers have higher retained wills to communicate with enterprises and to develop a future relationship. Customer satisfaction should therefore be understood as relationship specific and individualized.
While the concept of customer satisfaction is deeply inset with technology as is the case with mCRM. Customer satisfaction helps enterprises on creating new customer relationships, acquiring or maintaining retained customers by the mobile medium and enterprises delivery their information to customers by wireless networks. Moreover, mCRM also supports enterprises on marketing strategies through understanding customers’ needs and improves the service process through the feedback from satisfied customers. The mCRM is not only the critical role of communication in establishing but also aims at maintaining profitable and satisfied customer relationships through mobile communication medium. Therefore, mobile communication sits at a very important position to increase the degree of customer satisfaction in mCRM.

The mCRM promotes satisfaction to customers through the mobile medium on communication, either one-way or interactive, which is related to sales, marketing, and customer service activities conducted. Therefore, the mobile medium provides essentially the same function as any other channel within CRM system. The mCRM has the most important difference that enterprises and customers are connected through the mobile medium and customer satisfaction is also promoted to customers through the mobile medium. Thus, the personalized communication strengthens the relationship between enterprises and customers. This also shows that personalization plays a very important role to promote satisfaction and push up customer relationship. In order to provide a personalized service through the mobile medium, enterprises send a relevant communication to
targeted customers who always result in a significantly higher satisfaction than inaccurately targeted customers. However, enterprises face a new challenge how communicates with customers, promotes satisfaction to customers and builds a long term relationship with customers by the mobile medium. The mobile medium allows access to an individual anytime and anywhere, whereas all other channels within CRM are restrictive in this respect because customers always carry mobile phone with them. Therefore, to succeed in personalization, enterprises must know what customers want and need. This understanding offers enterprises a new interaction opportunity by the mobile medium like time and location flexible which are highly valued by customers. Consequently, the mobile medium offers a flexible communication, it increase satisfaction with individual services and deepen customer relationships.

THEORETICAL FRAMEWORK

According to the foregoing literature studies, customer satisfaction in mCRM is the essential to promote successful CRM activities. However, enterprises should face some challenges first before taking satisfaction within mCRM. The mobile medium has some limitations like small screen size, limited bandwidth and device diversity. The mobile medium needs to provide a complete range of activities for the companies, so it needs to be integrated with other traditional channels to win a competitive position. First, enterprises must consider how to manage and regulate constraints on customers' personal information which provides the utilization to mobile marketing. The mobile infrastructure influences on mCRM,
because of the technology-related. The mCRM cannot deliver activities or services to customers without a stable and valid mobile network.

With a technological in wireless networks development, 3G is a part of life and 4G is coming in the near future. A well mobile infrastructure is implemented through the mobile medium to increase customer satisfaction and build mCRM. By the development and maturation of mobile network system, there are more opportunities and challenges on mCRM. For this reason, communication through the mobile medium is becoming more complex as the content has to attract and encourage customers to be connected.

Moreover, the mCRM system must integrate overall CRM system to communicate with customers through the mobile medium which is a new channel for CRM activities. An integrated mCRM system is necessary for achieving effective management of the interactions across, and information coordination between, different customer communication contacts such as mobile phone, email or internet. Moreover, the mCRM must have the ability to solve all customers’ problems.

Due to mCRM need customers’ information, a customer database is essential for any communication conducted by the mobile medium. To have a communication with customers, basically, customer database must provide customers’ mobile phone numbers. Hence, enterprises must attach importance to this new challenge how to avoid irritating customers without the acceptance by mobile phone contacting.
Enterprises should get customers accepting in for the mCRM activities and after providing the information required to push customers to communicate with them. Therefore, enterprises also create a new opportunity to attract customers’ attention and to initiate customers and to create a dialogue over the mobile medium.

4. Relationship between E-CRM and M-CRM: Efficiency, convenience and personalization are the most important desired of mobile customers determining the differences in customer satisfaction perceptions both on technology and marketing service through mCRM. First at all, there is no denying that technology provides mCRM communication on implementation through the mobile medium. Enterprises operate mCRM server to access of handling such as sending, receiving and storing of SMS or MMS messages for targeted customers. To implement mCRM well, enterprises must consider that build an in-house system for using a managed or cooperate with a partner for a hosted solution. Therefore, a stable technology condition on a hosted mobile marketing platform provides enterprises more competitive advantages in mCRM applications market.

Moreover, enterprises must consider reaching the target customers by picking them who’s the number directs SMS messages from mobile phones to the mCRM server. The target customers are touched through all major networks of given by every CRM activities. These examples illustrate the relationships between eCRM and mCRM in various ways:
1. The mobile channel is the extension of the e-commerce channel. There are relatively few features available to support acquisition of new customers, particularly for sites that involve transactions. The mobile channel primarily supports existing e-commerce customers. As shown in Figure 1, United Airline's mobile and web sites bear similar arrangement of content and interface although the mobile site presents a simpler and smaller set of service categories and functionalities.

![Figure 1: Web and Mobile Front Screen for United.com](image)

2. eCRM supports all three phases of firm-customer interactions-acquisition of new customers, sales and services,
and retention of existing customers through cross-sell, sales promotion, and loyalty programmes. In comparison, mCRM focuses primarily on retaining existing e-commerce customers. Mobile sites require customers or subscribers to register online first (Figure 2). New customers cannot initiate relationships with a company on the mobile site. However, news sites, like USA Today, due to their nature of providing time-sensitive services, seems better positioned to attract new customers. Other than limited product and service information, the mobile channel provides limited customer support. Mobile customers need to refer problems or questions back to the web site. Customer self-help and self-configuration delivery are not available on the mobile Web.

**Figure 2: Web Customer Registration Interface and Mobile Logon for United.com**

3. M-CRM targets existing customers who have a high purchase rate and frequent users with great brand loyalty. The mobile channel provides ‘on the move’ services and spontaneous shopping. mCRM solution is a supplementary instead of a substitute channel of eCRM (Figure 3). Those who choose to access the mobile sites must overcome many
interface barriers and are likely to have a strong commitment to a site. From the relatively few examples examined in this paper, e-commerce sites that emphasize complex searching and transactional interfaces appear to provide more support for the service/sales and retention phases.

Figure 3: Web and Mobile Book Search and Book Matching Display for Amazon.com

4. Mobile channel provides personalized service over the wireless channel by:

(a) carrying personal identification,

(b) providing services for time-critical needs, spontaneous decisions and mobility related needs, for example, checking flight status.

5. Unique mobile features appear to be mostly implemented by content adaptation so the mobile users can access essential services and information more efficiently on their handheld devices.
5. The Customer Profile:

Customer description that includes demographic, geographic, and psychographic characteristics, buying pattern, creditworthiness, purchase history etc.

Profiles can be demographically or behaviorally based and the difference is very important to your business.

Many people think using your customer data is about creating a customer ‘profile.’ It’s a hot topic. Everybody wants to do it. But what’s a customer profile? Here are 2 kinds of customer profiles:

- Customer is married, has children, lives in an upscale neighborhood, and reads Time magazine.

- Customer visited the site every day for 2 months, but has not visited the site at all in the past 2 weeks.

The first profile is demographic, a set of characteristics. The second profile is behavior-based, involving what the customer is actually doing.

Which seems more important to you?

They’re both important in their own ways. For someone selling advertising, or deciding on content for a website, the first profile is usually important, because it defines the market for ad sales and provides clues to editorial direction. These are important considerations in attracting customers and generating revenue in the first stages of an online project.

The second profile is about action, behavior, and for anybody concerned about what their customers are doing, is more important than the first. Will they visit again? Will they buy
again? These are the questions answered by looking at behavior. Customer behavior is a much stronger predictor of your future relationship with a customer than demographic information ever will be. You have to look at the data, the record of their behavior, and it will tell you things. It will tell you, “I'm not satisfied.” It will tell you "I want to buy more, give me a push.” It will tell you’ I think your content is boring.

I’d argue the second type of profile is more important longer term, because if the customer stops buying from or visiting the site, you’re not going to have much of a chance to serve up the customized pages or ads based on any ‘profile’ given to you. You could customize the heck out of the site based on demographics or self-reported survey data and customers would never see the results if they don’t come back. So for the long haul, if you had to choose the more important profile, the profile based on action and behavior would be more critical to you than a demographic one. Customer behavior profiling is critical to a company interested in keeping customers and increasing their value.

6. Managing Customer Profile:

Sonjia is creating a profile for her consumer product contact center. When she looks at the customer traffic, she knows that most of contacts are first-time/one-time. A consumer has a product question or concern, receives an answer, and then may not ever have a need to contact the center again.

She puts these contacts in Level 1, even though the individual consumers who call or e-mail may be loyal repeat users of the product. There's a segment of consumers who contact the
Sonjia puts this group in Level 2. Finally, she learned in a recent Customer Satisfaction Survey that about 6% of those who contact the center have positively recommended the center to other customers. Sonjia puts that percentage in Level 3.

As you can see in Figure 3-1, the consumer product contact center has a Pyramid Profile. Using this visual image, Sonjia can begin to lay the groundwork for her CRM strategy.

First, Sonjia will want to compare this profile with her desired profile. For example, research suggests that if a consumer complaint or concern is handled quickly and easily in the first contact, there can be an opportunity for an add-on sale. To take full advantage of this, Sonjia might look for ways her CRM strategy could encourage more repeat customers and thus more sales opportunities. This would change the proportions in her ideal Pyramid Profile, reflecting a greater emphasis on repeat customers (Figure 3-2). The percentages for Levels 1 and 2 should equal 100%. These levels represent customer transactions with you. Level 3 is the percentage of your total customer base who feel so positive about their experience that they actively want to, and do, tell others. Sonjia may determine instead that repeated contacts mean that a customer’s concern or complaint was not handled in the initial contact. In this case, she may be satisfied with her existing profile.

Or, Sonjia may believe that a more ideal profile would be some form of the Hourglass (Figure 3), where initial transactions are handled so well that customers don’t feel the need to call again, but they speak positively about their experience to others. So, her CRM strategy then would focus on supporting her team in
resolving customer contacts right the first time and encouraging those customers to share their positive experiences with others. Next, keeping in mind the profile she wants to create, Sonjia can consider how well she and her team currently manage transactions at each level. What are the best practices that allow customer contact representatives to resolve problems during the initial transaction? Are there information technology systems and supports, such as a customer-facing Web page with easily accessible answers to the most frequently asked questions, answers that work well to satisfy customers? What is it that causes 6% of customers to move into the level of advocacy?

These are right practices that Sonjia will want to reinforce with her CRM strategy.

Finally, Sonjia can look for ways to improve the customer experience by asking these questions:

- What isn’t happening that should be happening?
- What is happening that shouldn’t be happening?
- What is happening that could happen better?

Don’t just look at face to-face and phone-to-phone interactions.

Consider, too, how customers experience any self-service features, such as an interactive Web site, and at how the processes, policies, and procedures affect the customer’s perception of service and value.

**Maurice’s Food Brokerage**

Looking at the three levels of customer interaction reveals something very important to Maurice. His current Customer
Service/Sales Profile is a Hexagon (Figure 3-4). The bulk of his business is in Level 2, repeat business. These are his ‘steady customers.’

Although he’s on the lookout for new clients, there are a limited number of restaurants in his community. And, to be frank, many new restaurants just don’t make it. So, Maurice is understandably reluctant to extend credit or make deliveries to a new venture that is likely to pay late … or not at all. Restaurant owners, and chefs in particular, are an opinionated group, not shy at all about giving ‘constructive’ feedback on product quality, price, and service delivery. Maurice understands, “Margins are very, very tight and it’s their reputation on the line.” Although he’s proud of the name he’s earned in this marketplace, Maurice hesitates to put many customers in Level 3, advocacy.

We know that the Hexagon Profile can be risky if anything happens to disrupt the ‘steady customers’ at Level 2. However, given the nature of this marketplace and Maurice’s years of experience in the business, he believes the Hexagon is the right profile for him. The Hourglass would be an obvious mismatch because it de-emphasizes repeat business, Maurice’s bread and butter. And, the Pyramid doesn’t work either because, as Maurice might say, “If I’d wanted that many stand-alone transactions, I’d go into in the grocery store business.”

To keep his profile stable, Maurice will need a CRM strategy that balances emphasis on repeat customers with appropriate attention on initial transactions and nurturing customer advocates.

Now, like Sonjia, Maurice can look at how he and his team manage transactions at each level, looking first at right practices
and then at the gaps. Here are examples of what Maurice is likely to see.

**Right Practices for Repeat Customers**

Maurice and his team regularly offer special deals or make special arrangements to assist long-term, high-volume customers. It’s something his customers expect—and it’s a smart business decision. This is a right practice. Maurice’s CRM strategy should reflect the fact that some customers are economically more important and worth more concessions and accommodations. Drivers create personal relationships with the kitchen staff members who take charge of the delivered goods. Although these individuals often don’t place the orders or have the final say on what’s acceptable or not acceptable, they can be a powerful internal force, relaying information about product availability and upcoming specials to the chef or restaurant owner.

Maurice’s CRM strategy and the tools he chooses to support it should support Truth #2, service extends beyond the buyer.

**Opportunities to Improve Initial Transactions**

All this ‘special’ treatment for Level 2 business could make a first-time customer feel like a second-class citizen. Maurice and his team could lessen this negative feeling—and thereby create a better Level 1 experience—by changing the tone of their communication during initial or stand-alone transactions. This is largely a soft skills issue. Team members at all levels need to know when and how to explain the tiered service levels. Otherwise, in the absence of awareness and training, Level 1 customers could
hear, “We don’t have any of the good asparagus for you because it all went to the important customers.”

Nurturing Customer Advocates

Maurice has never formally asked a customer for a recommendation or even for a response on a customer satisfaction survey.

It’s time to test his belief that customers in this business seldom, if ever, move to Level 3, advocacy. What’s more likely to be true is that advocacy for this customer group will look different than in other industries. Although chefs are unlikely to phone each other and rave, “Oh, you have to try MFB’s asparagus,” word gets around about which suppliers are best. Someone is talking.

And that implies that there’s a way to discover who’s talking, about whom, when, and where. Finding out is the first step toward nurturing customer advocates.

As these examples show, examining your profile provides you with important information. For the remainder of this chapter, we’ll share some additional tips for managing all three levels of customer interaction, whatever your Customer Service/Sales Profile.

Managing Initial or Stand-Alone Transactions

Level 1 is where customer relationships are born. Think of these transactions as auditions. Customers use this contact to form impressions, to make evaluations, and to decide whether or not to do business with you again or speak well of you to others.

There are three keys to managing initial or stand-alone transactions for success.
**Key #1: Make Systems Simple.** The more obvious and intuitive your processes and procedures are for both customers and employees, the easier it will be to create a superior service experience. This is as true for traditional bricks-and-mortar retail stores as it is for innovative Internet applications.

**Key #2: Feng Shui the Experience.** The transaction should progress in a way that feels natural for both customers and employees. Each step should flow easily from the step before. Answering these three questions is a good way to start: *How can you make it easier for customers to get to you?* Think about where customers might search for you, such as through online or printed directories, your location, the signage that tells them they’ve arrived at your location, and the physical process of entering.

For example, a slow-loading Web site and a heavy door atop a long flight of stairs could discourage customers from pursuing initial transactions.

*How can you streamline the process of doing business?* We noted with interest the recent recommendation that McDonald’s offer fewer menu choices. The fast-food giant was a pioneer with combo meals that made customer ordering easier.

Unfortunately, that evolved into confusion as McDonald’s sought to offer more and more possibilities.

*How can you make the service environment friendlier and more inviting?* Look with fresh eyes at your service environment. It could be the retail sales floor, your online support site, or the way the service representative looks and acts when onsite with a client.
Consider use of space, color, and light. Sit in the furniture. Stand in line. Log on. Experience it the way your customers do.

**Key #3: Capture the Opportunity.** Every Level 1 transaction is a customer who may move to Level 2 or 3. You need to capture information that will allow you to invite this customer back for another visit. Without a focus on capturing the opportunity, employees may begin to see customers as replaceable: when one goes away, another comes to fill the space. It’s always dangerous to take customers for granted.

**Managing for Repeat Business**

Level 2 of the profile represents repeat business. This is where most organizations make their greatest profit. If you manage an internal service group or a non-profit organization, this is where you will, traditionally, prove the most value to your stakeholders.

It’s helpful to look at managing repeat business from two perspectives. The first is individual customers who make multiple purchases with you over time. This could describe a financial services client purchasing stocks, bonds, and other investment vehicles. Or a loyal retail customer. Or even an employee who turns to technical support for training, problem solving, and new equipment installation.

**Key #1: Track the Relationship.** Ideally, your CRM database tool should allow you to capture the history of each customer so that you can evaluate and predict purchase and use patterns. Where that’s not possible or available, you can still create typical customer use profiles based on customer type and segment.
Key #2: Allow for Variation. Customers want to be catered to.
They seldom believe that one size fits all. So create ways for customers to have the experience of customizing. Alvin Toffler wrote about *demassification* as the shift away from the ‘one size fits all’ attitude epitomized in the comment by Henry Ford, “The consumer can have any color he wants, so long as it’s black.”

You can create controlled demassification for your customers.

Today’s car buyers can have any color they want … from the palette of colors offered. Where can you give your customers scope to shape their own service experience?

Key #3: Look for Opportunities to Expand the Relationship.

Amazon now sells just about everything, including, of course, books. Our favorite Minneapolis restaurant, Tejas, offers its signature salsa by the jar. At Canyon of the Eagles Nature Park and Lodge, they’ll recommend a hiking trail and pack you a lunch. What else might your repeat customers want or need?

Could it make sense for you to provide it?

The second perspective for looking at repeat business is that of individuals and organizations with multiple buying relationships. For example, a bank customer may have checking, savings, and investment accounts as well as a line of credit. Or several or many departments in a corporation may have buying relationships with the same office supply store.

Key #1: Connect the Relationships. A customer with multiple relationships not only represents a greater economic value to you, but also brings additional expectations and assumptions. When your CRM tools capture and connect the relationships, you help
your service providers meet the customer’s needs and expectations. For example, a corporation may expect and negotiate a volume discount on office supplies based on total purchases across departments, even though some individual departments buy only a few items.

**Key #2: Don’t Hold One Relationship Hostage to Another.**

This is often an accounts payable/credit issue. What passed for CRM in not too distant days was often a revised version of the accounting database, since this was often the largest and most accurate source of customer information. However, it was designed to collect money or assess the risk of not collecting money. And it was very conservative in its assessments. We’ve heard more than one horror story where an overdue bill for some small amount from one small department caused the system to change all deliveries to COD—or worse, putting the entire customer relationship at risk.

**Key #3: Calculate the Total Value of the Customer.** It’s helpful for employees to know the economic value of customers with multiple relationships. You can use real numbers from real customers or you can create value models for typical customers within a segment.

**Managing for Customer Advocacy**

Level 3 customer transactions are the most elusive. Yes, you can identify customers who are willing to recommend you or who have done so. But you can’t *make* customers advocate on your behalf . . . or can you?
No, you can’t make them do it. However, you can nurture and encourage them—with powerful results.

**Key #1: Know What’s Worth Talking About.** Customer advocates believe your services and products are worth talking about. So, you need to listen to them to find out what they’re saying. Discover what features, what benefits, what aspects of the experience they recount when they recommend you. They may not be the same things you thought most important or most impressive.

**Key #2: Changes Worth Talking About.** You don’t keep customer advocates by doing the same old thing. What was impressive yesterday is ho-hum today. Carol still recalls the first time she visited her healthcare clinic and didn’t need to present her insurance card—it was all in the computer, printed out and waiting for her. Now she just expects that.

**Key #3: Prompt Advocates to Share Their Recommendations.**

Many advocates are willing to recommend you but don’t find themselves in conversation with the right people. You can get powerful results just by asking for their recommendations. Here are a few ideas:

- Ask satisfied customers for referrals.
- Collect and distribute customer testimonials.

**7. Managing and Sharing Customer Data**

The businessperson of just a couple decades ago had to spend a great deal of time and money on intensive research and outdated databases to get even a slight understanding of his or her customers. Today, however, you easily can find yourself
overwhelmed with customer information. Current ‘canned’ data reporting on the psychographics and demographics of specific geographical areas is available inexpensively from hundreds of sources. And you can even purchase fairly sophisticated data collection software tailored for your business for just a few thousand dollars.

As a result, the problem more and more is not how to get the information you need but how to determine what you need and ensure you don’t get mired in the information swamp.

**Return to Your Strategies**

Your overall business and CRM strategies will drive your need for customer knowledge. For example:

- If you’re a florist trying to boost your wedding business, you’ll want to know the age of your current customers, how far they travel to do business with you, how they view your service and product quality, and what factors they consider when selecting wedding flowers.

- If you own a small bookstore whose sales have been dropping the last two years, you might want to know why customers stop doing business with you as well as the demographics of your current customer base as compared with that of two years ago. You also might want to know how your sales have changed, especially as the changes relate to the customer base. This is data you can turn into valuable information. For example, you may find that your customer base is now predominantly 50 or over, while your books and magazines appeal primarily to the young.
• If you’re a major electronics manufacturer who’s looking to boost overseas business, a good place to start is with your current foreign markets. What do they see as your strengths and weaknesses?

In each of these cases, there are multitudes of data available that you don’t need. Collecting it could get in the way of your analysis. You need to be able to easily focus your data and information on your CRM strategy. For example:

• As a florist, you know that your customers buy the most roses in May and the most potted plants in June. Nice information if you’re trying to increase business in May and June in those two product lines, but fairly worthless for your wedding market strategy.

• As the bookstore owner, you easily can find out which customers prefer romance novels and which prefer science fiction, but that information alone doesn’t help much if your goal is to bring in new customers. But compare your current customers with the demographics of your neighborhood and you might find a unique market niche, though.

• The electronics manufacturer may discover that business is booming on the Pacific Rim. Good news, but it doesn’t say much without knowing why it’s booming. It could be an overall industry trend that doesn’t signal any unique strengths for this particular business in this market.
Data vs. Information

Once your strategy is in place and you know what you need to find out about your customers, you’ll divide the search into two distinct areas: data and information. Both provide a great deal of knowledge about your customers and, to be most effective, they should be used together.

Beware the Data Dump

Data includes everything that can have a number attached to it. For that reason, it’s invaluable in helping you spot major trends in your business. Compare it with data from last year, last month, or even a decade ago and you will find trends that could point to major changes in your business. More young families moving into your neighborhood? If you’re a small retailer, that fact alone can dramatically affect your product mix and your marketing strategies.

Typical data are:

- Income
- Years as a customer
- Average purchase
- Education level
- Age
- Number of children at home
- ZIP code or telephone prefix

In the search for knowledge about your customer, data is the most common place to get overwhelmed. This is in part because data is relatively easy to get. Many government and for-profit organizations collect information about people in specific
geographic areas; customers are fairly willing to provide basic information about themselves in a simple survey.

Consequently, the danger is that you’ll be lured into a sense of satisfaction because you have a lot of numbers that describe your customers when, in fact, you have very little on which to base a decision. “Wow!” you say, “70% of my customers own three cars and a vacation home!” Fun stuff to know, but it doesn’t do much good unless you know what you’re going to do with it. You need to turn your data into information.

**Finding Meaning in Information**

What you often need to complement the customer data is information. This is the knowledge that comes from asking questions such as *why* and *how*. For example:

- Why do 20% of your customers travel past two of your competitors to do business with you?
- Why did your customer decide to buy the less expensive product?
- How does your customer view your customer service and how important is that to him or her?

Information about your customer can help you make major decisions about reorganizing your business, service offerings, marketing, and other strategies. It can tell you exactly what one customer wants and needs or provide an aggregate view of your customers’ feelings about a specific area of your business. It will support trends you discover by looking at the data. And it can sometimes show that a trend really doesn’t exist, despite the numbers.
Whereas data can be easy to procure, information can be very elusive, time-consuming to obtain, and expensive. There are no CD-ROMs available to describe what your customers feel and how they make their individual purchase decisions. There are no quick questions that can be answered by checking a box or filling in a little circle.

You can procure basic customer information from surveys you put together yourself. However, you run the risk of asking the wrong questions or asking questions in a way that elicits the wrong answers. If the answers are key to your business and accuracy is a must, turn to a professional research firm. They will know how to conduct statistically significant samplings of customers that represent specific demographics, put together a tested survey, have professional surveyors ask the questions, and professionally analyze the answers.
Managing Customer Information—Databases

You know what data and information you need. But before you choose a database system, the place and manner in which you will store your data, and before you conduct a survey or ferret out the necessary demographic information on your customers, you’ll need to make a number of decisions about how you will manage the data once you get it. Among the most important decisions:

- Who will be responsible for allowing access to the database, for deciding what’s on it, and for generating reports?
- How much will you tell your employees about how the information will be used?
- How will you share the information throughout the company?
- How will you ensure you’re using the information ethically and legally?
- How detailed will the information in the database be?
- What might the information be used for, beyond your primary CRM strategy?

The Employee Connection

Front-line employees are a key connection for managing customer information because they frequently collect it. Whether they’re retail sales clerks or highly trained technical salespeople, they’re your customer interface. As a result, you must decide what the employees need to know to make their data collection easier. There’s a caution here. It’s possible to jeopardize your business strategy by putting the details into too many hands. Your front-line
employees don’t want or need all the details of your customer relationship strategy. What they do need is a reasonable explanation that will answer their questions and satisfy their curiosity, so they’ll be motivated to gather the information. And they need a reasonable explanation they can give to curious customers, so they can motivate your customers to provide the information.

Several years ago a large retail organization wanted to know its customers’ phone numbers so it could determine what geographic area they were coming from. This data, they reasoned, could help them focus their marketing efforts more tightly. In point of fact, they didn’t need the whole phone number—just the prefix would have sufficed—but someone thought it might do some good down the line to have all those phone numbers. That was a problem, though. (Remember that Chinese proverb.) When the checkout clerks asked customers for their phone numbers, the customers balked at the idea of giving a retailer such personal information. In fact, many of the sales clerks thought the question was intrusive, too. As a result, the employees soon learned to stop asking. Instead, they simply made up phone numbers to satisfy their quota for the day.

The result? Suspicious customers, annoyed checkout clerks, and totally worthless data. The problem could have been remedied up front by first determining exactly what information was needed, then conducting some very simple training for the checkout clerks. A relatively small amount of work up front can save countless customer relationships, limit ill will among the employees toward management, and, most important, yield the necessary information.
To Share or Not to Share?

Customer information is your edge in the customer relationship. As an organization, you want as much information as you can get about each customer because it gives you a better idea how to service him or her. However, when you’re dealing with complex, highly profitable relationships, the salespeople have very real issues about the information you might be requesting: too much information shared among others in the sales force could result in internal sabotage. The key to ensuring this doesn’t happen is recognizing that the salesperson’s contact with the customer is important. Whether they’re high-end retail transactions or more complex business-to-business relationships, the company will only lose if it doesn’t respect the salesperson-client relationship.

At the same time, your salespeople may like to hoard their data because they have unfounded fears of internal sabotage. In this case, the answer is to go back to your strategy and determine exactly what information you need. Explain to the salespeople why you need the information and what exactly will be done with it. Then collect no more and no less from them.

Details, Details, Details?

Even the simplest customer database can store a multitude of data about your customers. That’s great if you know what to glean from the file, but it also can become confusing for the people using the database on a daily basis.

The goal is to find the right level of information that makes your operation efficient but also ensures that the customer feels
comfortable dealing with you. The second the customer feels you’re invading his or her privacy is the second you drive a wedge into your relationship. That will vary for every company, every customer, and sometimes for every transaction. For example, a medical supply firm may know intimate details about its customers’ health and that’s fine because the customers want that knowledge available to the customer contact people so the transactions are efficient. That same information at the fingertips of a telephone receptionist at the local health clinic becomes disconcerting.

When deciding what information will be available to all employees with customer contact, divide the information in your customer database into three types. Breakdowns for a retail operation might be:

**Important to Know**

- Correct spelling of customer’s name
- Customer’s address and phone number
- Correct pronunciation of customer’s name
- What honorific to use (Mr., Ms., Miss, Mrs., or Dr.)

**Nice to Know**

- How the customer has paid for merchandise in the past
- How long the person has been a customer
- If more than one person from the business or household places orders
- What the customer usually purchases
- What the customer purchased last
- If the customer has had complaints and what they were *Not for General Knowledge*
- The customer’s age
- The customer’s income level
• The customer’s marital status and number of children
• The customer’s education level
• Answers to specific survey questions designed to discover attitudes about the company and its products and services.

Use these levels as a guide for providing access to the information. The first level can be available immediately. The second might come up on the computer screen only after the customer service worker requests more information. The third can be easily screened so it’s available only to management.

Data Mining Today and Tomorrow

Even when you carefully craft data and information collection efforts to match your CRM strategy and your overall business strategy, you may find yourself with more numbers than you could possibly digest in a lifetime of customer analysis.

However, with just a few legal and ethical caveats, you can use this information for many purposes that can help you spot trends within your customer base. Here are some tactics to try:

Analyze the data against last year, three years ago, and five years ago. Even if you’re looking at aggregate numbers such as total customer interactions, differences of more than 5% could signal a trend.

• Cross-reference the information. Simple computer programs can take two sets of data and combine them. In that way, you can find out if your customers between 30 and 40 years old spend the most money while those 50 to 60 spend the least, for example. Nice to know for targeting prospects and planning your product line.
• **Pinpoint major problems.** Information retrieved through surveys can point you to major problems you hadn’t realized. For example, if you’re wondering why no one is using your new online ordering system, customers may tell you that they don’t own computers, that it’s too confusing, or that they simply like the sound of a human voice.

• **Compare the customer data to your business data.** Did your customer demographics change at the same time your sales in one product line soared? You may have discovered a new psycho graphic component to your customer base.

• **Monitor seasonal changes in the data.** Look for sales trends (or trends in customer complaints) based on the time of year. That can help you determine staffing or point you to marketing needs during off seasons.

**Ethics and Legalities of Data Use**

Remember that you can use the information you’ve obtained directly from a customer only for the purpose you’ve told him or her. You cannot sell it to other companies or use it for future research projects unless you have the customer’s informed consent.

**9. Choosing rights CRM Strategy**

**Understanding CRM**

CRM is more than just software or a set of processes – it’s a business culture solidly focused on winning and keeping the right customers. A good CRM solution builds value for your business by opening up vital communication channels and creating a common client–focused knowledge-base to better serve your clients.
CRM is about understanding the buying habits and preferences of your customers and prospects so you can:

- Build and strengthen customer relationships to keep them coming back
- Provide value-added services that are difficult for competitors to duplicate
- Improve your product development and service delivery processes
- Increase your staff’s awareness of customer needs
- Reduce customer frustration by not asking the same questions over and over.

By effectively integrating your marketing, sales and customer service functions, a good CRM system makes it easier for everyone inside your company to work together and share critical information.

An effective CRM system empowers your customers and prospects to do business with you – the way they choose! Imagine connecting your customers to your employees and business partners across any department, through any process and via any communication device - phone, fax, email, Internet.

CRM can contribute many benefits to your organization including:

**New sales opportunities**

A good CRM system will classify your prospects and help identify your best customers. With detailed information on your customers you can accurately project and respond to their buying needs throughout the sales cycle. A good CRM system can help
you automate routine sales tasks – allowing you to spend more time focusing on strategic sales issues.

**Improved customer service**

The right CRM system allows your team to take a pro-active approach to customer service. With up-to-date and complete customer information at their fingertips, your employees can resolve customer issues more quickly and successfully create cross or up-sell opportunities.

**Better decision making**

CRM systems provide a single view of the customer across all touch points and channels, as well as delivering comprehensive reports of customer behaviors, marketing campaign results and sales activity. Each of these elements are necessary for smart decision making and long term strategic planning.

**Greater efficiency**

With an integrated CRM system, you can gain immediate access to your organization’s critical customer information. A good CRM solution also increases internal efficiencies by automating workflow processes, reducing human error, decreasing process time and providing consistency throughout the entire organization.

**Getting Started**

Most companies require that you justify the need for a new system before you make a purchase. Building a case for CRM provides the necessary background information to help you define the need, justify the cost and demonstrate the value of the investment.
Elect a core team

Establish a core group of individuals dedicated to driving the CRM project to completion. Before planning your strategy and implementation make sure your team includes a project leader and project managers to oversee the functional divisions of your organisation – such as marketing, sales, customer service and technical departments.

Set your goals

Your team should have a shared understanding of your CRM goals. To achieve this, the core group should identify your organizations objectives, focus on processes that require re-engineering and discuss the appropriate courses of action.

Examine your current processes Analyse your existing business processes from many viewpoints, to find out how they impact both your Organization and your customers. By evaluating your processes now, you can identify what’s working and what’s not and prepare to implement a new CRM system that emulates the most effective strategies for achieving success.

Understanding the Core Components of CRM

CRM helps to increase productivity across your marketing, sales and support functions. By understanding the ways CRM can improve your company’s effectiveness, you can better communicate those benefits to key decision makers.

Marketing Automation

- Develop, target and implement campaigns
- Manage and analyse marketing budgets
• Maintain lists and track responses
• Analyse campaign results

Sales Force Automation (SFA)

Perform analysis to ensure time and energy are spent on the deals most likely to close
• Improve lead distribution and tracking
• Effectively process quotes and orders
• Provide remote sales staff with instant access to corporate information

Customer Service and Support
• Capture and track every interaction with every customer regardless of touch-point
• View and measure call turn around time and understand what is taking longer to resolve and why
• Maintain a complete case history with instant access to all previous issues and customer interactions
• Automatically escalate cases if not closed within certain time frame.

Involve the Right People

The decision to choose a specific CRM solution should be delegated to a core team of individuals to serve and represent the functional needs of various departments. This requires full cooperation and collaboration amongst System Users, System Managers, System Integrators, System Customers and System Signoffs.
Choose a Consultant

Consultants offer specialized expertise in evaluating and implementing CRM solutions. These experts can help your organization in three important ways.

- Evaluate your needs and suggest the best CRM solution for your specific situation
- Save your company time and money during system install and training
- Help you get the most out of your CRM implementation, based on your organization’s requirements

Some of the best CRM consultants are software resellers. Many resellers offer a range of services, including strategy development, business process management, technology implementation and training. For larger CRM systems resellers often have the additional consulting support of their software supplier to help manage the complexities of the implementation.

Narrow the Field

Look for a CRM system that integrates your back office accounting software and other business systems so customer information can be updated in real-time, while being shared and employed effectively across the entire organisation. Be sure that your solutions are robust and versatile enough to:

- Be accessed from any location—from headquarters to remote locations and mobile workers
- Seamlessly integrate with your back office accounting system
• Integrate with a wide range of third party software or other internal systems

**Increase communication channels**

The ideal CRM solution will integrate your multiple business channels and provide your users with seamless remote access to up-to-date customer information. Think about the different interaction points your customers are currently using – and likely to use in the future to communicate with your organisation. A good CRM system will allow you to retrieve real-time information at any time and from anywhere. Choose one that will fit the functional needs of your system users.

**Keep a global perspective**

The ability to support a global reach, even if not essential now, is a vital investment in your company’s future. When viewing CRM features find out if:

• The company sells and supports products in the countries in which you do business.

• The software provides multi-currency support.

• The software is available concurrently in languages other than English.

**Consider implementation time**

The less upfront customization your system requires the more quickly the implementation process can be completed. Ask your reseller how long the implementation will take and what factors may increase or decrease the amount of time needed.

Select a System That’s Right for You Now that you’ve evaluated a
number of possible solutions, its time to make a decision. Consider the following when selecting a software vendor.

**Interview the resellers before the demo**

Familiarise yourself with the various CRM solutions available on the market so you can be confident about your top picks when you short list the best options for your company. By interviewing as many software resellers as possible in advance you can avoid time wasted by sitting through lengthy, irrelevant demonstrations.

Pick the best three systems and ask each reseller to provide the following information:

- Estimated licence cost for your implementation
- Estimated build-out costs to adapt the system to your requirements
- Timeframe for implementation
- Annual support and maintenance costs
- Training methodology and training costs
- A plan for integrating your back office-systems as required

**Insist on user friendly software**

If your system is not user friendly, your staff wont be able to maximise the full benefits. Make sure you select a solution that’s logical and easy to use.

Ask the reseller these questions:

- How easy to use is the software interface?
- Can the interface be modified to more closely match the needs of my organisation?
• How easy is it to navigate between modules of the software?
• What type of software documentation and training will be provided?

**Evaluate their technical support**

You may need to rely on the software vendor’s technical support team, here are some questions to ask regarding the vendor’s support team:

• How quickly do they take calls from customers?
• What are their hours of operation?
• What options are available for after hours queries?
• What charges or service plans are involved?

**Inquire about their customer service department**

Look for a company that is dedicated to regularly providing high quality service to customers and has the resources to deal with product questions, customer feedback, order tracking and software registration.

**Get flexible reporting**

Look for a solution that has the capability to produce the reports your organization requires. Find out if customized reports can be created with a minimum of time and effort. See if the system will allow you to manipulate the data any way you choose.

**Ask about customizability**

Does the software allow you to modify all aspects of the system? Do you have the ability to create and modify fields, screens, tables, views, scripts and security settings on the fly?
Ensure options for growth

A good software company invests heavily in engineering and develops new product features and enhancements regularly. The opportunity to move to a similar but more powerful product can give your company flexibility as it grows.

Does it fit your budget?

If your first choice costs more than you can afford, reprioritise your list of requirements and compare them with the features of applications that do fall within your budget range. Then determine which features or modules are essential for the success of the project.

Justify the investment once you have decided which product you wish to purchase it may be helpful to create a document or presentation to explain your choice. This document needs to clearly detail the features of the system, the direct fiscal benefits of these features and the resulting long term benefit to the company. It should also outline the total cost for initial implementation, training and ongoing maintenance.

Implementing Your System

What is the best way to make the implementation process a smooth and successful one?

Consider the following guidelines:

Create a blueprint

To smooth the implementation process create a ‘blueprint’ of your CRM related business processes with your consultant or
software reseller. This document gives the team a pre-determined plan and a set of guidelines to reach your CRM goals.

**Prepare for modifications**

One of the most common mistakes companies make is trying too hard to limit modifications to the selected packaged software. If you need software that can meet the unique requirements of your business be prepared to make modifications after installing the ‘out of the box’ solution.

**Provide good training**

Good training is essential and provides the information, practice and involvement needed for your staff to get the most out of the software.

**Test before launch**

When it comes to something as valuable as your customer data, you will want to beta test every system component and make certain its functioning properly before taking the system live. Enter mock customer data and see how well the system receives and processes the information.

**Plan for ongoing evaluation**

Keep in mind that your CRM system will always be evolving. As a result implementation never completely stops. Ongoing evaluation of your business processes will help you maximize the benefits CRM can bring to your organization.
10. Resetting CRM Strategy

Ready, Set, Reset!

The process for resetting your CRM strategy has three phases. As in Chapter 4, where we looked at a process for creating your CRM strategy, the way that you implement this process will vary with the nature and complexity of your customer relationships. However, the basic roadmap remains the same. Phase 1 looks at how your CRM strategy is impacting your target customers. Is it working to create the experiences, the buying patterns, the recommendations, and the expanded business opportunities you originally sought to create? Phase 2 requires you to look internally. How well is your CRM strategy understood, received, and implemented by the employees responsible for creating and managing your customer relationships? In Phase 3 we take the information learned by looking outward and inward and use it to reset the CRM strategy.

Phase 1. Are You Hitting Your Target?

The ultimate test for your CRM strategy and the tactics you’re using to implement it is customer satisfaction. Go back to your ideal Customer Service/Sales Profile. Are you getting the number of initial/stand-alone transactions that you want or need to give your profile a strong foundation? How about repeat customers? And customer advocates? Are the percentages of each of the three levels of customer relationship right for your business?

There are at least four questions you need to ask in Phase 1 of your CRM strategy reset.
• **Are your CRM strategy measures in place?** You will typically have CRM measures at two levels.

The first measure the overall CRM strategy and often look specifically at how well the CRM strategy contributes to the larger organizational business goals and objectives. The second measure the individual tactics you implement. For example, measures of customer retention or customer churn address overall business goals. Measures of length of time on hold or in line address tactics.

• Is the data from your measures being collected, analyzed, and shared with the right people in your organization? For example, comparing the two types of measures cited in the paragraph above can tell you which tactics contribute to your overall goals, which are neutral, and which may actually detract.

• Are the measures accurate? Just because you have a system in place to capture CRM performance data, doesn’t mean that that system is working.

• Are your measures an appropriate reflection of your CRM strategy? If, for example, your CRM strategy stresses creative and innovative solutions to customer problems and needs, that implies that you will value creative and innovative employees.

However, an organization we’re familiar with tracked these “creative and innovative” solutions by asking employees to fill out “exception reports” every time they had to create a special solution. The tone of the measurement and tracking
process made employees feel defensive and a bit concerned that they were going to get in trouble for working outside the box. This is not the way to encourage creative responses to customers.

**Subjective and Objective**
CRM measures can come in the form of subjective measures, such as customer satisfaction surveys or tracking complaints and compliments. And CRM measures can be objective, looking for hard data such as average length of transaction, transaction accuracy, ability to resolve customer issues in the first contact, and the like. Make sure you look at both.

**Phase 2. Does Your CRM Strategy Work for Your People?**

This phase is about checking in with the employees responsible for creating, managing, and expanding customer relationship. Is your CRM Strategy working for them? If they do not feel aligned with your CRM strategy, it will not matter how carefully you crafted it, and it will never live to its potential.

We find that internal focus groups are a terrific tool for this phase. In a small department of functional area, you may ‘want and be easily able to’ involve all employees. For larger areas or for a company wide CRM strategy look forward and talk with representative samples of employees.

Create a discussion guide of the topics you wish to cover and the questions you will ask. Your discussion guide should also include:

**Introductions:** Usually, you will ask someone outside your department, or even a professional focus group facilitator, to guide the discussion. The facilitator, often called to moderate,
should introduce him self or her self and provide an opportunity for the participants to introduce themselves.

**A statement of purpose:** Explain that you are working on resetting your CRM strategy and that their feedback is vital to the process.

**A statement of confidentiality:** If you are recording the session, how will the audiotape be used? Usually, you will explain that the focus group report or summary will include participant comments, but that no participant will be identified by name.

**Housekeeping about the process:** Tell the group how long the focus group will last. Plan for 90 minutes as an average length of time. You may want to ask participants to turn off pagers and cell phones.

**Discussion question for a CRM strategy reset may include:**

It’s important for any business to create, maintain, and expand customer relationships. What approach or approaches does your department or functional area use to accomplish this? The moderator may use a flip chart to capture a list of comments.

Do you believe (a particular approach) is working? Has it been helpful to you in your contacts with customers? Why or why not?

What do you think your organization should do to create, maintain and expand customer relationships?
One of the things that often find is that support employees feel out of the loop when it comes to CRM strategy. They may be focused on their specific job tasks but often feel disconnected about how and why their job duties are important to the company and its ability to serve and retain customers.

**Phase 3. Time for Change:** Now, you’re ready to create the reset for the CRM strategy. Pull together the information gathered. It may be helpful to display key findings in two parts.

First, list the CRM strengths and successes you uncovered. It’s important to acknowledge and celebrate what you’re doing well.

The second part of your key findings identifies weaknesses. Prioritize this list. If your findings show that you need a major CRM strategy, and use that process one again.

More often, your list of weakness or opportunities will focus on specific CRM tactics and tools. You can address these in a working session with a group of the individuals responsible for customer relationships.

**11. Analytical Framework of CRM strategies on Internet & Mobile Channels:**

We propose a framework to analyze how e-commerce sites implement CRM strategies online and on the mobile channel. This framework incorporates five inter-related CRM factors essential to the acquisition, service and sales, and retention of customers. Table 1 provides an overview of the five CRM factors –customer loyalty, brand, customer satisfaction, customization, and trust– and their roles in the three phases of firm-customer interactions.
Table 1. Design Framework for CRM

a) Customer Loyalty in CRM: In order for a CRM system to become successful, a company must make it an integral part of their philosophy and corporate strategy. It is not simply enough to view CRM as simply being another technological solution. It is a paradigm, a method of doing business that will foster a stronger relationship between companies and the customers they provide products and services to. Customer loyalty describes the tendency of a customer to choose one business or product over another for a particular need. In the packaged goods industry, customers may be described as being ‘brand loyal’ because they tend to choose a
certain brand of soap more often than others. Note the use of the word "choose" though; customer loyalty becomes evident when choices are made and actions taken by customers. Customers may express high satisfaction levels with a company in a survey, but satisfaction does not equal loyalty. Loyalty is demonstrated by the actions of the customer; customers can be very satisfied and still not be loyal.

Customer Loyalty has become a catch-all term for the end result of many marketing approaches where customer data is used. You can say Relationship Marketing or Database Marketing or Permission Marketing or CRM, and what you are really talking about is trying to increase customer loyalty - getting customers to choose to buy or visit more. Increased customer loyalty is the end result, the desired benefit of these programs. All of the above approaches have two elements in common - they increase both customer retention and the LifeTime Value of customers.

Customer loyalty is the result of well-managed customer retention programs; customers who are targeted by a retention program demonstrate higher loyalty to a business. All customer retention programs rely on communicating with customers, giving them encouragement to remain active and choosing to do business with a company.

You want customers to do something, to take action. You want them to visit your website, make a purchase, sign up for a newsletter. And once they do it for the first time, you want them to continue doing business with you, especially since you probably paid big money to get them to do business with you the first
time. You don’t want to pay big money the second time. You want to create a ‘loyal’ customer who engages in profitable behavior.

Customer data and models based on this data can tell you which customers are most likely to respond and become loyal, no matter what kind of front-end marketing program you are running or how you ‘wrap it up’ and present it to the customer. The data will tell you who to promote to, and how to save precious marketing dollars in the process of creating customers who are loyal to you longer.

The best way for a company to build strong relationships with their customers is to build up customer loyalty. To do this, a company must develop an effective CRM strategy. A successful strategy must be composed of three things, and these are relationship strategy and strategies that are connected to the customers.

The goal of a customer strategy is to find out what the customers want. Once the company finds out what their customers want, they must give this to them as soon as possible. While this may sound like a very simple concept, you would be surprised by the number of multi-billion dollar companies that fail to do it successfully. When a company gives its customers exactly what they want, loyalty will be created over time. These customers will be reluctant to go to competitors who may not give them what they are looking for. When customers become loyal, they will typically remain loyal for their entire lives, as long as the company doesn't do anything to damage this loyalty.

Customer strategy is directly connected to figuring out the different ways that loyalty can be built up in customers. It is not an
easy task, but the best way to start is about listening to what the customers have to say. A lot of companies believe that they can offer whatever products they want, and the customers will automatically purchase it. Not only is this practice a grave mistake, it is also a sign of arrogance. The CEO of a company should never believe they are omnipotent. They must always listen to their employees and advisors, and most importantly, they must listen to the wisdom of their customers. The successful customer strategy will define how an uninterested customer will gradually reduce the amount of profits that they are bringing into the company, and the reason for this must be found.

In a day and age when corporations seem all too powerful, it is important to remember that customers are their life blood. Once the sales stop, the company cannot remain competitive. Many prominent corporations go through a number of stages throughout their lifetime. When the company is first established, it will often be founded by an individual who naturally understood the importance of CRM, even if the term hadn't been invented yet. It was common sense to these founders that the customer is always right, and without the customer, the company could not be a success. After a time, the founder of the company would eventually die, and in some cases, the company would pass on into the hands of people who didn't understand this concept.

While the company had a great degree of customer service at first, it eventually declines because customers are unhappy with the service. What I just described is the fate that many companies have gone through. To stop this trend, customer loyalty must be developed. The best tool for this purpose is Customer relationship
management. Another aspect of customer loyalty is relationship strategy. Relationship strategy is connected to the customers that are already buying products from the company. It is directly connected with how the customer should be contacted. In addition to this, the relationship strategy also deals with how the customer appreciates the interaction that is made with the company.

b) Branding in CRM: Though brand building has been around since the industrial revolution, translating brands to the digital world has not. The Web offers a new set of tools for branding but also requires new strategies to ensure brand consistency from medium to medium, and CRM has an important role to play in the new e-branding world. As the definition of brand evolves to be the relationship between a product and its user, CRM becomes a critical contributor to brand awareness. Developing brand relationships sounds like a good thing to do. But what does this really mean in practice? Introducing a brand to consumers, and reminding them of that brand is the main task of brand advertising.

However, this is not the same as creating and fostering a ‘brand experience’. That comes down to how someone is treated over the phone, face-to-face or online. As retailer brands become stronger and stronger and as the power balance continues to shift toward retailers at the expense of brand owner, marketers face difficult times especially in FMCG categories. The consumer is undoubtedly the decisive ally in the future success of both retailers and brand owners, however, as manufacturers will never be able to achieve the same scale of power as retailers, the only way they can build presence is by having consumers demanding for their brands to be on the shelf.
In the quest to win an ever-larger share of the consumer wallet, marketers have traditionally looked toward advertising as a solution. Product branding is a well-established method in the promotional toolbox, and particularly important for low involvement categories, such as FMCG markets. However, it is still a blunt approach that lacks any sort of ‘illusion’ for the consumer. Consumers are not stupid. They enjoy differentiation and real value and promotional activity that involves distinctiveness is the best strategy for brand owners to compete with flourishing retailer brands.

With the increasing saturation of advertising, brands have looked toward alternative methods of targeting customers. Direct marketing is one route that brands use in order to harness, accelerate and prolong consumers’ immense spending power. However, whilst brands have the power to create promotion offshoots for positive effect, it is not always a given that a u-turn in branding is a safe strategy.

**Qualifying and responding to leads**

The online forms used to capture information about potential leads should include sections such as: “Our need is...”, “We expect to purchase in...”, followed by a menu of various time intervals.

That way, they will already have started to classify themselves by temperature: A for 90 days or less, B for 3 to 6 months, C for 6 to 12 months, D for more than 12 months (or disqualified).
Groups A and B should be handed over to sales so that a personal contact can be initiated, whilst groups C and D will usually remain with marketing for nurturing.

**Integrating your website with a CRM system**

A large proportion of B2B companies today use some sort of Customer Relationship Management (CRM) system. If you do not have one, it worth considering acquiring one (salesforce.com, Oracle, SalesLogix, Microsoft Dynamics CRM, SAP, etc. all have proven track records). The objective is to ensure all website leads (as well as offline ones) end-up in the CRM system so that appropriate action can then be taken. This could be a phone call, fax, e-mail or appointment. Whilst it will often be up to sales & marketing to manage this, accounting and other services may also be involved which will taint the overall relationship. It is vital for all to have access to detailed information about the lead – a good CRM system will deliver just that.

**Nurturing your leads**

Moving leads from causal interest to serious prospects can be achieved in many ways:

- E-mailings or newsletters on a weekly or monthly basis
- Blogs providing they are kept up-to-date constantly
- Podcasts for mobile prospects
- Invitations to events
- White papers
- Telephone calls for information and/or feedback
- Surveys to ask prospects for their opinion
Sophisticated nurturing programs will take into account what stage the prospect is at (A, B, C, D) and send relevant material at each new stage. Providing less qualified groups more general information and moving towards more specific product/service information as the prospect status evolves is a good option to consider. Whatever program you end up implementing it should have the following characteristics:

- It should be a real program, not something that only gets done ‘as time permits’
- Prospects should be provided with information or an experience which they feel is useful
- Product/service differentiation should be visible and tangible
- The program should be as interactive as possible – get prospects to respond to your material.

Lead nurturing is fundamental to sales conversion. The common view is that within one year, 45% of all leads have gone on to purchase from someone.

**Promoting your leads**

Taking a lead from D through to C, B and A needs careful planning. It can happen as a matter of course or be the result of nurturing efforts. In the former case, it is best to check that the promoted prospect leads are truly where the calendar says they are. This avoids passing leads that have put their project on hold, budgets cuts, etc. to Sales. Your CRM system should be able to show you the promoted leads on some form of schedule basis. Closely monitoring lead promotions will avoid prospects being lost in the gap which lies between Marketing and Sales in many organizations.
c) **Customer Satisfaction in CRM:** CRM solutions present unified and integrated customer information at the fingertips of anyone who comes in contact with customers. This decentralizes decision making resulting in quicker response to the customer and resolution of his problems. As a result, companies are able to provide efficient and effective service their customers. Technology today has allowed businesses to make available online an integrated real time database of customer information and interaction to everybody in the organization. This enables the organization to not only take quick but also effective decisions in acquiring, developing and retaining customers through higher levels of customer satisfaction.

CRM helps increase the level of customer satisfaction and delight. For example, CRM solutions allows companies to capture customer requests and complaints made through company’s branch and regional offices, corporate office, call centres as well as through multiple channels like email, internet, website and telephone. It not only captures but also directs it to the right person on a real time basis. CRM solutions also assist in automatically escalating the customer request or complaint to predetermined higher levels of management for appropriate action in case the request has not been addressed in a timely manner. This can result in a significant reduction in turnaround time in resolving complaints and answering queries resulting in high levels of customer satisfaction.

Let’s take some examples of how CRM solutions can be used to increase customer satisfaction. Let’s say you’re shopping online, and you order for a particular brand but it is out of stock.
The store will now check its database for purchases made by you earlier and offer you an alternative brand which you have purchased earlier or which is a comparable brand. Instead of your first choice, they’ll offer you a second choice because they know what it is. You have the option of saying no or yes to the second choice.

Square D, a high tech company in U.S., is using CRM and related technologies to increase customer satisfaction. For example, if a drive installed at one of its customers site gets damaged because of power surge, the server will sense the damage and send an e-mail to the plant engineer's mobile phone to inform him of the problem. At the same times, it will also send an e-mail order to Square D for replacement drives and another email to the contractor requesting him to send an engineer at the plant the following day to install the drives. By the time the plant engineer arrives the next morning, the drives will be ready for installation, and a Square D manager will be present to discuss the event. That’s how high-tech Square D needs to be in order to secure customer loyalty in its business. This is only possible with CRM and its related technologies.

d) **Customization in CRM:** Customization is an important contributing factor to successful CRM. Lee & Shu emphasize that in order to achieve customer satisfaction, it requires a comprehensive support from the customization of products and services. Perceived quality of the product is determined by the level of customization. By tailoring products and services to individual customers, a company can fulfill and exceed customer expectation and increase perceived product quality.
According to Winer, CRM employs direct emails and mass customization. It also means developing products that match individual customers’ needs. Winer points out that building a customer database is the first step towards a CRM solution. After understanding the customer activities and selecting target customers, company can proceed to the creation of products and services. Company should turn their customers into product makers, instead of making their customers as product takers.

Data mining and personalization are techniques widely used for customizing online interactions with e-commerce customers. The concept of mass customization is now an essential element of electronic commerce. Collaborative filtering, rule-based, and intelligent agent-based personalization are common techniques. Amazon.com has applied these techniques not only for pre-sales product recommendations, but also for one of their loyalty programs in the form of Gold Box for special promotion. A registered customer has opportunities to receive discount promotions in a timed presentation, but only once. Customers can configure products and services that they are interested in purchasing. For example, peapod.com allows customers to create personalized shopping lists, which, in turn, enables customers to tailor their shopping experiences and choices of products. These forms of customization allow companies to capitalize on customer-initiated communications and interactions. In the long run, both firm-based and customer-initiated customization approaches can lead to cumulative positive experience with the products and the website.
In the acquisition phase, e-commerce website can customize its content, products, and services by providing personal page display, self-managed profile and preference update capability, self-help, and recommendation of product. Self-management capabilities are important customization features to support pre-sales activities. Customized ordering and transaction process are important during the sales and services phase. Applying customer information can facilitate smoother transactions and directly increase customer satisfaction. In the retention phase, providing customer purchase history, account status, delivery tracking, email confirmation, email notification, self-management capability for updating profiles are important components for customer retention.

**Customizing schema**

Before a custom attribute can be exposed to the CRM user on a form, in a view, or in a preview, the attribute first must be added to the schema. Custom attribute used in workflow rules also must be added to the schema.

For example, a pet-store chain wants to be able to record ‘pet breed’ on its Contact record for customers who are searching for a particular breed of pet. Before you can add the field to the contact form, you must extend the Contacts record by adding a ‘pet breed’ attribute to the database schema.

To change the schema, you use the Deployment Manager, an MMC snap-in tool used for administering the schema, server, licenses and users. The Schema Manager found in this tool displays all of the objects in the application. Using the Schema Manager, you can view the attributes for an Object and create a new attribute for the chosen object. To add a custom attribute (‘pet
breed’ in our example), select the type (picklist, string, Boolean, and so on) of the field you want to create, then set constraints. Finally, launch the Form Editor to add the new field to your form. The following section gives more specifics on using forms.

Customizing forms

CRM comes with standardized forms that have been developed using “best practices” for CRM. A systems administrator can modify these forms to suit an organization’s need, whether to capture additional information or to modify the location of fields for ease of use.

Forms can be modified in the following ways:

- Add tabs
- Add sections to tabs
- Add fields to sections
- Change field labels, properties, values and add scripts
- Rearrange fields in a section

An existing object attribute, or one that has been added to an object schema, can be added to a form by simply opening the Form Editor and selecting the attribute you would like to add (see Figure 1, below). The Form Editor adds the selected attribute and can be used to arrange the field on the form. You can make multiple changes to a form and publish the changes when you’re finished making the customizations.
Publishing changes to forms

Once you’re satisfied with the changes you’ve made, it’s time to publish the revised form. From the Deployment Manager, select ‘Action’ next, select ‘All Tasks’ and ‘Publish Customization’. You can then select the objects you want to publish and the servers to which they should be published. The programme will publish your customizations.

Using the view editor

Customizing views allows views to be created in order to view data in the way that makes most sense for a particular job function or company. For example, account managers may find it beneficial to view accounts based on annual revenue. Using the View Editor, you can filter accounts based on revenue ranges, for example, between $0 and $500,000, between $500,001 and $1M, and so on. Another example would be to create a view that shows accounts by territory of responsibility. The CRM View Editor makes it easy to create views that filter on established requirements.
Figure 2 shows the screen in the View Editor used to configure criteria for a view.

![Figure 2. Screen capture of the Configure Filter Criteria Screen of the View Editor.](image)

Users who want to see data other than what has been provided in the standard view can use Advanced Find on the tools menu to create a customized query.

If you have a single Web server in your installation, once you have created a view, the view is automatically enabled. However, if you have multiple Web servers in your installation, you will need to publish your view.

**Customizing previews.**

To customize a preview, use the ‘Customize Preview’ editor. A preview may contain up to ten fields and does not contain tabs. You can add or remove fields and also move them up, down, left and right.

**Customizing e-mail templates**

E-mail templates allow users to customize e-mail correspondence with account contacts. CRM ships with a number
of pre-configured templates. Because they're formatted and edited using HTML, it's easy to customize and create great-looking e-mail correspondence that makes an impact.

CRM provides an e-mail template editor (see Figure 3, below) that lets users adjust the format and choose which objects the template will use. Inserting data slugs where they are needed in the e-mail lets users merge information from the CRM database, such as account contact name and other unique information and, in this way, personalizes e-mail messages, saving users time copying or cutting and pasting information.

![Figure 3. Screen capture of the E-mail Template Editor.](image)

**Figure 3. Screen capture of the E-mail Template Editor.**

Replicating with the import/export feature

All changes made to the forms, schema, and templates can be exported to a single XML file. Likewise, workflow rules can be exported to an XML file. This powerful feature allows system integrators and value-added resellers to create a set of customized schema, forms, views, and templates and easily export them to another server in a single XML file. Customization work done for a particular vertical market one time can be replicated and offered to
multiple customers. To use this feature, the customer must be using the same version of CRM as the reseller. The Import/Export feature can be accessed through the CRM Deployment Manager.

**Customizing reports**

The CRM application comes with a robust reporting component from Crystal Decisions that makes it easy to access summarized information from the system. Although CRM provides more than 100 standard reports covering every component of the product—from account hierarchy reports to pipeline charts to case management effectiveness reports, customers may wish to add new reports or customize existing ones.

New reports can be created to meet a business’s unique needs. For example, a business may want to provide its sales force with the opportunity to provide an instant quote. A quote detail report could be created and customized for this purpose, providing the salesperson the opportunity to make the sale and close the deal on the spot.

Standard reports also can be modified to include new fields for reporting information unique to an organization or industry. A business may wish to display more information on an account report, for example, or include additional fields. Reports can be customized using Crystal Reports.

Although this summarizes the basics of CRM report customization capability, another document, Customizing Reports for CRM Project Guide, provides detailed information on upgrading to Crystal Reports Enterprise Edition and customizing reports.
Crystal Reports is the design environment for creating and modifying the report templates that are published to Crystal Enterprise. Built-in report experts guide users, step by step, through building reports and completing common reporting tasks. Formulas, cross-tabs, sub-reports, and conditional formatting help users make sense of data and uncover important relationships.

To be able to create new or to modify existing CRM reports and publish them to Crystal Enterprise, you need, first, to install a retail version of Crystal Reports and then subsequently install the Crystal Reports Enhancement for any companies CRM. The following describes the available versions of Crystal Reports as they relate to companies CRM:

- **Crystal Reports Professional Version 8.5** - This is the design environment. The component used to customize reports is the Report Designer.

- **Crystal Reports Enhancement for CRM** - This is a set of companies CRM-specific enhancements to Crystal Reports, including:
  - The ability to publish reports directly to Enterprise folders
  - CRM provides access to companies CRM data to use in reports
  - A new chart type, called a funnel chart. Funnel charts are often used to represent stages in a sales process and show the amount of potential revenue for each stage. This type of chart can be useful also in identifying potential problem areas in an organization’s sales processes. A funnel chart is similar to a stacked bar chart and represents 100% of the summary values for the groups included in the chart.
• **Crystal Reports 8.5 for CRM** — contains the same functionality as Crystal Reports 8.5, except that it only can be used to connect to the some companies CRM database.

**e) Trust in CRM:** Trust is one of the most widely examined and confirmed constructs in relationship marketing research. There is the notion that trust constitutes the belief, attitude or expectation of a party that the relationship partner’s behavior or its outcomes will be for the trusting party’s own benefit. Trust affects customer satisfaction and customer loyalty, and it directly influences the effectiveness of the eCRM strategy. Trust is built on the level of risk, which can be determined by network infrastructure, web and mobile applications, customer privacy issues, security of data transfer, and system authentication. Easy-to-use system interfaces, consistent and complete information, reliable connectivity, and sufficient customer support also affect customer trust. A high level of perceived risk associated with these system features contributes to customer hesitation of performing purchase transactions and discourages user adoption of wireless strategies.

From the above framework, it states that an e-commerce company needs to build customer trust. In the acquisition phase, trust can be built by presenting consistent product and services information, providing price information with different payment options, giving privacy statement to guarantee confidentiality, providing security measurements, authentication, and third-party guarantee. In the service phase, security payment transmission is important to build trust. To ensure security, company needs to implement and indicate to customer that they employ digital certification, SSL transmission, encryption, and non-repudiation
mechanism. In the retention phase, it is important to provide help desk support and email follow-up for customer. With enough security measures to gain the trust of customers, it is essential to bring back repeat shopper and maintains customer relationship.

Trust can be defined as "a generalized expectancy... that the word, promise, oral or written statement of another individual, or group can be relied upon". Also trust can be defined as users' thoughts, feelings, emotions, or behaviors that occur when they feel that an agent can be relied upon to act in their best interest when they give up direct control. Many studies have proved the significant relationship between trust and electronic banking or any e-commerce adoption. For example, pass empirical study found that trust significantly important on online purchasing intention, web site loyalty, online banking commitment, electronic banking adoption and behavior intention to adopt online information service.

On-line trust also found to be important for CRM performance regarding to e-banking services. When CRM performance represents the customer intention to repurchase or reuse of e-banking services, there is an evident that trust is one antecedent of behavior intention in electronic services. The important of initial trust becoming important components on purchase intention towards online shopping. Few researchers found both online initial trust and familiarity with online purchasing have a positive impact on purchase intention. Their empirical research found positive influence of perceived initial online trust on purchase intention among the online books shoppers; however the familiarity with online purchasing rise up the influence of online trust towards the purchase intention. The customer intention to
maintain with same providers are considered as repurchase intention which presenting the concept of customer relationship management performance in the current study. The familiarity of using online purchasing was not considered in the present study because all the respondents have electronic banking experience at least ATMs machine. Nowadays, the Wi-Fi and Wi-Max technologies provide wireless internet access, removing the need for physical connections. This enables the market to be extended to areas without the conventional telephone or cable networks. Although these new technologies are set to generate new business opportunities, it also represent a particular challenge to consumer trust.

The study reveals that an individual’s loyalty to a web site is closely linked to the levels of trust. Thus, the development of trust not only affects the intention to buy, but it also directly affects the effective purchasing behavior, in terms of preference, cost and frequency of visits. For instance, recent research has indicated that ‘trust’ has a striking influence on users’ willingness to engage in online exchanges of money and sensitive personal information. The present study investigate the influence of perceived trust on customer relationship management performance that also have an appearance of behavior-based intention to loyal, word of mouth and repurchase the services. Mukherjee and Nath (2003), conduct a survey in India to investigate the model of trust in online relationship banking. The main finding from their research confirms the positive relationship between perceived trust and customers’ commitment in online banking transaction. They strongly established that that the future commitment of the customers to
online banking depends on perceived trust. According to them, perceived trust is one of the important factors for customer intention. In the same year, Rexha et al. (2003) conduct the study on the impact of the relational plan on adoption of electronic banking. It was found that trust was the key factor influencing the adoption of electronic banking. Perceived customer satisfaction with the bank only impacted indirectly on the adoption of electronic banking.

The lack of trust is a critical issue that needs addressing pertaining to the internet and E-commerce adoption (CommerceNet, 1997). Evidently, Gummerus et al. (2004) mentioned that lack of trust has been one of the most significant reasons for customer not adopting online services involving financial exchanges. Researchers have suggested that online customers generally stay away from vendors whom they do not trust (Reichheld and Schefter, 2000). Researchers warn that a lack of trust may be the most significant long-term barrier for realizing the full potential of electronic commerce (Keen 1997; Hoffman et al. 1999). Trust is a dynamic process that must be built over time. Since business-to-consumer electronic commerce is still in its infancy, trust in this new market is still relatively scarce. However, various approaches have been suggested to help accelerate the trust building process for the online consumer.

To explore the applicability of the proposed framework of e-commerce sites and their corresponding mobile sites.
12. Implementation of Analytical Framework in E-CRM, M-CRM.

<table>
<thead>
<tr>
<th>Factors/Phases</th>
<th>Acquisition</th>
<th>Sales/Service</th>
<th>Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Loyalty</td>
<td>(w)Online book community</td>
<td>(c) Coupon available for redeem</td>
<td>(w) Gold box</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(c) E-mail for purchase discount and promotional free shipping</td>
</tr>
<tr>
<td></td>
<td>(w) Online community for review and discussion</td>
<td>(w) Used books and price info to facilitate other buying options</td>
<td>(m) Simple product browsing access anywhere anytime</td>
</tr>
<tr>
<td></td>
<td>(w) Purchase certificate</td>
<td>(c) One-click order</td>
<td>(w) Amazon credit card</td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branding</td>
<td>(w) Online community for review and discussion</td>
<td>(w) Used books and price info to facilitate other buying options</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(w) Purchase certificate</td>
<td>(c) One-click order</td>
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<tr>
<td></td>
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</tr>
<tr>
<td>Customer Satisfaction</td>
<td>(c) A Variety of products are available</td>
<td>(c) Book search</td>
<td>(c) E-mail confirmation</td>
</tr>
<tr>
<td></td>
<td>(w) Promotion product books, music, special deals, electronic, games.</td>
<td>(w) New hard copy, paper back and used books are available with price comparison</td>
<td>(w) Purchase tracking</td>
</tr>
<tr>
<td></td>
<td>(w) Price comparison</td>
<td>(c) Book review</td>
<td>(w) Full online support, FAQ and contact number.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(c) Cross sales – customer also buy items</td>
<td>(m) Simple FAQ</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customization</td>
<td>(w) News, preferences, and personal recommendation display on the first page</td>
<td>(c) Require sign on for purchase</td>
<td>(w) Provide friend and family occasion reminder</td>
</tr>
<tr>
<td></td>
<td>(w) Personal wish list.</td>
<td>(c) Access profile from the web</td>
<td>(w) Personal order and personal recommendation available at sign in</td>
</tr>
<tr>
<td></td>
<td>(w) Provide baby and wedding registry services</td>
<td>(c) Able to modify delivery information</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Trust</td>
<td>(c) Security guarantee on personal profile</td>
<td>(c) Sign on required for purchase</td>
<td>(c) Profile is saved on the Web</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(c) Security indication</td>
<td>(c) Address and purchase information can be modified</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(w) Preference can only be modified on the Web</td>
</tr>
</tbody>
</table>

(C) Common Feature (W) Web Feature Only (M) Mobile Feature Only