CHAPTER 3
CRM IN THE MANUFACTURING SECTOR

3.1 Introduction:

Any company to be successful must understand the needs of the customers and that too in depth. All these years the manufacturing industry was not very much aware of the importance of customer relations and the customer did not figure much in the picture. This was because they required the input from the customer only in the initial stage for specifications. There was no specific purpose to ignore the customers but the lack of initiatives was more out of ignorance about the changed conditions around the business. Earlier manufacturing was associated with huge machinery processes and all factories were engaged mainly in the manufacturing of the product. The customers were taken care of by some other agency. Manufacturers today have starkly realized the importance and the inevitability of being customer centric. They have realized that the core of a business is the customer and the customer can make or break the organization. Customer emotions have an important role to play in any buying decision, whether the product is a consumer product or an industrial product is immaterial. The same logic applies in the case of repeat purchase as well. Positive feelings on the part of the customer will create a sort of emotional bond which has a strong influence on the buyer’s decision. The changed mindset is crucial to handle the global customer of today who is choosy and demanding and needs to be satisfied on many fronts. An effective and successful business is possible only if the business is in touch with the customer and his psychology in making a business decision.

Thus close relations with customers are the lifeline for a business, it is the oxygen for the survival of the business. Naturally, due to the demand for CRM software the market is flooded with a plethora of CRM solutions that help the firms develop close relations with customers and collect vital information about them so as to help the firms create value for the customers. The CRM solutions offered help gain an insight into competitors and their products, the company’s products, comparative pricing, customer buying habits etc. Thus, the identification of potential customers, competitively changing business forces, emerging opportunities and threats help the manufacturer secure an edge over the competitor.
CRM applications benefit not only large corporations but also small industries as modification of front office becomes relatively easy for small industries.

Customer relationship management (CRM) technology for manufacturers requires industry-specific solutions that tackle these customers. Give an insight into the customer buying psychology, meet the complex needs of the sector, provide an insight about the competitors, their pricing strategy vis-a-vis the manufacturer’s pricing strategy eliminating waste and providing a competitive advantage.

Manufacturers come together and analyze information across the businesses to capture, analyze, and leverage customer intelligence. This provides an insight for effective decision-making and adaptability.

CRM and manufacturing mainly converge at the product configuration. It is used externally by customers accessing the company website or internally by sales representatives to specify product purchases.

3.2 Advantages of CRM to the manufacturing sector:

- **Achieving customer satisfaction** - In the past, customer experience was not given enough attention, but the latest offerings from CRM identify and solve the problems that crop up and also see that the service cost per customer is reduced. The employees are provided with the tools and resources to take the required decisions.

- **Improvement in product** - Customer feedback and suggestions are keenly studied and improvements are incorporated in the product design.

- **Help sales** - The sales department benefits out of sales analysis that indicates the products that are in demand and that are not, the reasons behind it, the changes in trends and buying factors etc which translate in improved sales revenues.

- **Adapting for success** - The new CRM solutions help the organizations deal with the perpetually changing internal and external environment of the organization. They do not cater to the requirements of only a few departments but the whole organization by incorporating flexibility as and when required and thus create value for the customer.

- **Maintaining the competitive edge** - Tackling competitors is very difficult. However, identifying the competitive edge which is tricky and time consuming is facilitated by the CRM solutions.
• **Increased customization**- The new CRM solutions are open ended and accommodative that incorporate the changing needs quickly and cost effectively, making the organizations more innovative. Large organizations increase their cross selling and up selling opportunities, enable the staff to face the customers much more prepared by collecting information of the past track record and experience etc. and thus close the sales deals faster.

• **Customer retention**- All the above activities result in increased customer retention. The customer is more pleased with all the attention showered on him, improving the relations and creating loyalty on his part.

Manufacturing industry was traditionally considered to be product centric in nature but, of late, there are distinct signs that the industry is shifting towards being customer centric. This change is because of the realization of the obvious facts that the customer is the heart of the business process and that the product profitability alone can no longer be the sole consideration for a business, if it has to survive long. Manufacturers are fast accepting the fact that in order to boost sales and increase profits they need to make the customer the focus of their attention and pay more attention to customer satisfaction.

In short, the manufacturing Industry in India is undergoing a continuous transformation. The industry is moving from a protected and hence a comparatively uncompetitive and a relaxed environment to a global, open, hyper competitive environment where the potentials are still not fully tapped. In India, manufacturing contributes to only 19% of the country’s GDP, while one understands that manufacturing is a key building block of the economy. It helps the service sector also and hence a growth in Indian economy will depend on growth in manufacturing. The Indian economy\(^{31}\) grew by a robust 8.6%, driven by a good performance of the manufacturing sector pushing the overall growth to 7.4%. The manufacturing sector grew by 16.3% in the fourth quarter (*Jan – March 2009-10*)

Manufacturing industry CRM solution advantages:

The value of Industrial CRM specialization cannot be overestimated. Optimized industry sector specific technology solutions will:

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\(^{31}\) Business. rediff. Com accessed on 28.6.10 at 3pm.
Maximize sales force effectiveness and win more business with enhanced account and role based assignments

Shorten the sales cycle- selling tools direct to the most influential contacts within each organization

Increase win rates and gain market share by encouraging sales representatives to leverage a professional social network.

Reduce administrative overhead and maximize fact time with improved information organization and access

Protect margins and capture more revenue with accurate quote and order creation, discount management, and contract and volume commitment tracking

Turn cost centers into revenue centers with closed-loop processes that support and extend valued services to customers.

According to Larry Caretsky, CEO of Commence Corporation, “CRM for manufacturers must streamline sales processes by ensuring sales opportunities are tracked and closed consistently and efficiently with customizable workflow rules that automate stages in the selling process”. As part of the lean manufacturing initiative, effective industrial CRM solutions will reduce errors by creating and modifying accurate quotes for prospects and existing clients using a full-featured product catalog that supports complex pricing levels, units of measure and discounts. The technology must allow quotes to be converted to orders, as well as modifying and saving orders until they are ready to be billed as invoices.

Caretsky suggested that another advantage of sector specific CRM is, “The ability to improve demand management with sales pipeline visibility allows manufacturers to implement a sales forecasting process that delivers objective insights on sales activity, rather than subjective guessing.”

Aftermarket sales are driving significant industrial CRM technology solutions because manufacturers recognize the value-added profit opportunities available with increased service and aftermarket sales.

32 www.LogisticsIT.com
3.3 Challenges and future of CRM:

CRM has come on the corporate agenda in a big way but it has come with its own challenges. CRM is on the management agenda for the past several years. Forester Research Inc\textsuperscript{33}, in May 2001, reported that 20\% of the global 3500 leading companies had implemented CRM programs and 61\% intended to invest in CRM software. Software vendors and their allied system integrators have a commercial stake in CRM and some research firms have predicted that new technology could improve CRM implementations.

To study CRM effectiveness is difficult because the exact definition of CRM is not clearly identified. Though most firms are doing some CRM, many are employing only the tactical applications such as database marketing, call centers, online information sites or sales automation. Very few firms have fully embraced a strategic, enterprise wide concept of CRM. Research firms and consultancies try to measure the success of CRM programs. Though the methodologies are not always given they draw on the manager assessments of the extent to which the objectives have been achieved. This may introduce some bias. Even then it was found that only 20-30\% of CRM programs are deemed successful\textsuperscript{34} e.g.

i. PWC Published a report in 2002 on multi channel marketing, claiming that CRM failed to meet its objectives in 55-75\% of the company’s surveyed. In spite of widespread implementation of CRM, customer satisfaction in the US is declining.

ii. A recent Mckinsey study\textsuperscript{35} quotes Ernst and Young research that almost 2/3rd of US banks do not know if their sales increased because of CRM and in spite of CRM efforts customer satisfaction fell.

iii. A CSC report published survey data that only 27\% of European Companies that implemented a data warehouse control quantity is financial benefit, only 16\% of UK data warehousing projects delivered tangible ROI; and only 21\% of sales automation projects met or exceeded expectations.

In spite of being the most talked about customer strategy it still has its own pitfalls. It has the ability to increase customer retention but does not always translate

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\textsuperscript{34} Molineux Patrick, Where is the one-to-one future?, Exploiting CRM Connecting With Customers, Management Consultancies Association, 2002, pg 84

\textsuperscript{35} G Olazabal, ‘Banking: The IT Paradox’, The Mckinsey Quarterly, No. 1, 2002
it into reality. This is because there is a lack of clarity about the exact nature of CRM—whether a technology tool or a strategy. Achieving this clarity is the foremost challenge that needs to be dealt with.

- Due to the ambiguity mentioned above developing a standard and unanimously accepted criterion for measuring the outcome of CRM programs is difficult. For different departments the focus will be different hence the success factors vary from response rates, number of contacts required to close a sale, time spent with the customer etc. Thus finding a uniform criterion is vital for avoiding confusion and inconsistency.

- Large corporations find it difficult to transform their front office operations to support CRM as compared to small offices.

- Small organizations many times do not employ a consultant for want of sufficient funds hence do not avail the advice of a consultant which is very vital for designing and implementation of CRM programme.

- Reorganizing the organization structure and changing the mindset from traditional orientation to customer focused orientation is easier said than done. The new orientation focuses on relation building and value creation for the business and the customer.

- CRM is not an IT function but IT leaders can play a pivotal role in CRM by identifying what technology can make possible as to learn more about customer relationship. It is not easy to acquire this balance in the organizational functioning.

- Success in CRM requires that the organization has to be patient before the returns start flowing in. There is a huge investment due to hardware, software, personnel etc to maintain a database. This investment cannot be recovered very easily or quickly leaving a feeling of futility in the minds of the employees.

- When the program is launched everyone right from the management is aware of the targets and all is well till things are well. When the going gets tough people start fumbling and lose sight of the objective and some other goal becomes more important than the previously planned goal. Thus losing sight of the goal midway is a major challenge faced by CRM.
• Organizations often suffer from lack of consistency due to insufficient resources, particularly in phased implementation and is a cause for failure of CRM.

• There is no clarity about the CRM metrics. Different goals have to be measured differently and choosing the wrong goals results in faulty measurement and then disappointment.

• Training the staff to handle the intricate systems is no easy task in terms of money as well as efforts. Comprehending the possible difficulties and then subsequently dealing with them requires considerable experience which needs to be a part of the rigorous training program.

• Copying the leader does not solve the problem, but on the contrary aggravates it. This is because the stages of preparation of the organizations are different and what is right for one may not be right for the others. Assessing and analyzing the exact stage of preparedness to implement CRM is very necessary for success.

• A fully dedicated staff internally motivated to be customer focused is the backbone of a successful CRM strategy. Bringing about this orientation is no easy task and then an ill trained and less motivated staff can spoil the efforts taken for CRM.

3.4 Role of management in successful implementation of CRM :-

One of the prerequisites of successful CRM implementation is that it must have active participation and support of the top management. It is only when the top management is genuinely interested in CRM that it will take policy decisions conducive to make CRM implementation successful. Its active interest will also inspire the lower levels to inculcate the philosophy of CRM. Thus the top management plays a very influential role in CRM implementation. In the following paragraph, an attempt has been made to put in specific terms what exactly is expected of the top management to launch CRM successfully in an organization.

The management should seriously consider the following for successful CRM.

• The management must define customer relationship in a way that can be measured and therefore managed.

• The top management has to be actively interested in the performance improvement of CRM.
The organization should adopt a plan to improve performance in a systematic way. The organizational plans should define the targets against which progress can be measured.

The organization should have an effective performance feedback system for all levels. The organization should explicitly measure performance against plan.

In CRM, the people are a major factor in achieving success; they need to be motivated to ensure that they work from the bottom of their heart.

The organization should go in for implementing technological applications of CRM only after it has ensured that the organization as a whole and its employees are ready for it. Readiness on the part of employees implies that they are technically trained to effectively handle the new technology and readiness on the part of organization implies finding out whether the organization really needs the tool i.e. whether it is suitable for the operations of the organization, whether the basic preliminaries of customer segmentation, customer profiling etc are done before going into CRM application. It should not be a case of running before walking.

It is necessary that all transactions must be looked at as relationship building opportunities. Increased productivity and proper utilization of information technology helps retain customers and ultimately brings sustained profitability. The use of IT for better customer focus must result in increased revenue, market share and profits with reduced costs and improved efficiency.

Possible pitfalls:

Inspite of all the above precautions the success of CRM cannot be taken for granted. There are substantial number of situations when the CRM implementation has not given the desired results. When the reasons for these failures were analyzed it was found that there were some misconceptions about CRM, some limitations regarding the technique of implementation etc. Some of these are described below:

1) Senior Managers often do not understand that CRM is not just a fad or set of technologies or reengineering or dot. bubble.

   a. The senior management must note the intangible benefits of CRM while implementing and not just focus on cross selling or up selling.

   Giving a listening ear to what the customers teach is strategically
important rather than being important financially or in terms of accounting. The organization must plan for listening and responding. The Senior Management must have on their agenda trust, integrity and mutual commitment which are the foundation of CRM. A paradigm shift in the ethos, work culture and work practices, a shift in the corporate identity is transmitted when the priorities change from operational excellence or product leadership to principled partnerships with customers.

2) Marketers should not mistake CRM as a new form of promotion, to sell more products. On the other hand, it should be considered as a tool to develop their service and product portfolio in collaboration with their best customers. If it is mistaken for a new sales promotion tool then the marketers are tempted to contact the customer whenever possible on the phone or through the email. This overenthusiasm may result in the customers' noncooperation and hence the ROI may come down. E.g. The internet-savvy customers filter junk email, click-through rates on electronic ads are reported to be falling and direct mail response rates remain low. Relations must be negotiated they cannot be always managed with direct marketing or campaign management. Earlier marketers had to configure well-known marketing stimuli that could deliver the predictable customer behaviors. Today, marketers become value architects who understand customer needs and know how to configure their organization to deliver results.

3) Marketers must interact with customers, understand them through dialogue as well as conventional market research. They must understand individual behavior in communities and need to experiment with interactive CRM practices before going for full-scale CRM implementation. Information systems must note that CRM is not the next big thing to be implemented or just back office re-engineering. Operational CRM applications are used by large numbers of customers facing staff who may not be as highly qualified technically as users of ERP system. The front office solution needs to be integrated with the back office. This enables the customer-facing staff to see the whole picture from one end to the other of the supply chain to conduct their customer conversations intelligently and with understanding. They can make promises the firm can keep - at a profit.

4) There is the need to find new ways of implementing enterprise solutions that focus on learning and development of competencies.
a. For organizations to become customer centric, they must determine the value that both the customers and the firms will get from the relationship and answer the following questions -

i. Is the value proposition strong enough to justify a relationship?

ii. What does the firm need to do to fulfill its end of the bargain?

iii. How long will it take to make those changes?

iv. What should be done by the firm to build trust with the customers?

v. How should the firm listen and learn from the customers?

vi. How will the firm value the learning and reward those in the organization that acquire the learning?

The firms must accept that the business cannot predetermine the outcome of engaging with customers hence it must find ways to enable rapid, low cost experimentation to promote learning about customer relationship.

3.5 The Future:

According to a confederation of Indian Industry Nov. 2009, India’s manufacturing sector is showing clear and firm indications of revival and was on a higher growth trajectory in the first half (H1) of the financial year 2009-10. Around 10% of the sectors surveyed registered an excellent growth rate (above 20%) in H1 2009-10, compared with 7% of sectors in the corresponding period previous year.

In today’s increasingly complex environment, customer relationship management is critical to corporate success. To be successful, a business must fulfill the client-vendor relationship throughout the customer life cycle to ensure that its customers as well as the organization receive the expected benefits. CRM enables a company not only to retain its existing customer base and customizing the products and services to suit them but also helps to attract new customers through superior customer satisfaction. In the future, the focus is going to shift from increasing the sales to increasing customer satisfaction.

In the years to come it will not be possible for anyone to ignore CRM. Within about 10 years, CRM will be part of every business predicts Michael Juer. One thing is certain: CRM solutions will continue to develop at a staggering pace.

Within a few years, software will be available that looks after all of the company’s front and back office information systems. But this sort of technology is

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36 www.cfainstitute.org accessed on April 20 2010 at 1.00 pm
37 Eaton David ,CRM –Satisfaction Guaranteed?, Marketing Mastermind,Aug 2003,pg 51
just the tip of the iceberg,’ suggests Michael. ‘The emergence of BOTZ technology will have a big impact on CRM. These are software programs that roam the Internet looking for the best deal; they are very powerful, with negotiating parameters to enable them to drive prices down. Websites will need to recognize these and deal with them.

Whatever the threats or opportunities of these new technologies, CRM supports a simple principle of retaining customers that will never change. Offering unique value will be the key to acquiring and retaining loyal customers, and loyal customers will be the backbone of tomorrow’s successful companies.

Customer maintenance is imperative to doing business and can be the difference between a company that struggles to stand still and one that enjoys healthy growth. IBM’s greatness has been built on these very simple ideas and principles- like thoughtfulness, courtesy and integrity. It is because of these that IBM has loyal customers.. IBM’ers know they will be out of work if there are no customers, they work even harder to hold onto the ones they have. They understand that the impact of promotions gives a temporary high. Nobody is secure about the future with just promotions doing the rounds.. A successful business largely needs to do something about managing uncertainty. Every customer should feel a partnership relationship with a greater commitment and acceptance of more responsibility than any ordinary buyer-seller relationship. Companies would want to build a data base on the key customers, their preferences and how these shift. The more competitive an organization’s environment, more dire is the need for the organization to hold on to a good customer.

In India, CRM is still in its infancy. Some of the companies have adopted the concept of CRM as ‘Customer care”. Pond’s has Customer response center; HUL Surf provides for ‘Open customer feedback’; Lakme, DHL and Xerox and many others conduct regular customer satisfaction surveys.

In this new millennium , organizations can improve their ‘customer ownership” by creating a feeling of trust and confidence about the organization and its products in the minds of the customers .There is an enormous opportunity for organizations to improve their bottom-line by addressing all the key strategic elements of CRM such as data management , customer interactions, front and back office integration, CRM culture , change management etc. to attract new customers and hold on to the old ones. Ultimately, however ,to be successful in CRM
implementation an organization must have a clear strategic vision that fosters the CRM culture and practices. The organization must selectively choose appropriate analytical tools and techniques to utilize the data and should also select the right vendor for supplying technology solutions. As CRM progresses, vendors predict that the near future will see the sharing of common customer interaction channels, with a greater thrust on customization and personalization.

There will also be sharing of business rules across channels and the ability for customers to track channels in a seamless way.

Another trend that is fast coming up is partnership among vendors. Seibel has an alliance program where they work with 300 other companies to integrate and develop products. It is a partnering philosophy to deliver a product, even if they have competitive technology. Partnering is of paramount importance to capture and satisfy the ever demanding customers and their fast evolving expectations.

### 3.6 CRM Metrics:

Peter Drucker has very aptly said “what doesn’t get measured, doesn’t get done.”  

The confusing thing about CRM is what should be measured and how it can be measured. CRM magazine declares the CRM Leader Award to honor the individuals and companies that are doing something substantial in customer relationship management.

In India, Avaya Global Connect has initiated the customer responsiveness movement by rewarding the most customer responsive companies. The AVAYA customer responsiveness awards are judged on the following parameters –

- Responsiveness
- Top management emphasis
- Intelligence generation
- Intelligence dissemination
- Learning
- Customer education.

CRM has one of its primary goals as increased customer retention and loyalty. Loyalty is not judged only by repeat purchase but a favorable attitude towards the company, the product and the brand that leads to a relationship with the

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38 Brown Stanley, Strategic Customer Care An Evolutionary Approach to Increasing Customer Value and Profitability, Focusing on Customer Needs, John Wiley and Sons Canada, Ltd., pg 76

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brand. This favorable attitude may or may not result in purchase behavior depending on factors such as cost, alternatives and convenience. Loyalty is not judged by repeat purchase alone because the repeat purchase may be due to lack of choice or plain inertia. Hence in spite of repeat purchases the customer exhibits low or no commitment towards the brand. Such loyalty is termed as spurious loyalty. E.g. A person may be buying a particular brand X purely out of habit or as part of policy matter that may be the only brand that is reimbursed by the organization where the employee works. In this case, though the person is buying brand X, he does not have a favorable impression about it.

True loyalty on the other hand arises out of a strong commitment towards the brand resulting in attitudinal loyalty as well as behavioral loyalty. The emotional attachment that is invariably present in this type of loyalty is difficult to measure and difficult to capture in a data base. E.g. A person recommends brand X to others as he favors and advocates the brand for its excellent functional performance as promised by the organization.

Deciding the parameters to measure CRM initiatives is not an easy task but the measures that are currently followed are:

- **Customer contact Intensity** – This measure is designed to avoid over contact or under contact with each client.
- **Customer Satisfaction** – This is an elusive concept. It is measured by net satisfaction index that considers customer treatment, training and professionalism, advice, attitude during interactions, efficient customer response.
- **Customer Profitability** – The parameter measures the profitability of the customers in terms of the ratio of cost to serve and the ROI.
- **Customer Penetration** – The product penetration per channel, segment, product.
- **Customer Loyalty Index** - This is an internally created measure relating to the probability of customer attrition. It is used for retention actions.

Different organizations follow different parameters. All the above are not binding on any organization but these are the main metrics for CRM initiatives. Measuring CRM activity is one of the most complex activities. In order to make it measurable and thus manageable companies develop key performance indicators,
the KPI’s, to judge the performances in various areas. The performance is related to each selected customer relationship centre called Key Success Factors.

The KPI’s are of two types:

- Lead Indicators – Cause indicators
- Lag indicators – Effect indicators.

Businesses mostly carry out post mortems of activities e.g. balance sheets and cash flow statements, profit and loss statements, etc. that measure past performance i.e. use lag indicators.

Kaplan and Norton created the Balanced Score Card to overcome these deficiencies by incorporating lead indicators. Due to lead indicators it is possible to detect potential problems in the budding stage. e.g. Customer ratings with highly satisfied rating, Business through referral, complaints per 1000 etc.

In developing KPI’S there are three approaches:

- Measures to align – Aligning enterprise’s overall goals with functional objectives.
- Measures to motivate – These are proactive measures taken for better offerings to customer
- Measures to improve – These are the corrective measures to be introduced for better value to customers.

3.6.1 The Balanced Score Card:

This is the most recent contribution by Dr. Robert Kaplan and David Norton\(^\text{39}\) to help formulate a competitive strategy for the overall development of the organization.

The balanced scorecard is a management system created as a strategic management tool to ensure that the vision is translated into reality.

Kaplan and Norton created the Balanced Score Card to overcome the deficiencies of the earlier methods by incorporating lead indicators. The balanced scorecard suggests that the firm should view itself from four perspectives, develop metrics, collect data and analyze it relative to each of these perspectives:

- Financial Perspective
- Customer Perspective
- Internal Business Process Perspective

\(^{39}\) www.balancedscorecard.org
• Learning and Growth Perspective

Financial Perspective –

The traditional financial data is regarded along with strategy for growth, profitability and risk from holder’s perspective.

Customer Perspective –

The organization’s performance is greatly affected by the customer’s perspective because an accurate identification of the customer and his feedback is used to improve the organization’s focus and performance. These are leading indicators as they indicate that if the customers are not satisfied they will turn to other suppliers. The scorecard has the following features

- Customer desired outcomes, producer desired outcomes
- Undesired outcomes that customers and producers want to eliminate
- Product and service attributes
- Process characteristics that the customers want and the producers want.

In short, the customer perspective helps provide the product of the customer’s dream supported with an excellent service and supporting staff.

Internal business perspective –

Metrics based on this perspective allow the managers to understand whether the business is running well and whether the product conforms to the customer requirements. These are strategic priorities for various business processes creating customer and shareholders satisfaction.

The learning and growth perspective –

This perspective includes employee training and creating a climate that supports organizational change, innovation and growth. In the current climate of rapid technological change, it is becoming necessary for knowledge workers to be in a continuous learning mode. Metrics can help identify training needs and thus build the foundation for a knowledge worker organization.

Measures to motivate are proactive measures wherein individuals are encouraged to examine their contributions and drive improvement as required.
Measures to improve are more or less reactive and focus on the inputs received from the customer in the form of complaints or suggestions.

Finally to become truly customer centric, there are many things that need to be done but of these the most important is being customer focused. A customer focus puts the customers high up on the list of priorities. Customers have to be in the heart of the entire business not a part of a department. All the departments have to work as a team in harmony. It has to be a part of the culture of the business and the people at the top must be involved in the responsibility of giving utmost satisfaction to the customer. Data that is collected must be utilized for better customer service. Data by itself is of no use until it is put to use. The metrics serve as indicators of progress and are means to an end not the end itself. It is an ongoing and repetitive evaluation against set standards. The customer expectations are progressive so also is the tracking of the business performance.

Measuring CRM ROI is not a very simple process. To ensure a good ROI the firm must have a business plan with clear cut CRM objectives. The proposed financial metrics that are to be used for measuring ROI are finalized. The time for expecting the ROI is stated. The non monetary and intangible benefits must be benchmarked. ROI before CRM implementation is compared with that after CRM implementation. Thus ROI from CRM implementation must be measured as it provides a measure of success. Thus CRM metrics serve to keep the firm on the track in its pursuit of customer satisfaction and delight through better value creation, customer retention and enhanced customer loyalty.

3.7 Concluding remarks

The chapter deals with the role and importance of CRM in the manufacturing sector as well as the challenges and future of CRM. It deals with CRM metrics, the key performance indicators and the balanced scorecard and the role they play in customer centricity.

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