

# Customer Relationship Management: A Theoretical Framework

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**Abstract-** *The sole objective of every business concern in ancient period was making profit but now it takes deviation with maximization in terms of profit, value and wealth. The business, trading or the marketing is not confined with only buying and selling of goods and services it is more than that. So in the modern marketing era the functionalism of marketing has wider scope, means buying and selling of goods and services by creating value. On this context the scenario of ancient consumerism was shifted with dynamic changes as customer satisfaction, customer delightedness, and customer oriented business culture and dedicated approach towards retaining customer helps to gain competitive advantage there by the company will grab the market share, marketability, and product positioning etc. So on this context the present study addresses the conceptual framework about customer relationship management.*

**Keywords-** Customer Relationship Management, Customer loyalty, customer satisfaction, Relationship marketing

## I. INTRODUCTION

The functionalism of every business concerns always concentrates on customer or potential buyer. Its maximization objective will always depend on loyalty towards their products or service. The enhancement of customer value to the organization relies upon acquiring, retaining, and partnering with selected target customers, positive attitude towards provider of product or service make a hopeful impact on building strong bond between the seller and the customer. The bond helps create a place in consumer mind about the product or service, and positioning in the consumer mind significantly depends on the satisfactory feeling of a potential buyer. The match between perceived expectations and actual expectations is the key determinant which is closely associated with customer satisfaction. The profitable long term relationship with final users of the product or service in an integrated strategic approach creates customer value to the firm. The customer centric business strategy enables situational adjustments in sales function of an organization, CRM is growing in importance due to challenging business environment faced by organizations throughout the world today. It is increasing in prominence and the best option for

improving business in uncertain times (Christopher Zerres & et al 2014).The CRM is a strategic approach concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments (Adrian Payne 2005). In this context, the present study addresses the customer relationship management.

## II. OBJECTIVES OF THE STUDY

- To understand the customer relationship in marketing.
- To know the importance of customer relationship management.

## III. METHODOLOGY OF THE STUDY

The research design consists of the data; it can be classified into two types of primary and secondary data. The data which does not exist can be called as primary data and the data which is existed can be called as secondary data. The present study is based on secondary data which available in different books, journals, articles, research papers and internet source also. The main objectives of the present study are to understand the customer relationship in marketing and to know the importance of customer relationship management.

## IV. REVIEW OF LITERATURE

**(Kristin Anderson Carol Kerr 2002)** The Customer Relationship Management is a comprehensive approach for creating, maintaining and expanding customer relationships.

**(Injazz J. Chen and Karen Popovich 2003)** The Customer relationship management (CRM) is a combination of people, processes and technology that seeks to understand a company's customers. It is an integrated approach to managing relationships by focusing on customer retention and relationship development.

**(Adrian Payne2005)** The CRM is a business approach that seeks to create, develop and enhance relationships with carefully targeted customers in order to

improve customer value and corporate profitability and thereby maximize shareholder value.

**(Kamakura et al 2005)** The analytical customer relationship management (CRM) is the process of collecting and analyzing a firm's information regarding customer interactions in order to enhance the customers' values to the firm.

**(Francis Arthur Buttle 2006)** Strategic CRM is focused upon the development of a customer-centric business culture dedicated to winning and keeping customers by creating and delivering value better than competitors.

**(Colleen Cunningham and Il-Yeol 2007)** Customer Relationship Management (CRM) is a strategy that supports an organization's decision-making process to retain long-term and profitable relationships with its customers.

**(Philip Kotler & et al 2010)** The overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. It deals with all aspects of acquiring, keeping, and growing customers.

**(Michael Levy & et al)** The objective of the customer relationship management process is to develop customer loyalty and repeat purchase behaviour among retailers' best customers. It helps to increase their profitability by building who patronize the retailer frequently.

**(Atul Parvatiyar & Jagdish N. Sheth 2013)** Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value.

**(Christopher Zerres & et al 2014)** CRM means addressing increasing competition, changing economic conditions, and professional dependence through the use of intimate customer knowledge; knowledge gained through relationship development and past marketing programs.

**(Rana Saifullah Hassan 2014)** Customer relationship management is used to define the process of creation and maintain relationship with business consumers. CRM is a hostile process of identifying, attracting, differentiating and retaining customers.

## V. CONCEPTUAL FRAMEWORK

The term CRM acronym as customer relationship management which consists of three words such as customer, relationship, and management? The first component is the customer or a potential buyer; the second one the relationship means the connection or association between customer and firm, and finally, the management which is concerned about identifying, creating, attracting, developing and retaining the customers. So the customer relationship management means an integrated strategic decision process which is concerned about identifying the target customers, developing strategies for attracting the customers, and retaining the existing customers by creating and delivering value to the customers with long term relationship.

### Types of customer relationship management

**Analytical CRM:** The name itself says that it is the process which concerned about identifying target customers, collecting feedback from them, and analysing the customer information thereby creating and delivering value to the customers.

**Strategic CRM:** The branch of customer relationship management which is concerned about the strategic focus on customers. It is contingency approach with customer-centric business strategy supported by all departments in the organization while determining the strategies.

**Operational CRM:** It is a modernised business process with the support of information and communication technology. It includes sales automation, marketing automation, and service automation.

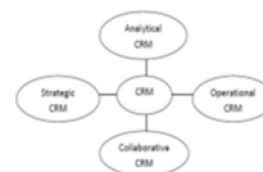


Figure 1.

**Collaborative CRM:** It involves the strategic aspects which enable to share the customer information within organization network thereby focused on targeted customers, sometimes it can also be called as strategic customer relationship management.

Table 1. Customer Relationship Management in Indian scenario

Name of the organization	Customer Relationship Management
IBM	The CRM solutions are based on customer-focused strategies, incorporate all necessary departments, and are built on a scalable architecture that can start small but adjust to growing volumes of data.
Infosys	The important CRM dimension is to analyze, understand, and utilize current trends to take advantage of new technologies and strengthen the relationship with your customers as an ideal partner.
Tata motors	The customer relationship management-dealer management system (CRM-DMS) integrated with a wide array of back-office applications, including inventory management, fulfilment, and parts location.
BEL	The SAP CRM is a part of SAP business suite. It was implemented as a customized module to take care of customer related processes and integrated with other SAP modules. SAP CRM has helped BEL to stay connected to customers.
Vodafone	It helps to gathering all the relevant details and purchase history, extracting detailed reports on billing and inventory and keeping track of client information becomes easy with Vodafone CRM.
Wipro	The organizations breaking away from legacy CRM and opting for SaaS options turn to Wipro for CRM modernization. It provides pre-built tools and templates to accelerate the transition to the on-cloud Sales force.

**Source:** Data collected from company websites

### Key concepts in customer relationship management

**Customer satisfaction:** The modern marketers' key ambitious task is to attract the customers by using strategic sales promotion techniques; customer satisfaction means a positive feeling by potential buyers towards any product or service. It is an act of gratifying the desire or need or expectations of the final user.

**Customer loyalty:** The key objective of customer relationship management in every organization is creating loyalty. It means the fidelity of the activities by the sellers in the consumer mind through customer loyalty programmes there by motivating the customers for a repeat purchase.

**Relationship marketing:** The Marketing functionalism aims' at identifying creating developing and managing long-term relationships with target customers. It is concerned about maintaining customer demographic profile, buying patterns, and frequency of purchase in a sales database.

**Electronic customer relationship management:** The term eCRM acronym as electronic customer relationship management is a process of integrating CRM functions with the use of the Information and communication technology.

**Mobile CRM:** The term mCRM acronym as mobile customer relationship management which enables the marketers to provide services such as identifying, creating, building and maintaining customer relationship by using wireless networks.

**Virtual CRM:** The term vCRM acronym as virtual customer relationship management refers to the process virtual communication of marketing product or service by using digital channels.

**Social CRM:** The term social customer relationship management is relationship marketing technique by using social media as a technique which enables the business firm to create, develop and build a relationship with its customers.

**Automation:** The operational CRM consists of three different automations, such as sales automation help automate sales function, market automation helps to find tract to approach the customers and service automation which deals with retention of existing customers.

## VI. CONCLUSION

The CRM or Customer Relationship Management is a system which consists of interrelated set of components which are ambitious to improving the relationship with existing and new potential buyers with different numerous strategic advantages to the business firm. The finality of the present study is always confined to benefits of customer relationship management, such as retaining existing customers, attracting new customers, enhancing customer experience, and competitive advantage to the firm etc.

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