THE CUSTOMERS RELATIONSHIPS MANAGEMENT – A STRATEGICAL ELEMENT IN BUSINESS PROMOTION

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Abstract:
The present paper illustrates the importance of the customer relationship management for the successful activity of a company (CRM). Then we specify the characteristics of the CRM, the stages of the customers' approach, from the CRM perspective, the stages of CRM process, and the principles of the customers centered business.

Key words: customer relationship management, relational marketing, organizational marketing.

JEL classification: M15, M31

In the context of the present economical crisis, the business promotion is one of the most important and difficult marketing problem for every manager. Without promoting there are not customers, without customers there is not profit, without profit there is not any business at all. Indifferent of the type of the business, a classic or on line one, each and every of them has the need of being promoted, so that the message reach the market zone it refers.

Even now, within the present context of the economic crisis, the fairs and exhibitions keep on representing for the participants an essential opportunity for promoting their own businesses announces UFI (the Global Association of Exhibition Industry)[1].

As the specialists say, a strategic element of every business is the customer relationship management (CRM).[2]

The secret consists in the clients' relationships administration, because their expectances and request changes rapidly and more than that, the customer becomes the market master because he himself knows what kind of product he desires.

The acronym CRM fairly recent entered the managers' language. The 90's marked the transition from the transactional to relational marketing. Thus, the orientation towards a greater number of transactions on a short term was replaced by the philosophy of promoting the medium and long term relations, including all categories of stakeholders.

Naturally, the affirmation of the relational marketing both conceptually and operationally determined the reconstruction of the customers' relation. Nowadays it is said that CRM is a business strategy, being unlimited at one of the company's function.

CRM places the customer in the centre of an organization activity and culture. From the classic "4P" (price, product, promotion, and place), we pass to "3C" strategy: "Customer value", "Customer satisfaction" and "Customer loyalty"[3], illustrated in the figure no.1:

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[1] http://www.ccib.ro/afacerea/
[2] http://www.adacademy.ro/
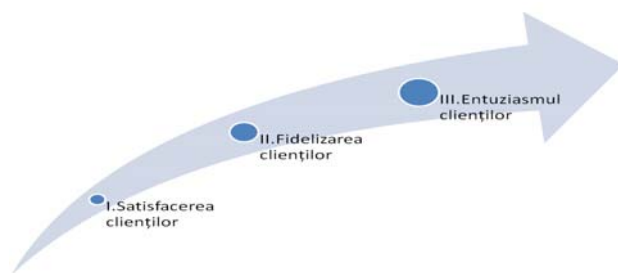[3] http://www.avocatnet.ro/content/articles/id_6567/

Figure no.1. The stages of the customers' approach, from the CRM perspective

CRM designs the settling, the keeping, the development and the optimization of the relations between a company and its customers; it also focuses on the customers understanding and wishes.

The managers of the performing companies starts from the principle that "it is harder to conquer a customer than to keep an existing one"; this idea is sustained by researches[4] as concern the costs for every of the two alternatives: the costs related to conquering of a new customer are up from 3 to 15 times bigger, depending on the branch and of the product then those of loyaling an existent customer. It is now known that 1 dollar invested into advertising brings, on a long term 5 dollars, but 1 dollar invested in CRM brings 60 dollars.[5]

The projection of the informatics systems designed to the CRM became a priority for every company that wants to survive and also develop in the e-business environment.[6]

CRM can be defined as an iterative process, which unfolds in 4 stages and which basis on the developing of the relation with the customers[7] as it is shown in the figure no.2.

These four stages suppose the creation of a managerial project which implies specialists in marketing, human resources, research-development, finance, informatics technology and specific informatics infrastructure.

From the point of view of the data, CRM represents a modality through which a company can "deposit" in a single place all the information about customers, selling, marketing, technical support, etc.; all persons belonging to the respective departments have access to these pieces of information.

An informatics system for the CRM has two dimensions: applications which act as an interface between the customer and the company on one side and instruments that dimension and quantify the relation between the company and the customer, on the other side.

CRM facilitates the interaction with the customers through the most efficient, rapid and sophisticated means of communication – the Internet. The pieces of information can be structured, unstructured, conversational or transactional.

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[4] R. Frederick – „L'Effet Loyauté", Ed. Dunod, Paris, 2002
[5] studiu realizat de compania de consultanță în domeniul CRM - CREATIVE GOOD, publicat pe portalul: www.creativegood.com
[6] S. Sleight – „Cum să trecem la e-business", Ed. Rao, București, 2002
[7] M. Kaufman – „Customer Relationship Management: The Ultimate Guide to the Efficient Use of CRM", Amacom, April 2001

Figure no.2. The stages of CRM process

The spectacular increasing and the continuous reevaluation of the companies that use websites brought the Internet in the first line. The complexity of the interaction with the customers through multiple canals shows how the technology can reduce the personnel efforts and the invested money.

At present, many companies consider that the web advantage consists in the fact that the customers can find out answers by themselves, thus minimizing the efforts of the company, reducing the direct contact with the agents and improving efficiency.

The managers treat all the clients with a great responsibility and attention. There are no more barriers between big or small customers, between public or private customers. Studying in a continuously way the customers and their profile, a few common and principal features can be detached[8]:

- the orientation towards the repetition of the customers' acquisitions;
- frequent and personalized contacts between companies and customers;
- the concentration on the value offered to the customers;
- a proactive attitude of all the employees in their relation with the customers;
- the high level of the services offered to the customers;
- the scope is the customers' enchanting.

The major objective of every company is to serve irreproachably the customer, to loyal him. In order to obtain this, it is need of several guiding principles for the managers to respect.[9]

The most significant principles a profitable business basis on are shown in the following figure[10]:

[8] Note de curs, Managementul relațiilor cu clienții, Alexandru Căpățână

[9] Ph. Kotler – „Marketing Insights from A to Z – 80 concepts every manager needs to know", John Wiley and Sons, New Jersey, 2003

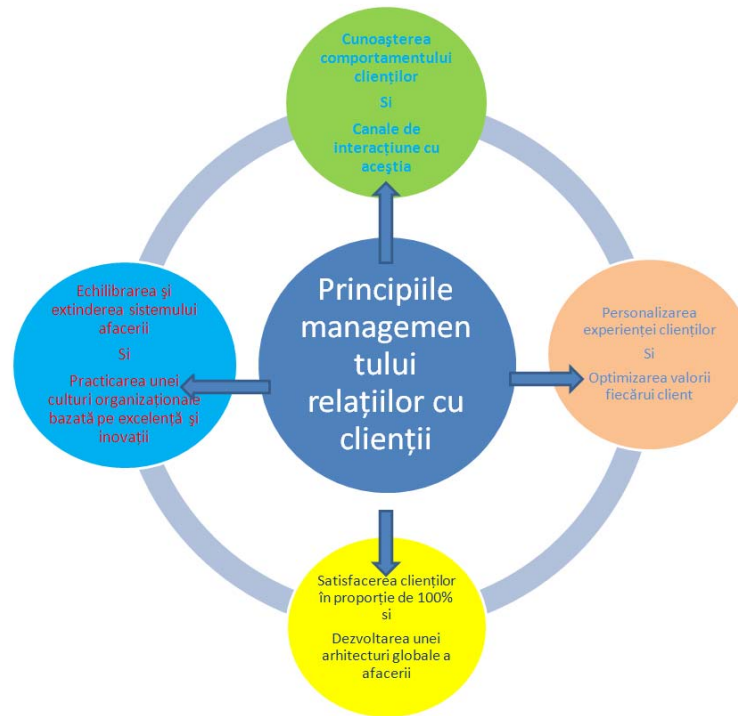[10] A. Olaru – „Managementul afacerilor", Ed. Academica, Galați, 2003

Figure no. 3. The principles of the customers centered business

At present, the most modern solutions put beside CRM, the enterprise resource planning (ERP), the supply chain management (SCM), the e-procurement and e-marketplaces. All these complex systems combine methodologies, strategies, and software and web applications in order to organize and administrate the customers' relationships.

The bigger and bigger data, knowledge and information volume held by the companies determined a grouping of the CRM objectives on departmental structures, as follows[11]:

- **Marketing** - the realizing of a dynamic segmentation of the customers, in order to initiate a communication strategy and well targeted campaigns, adequate marketing campaigns; the generated feed-back

- **Selling** -   automatic selling on regions; following of the customers' historic; the fluidization of the selling process; the qualification of the customers on the former experiences;

- **Country service** – monitoring of the historic of the customers' complaints and their resolving

- Customers' support – obtaining basic information on customers and their complaints; the monitoring of the customers' satisfaction degree; the increasing of self-service;

A study realized by Database Group shows the shares of the CRM informatics service usage; it is presented in the figure no.4:
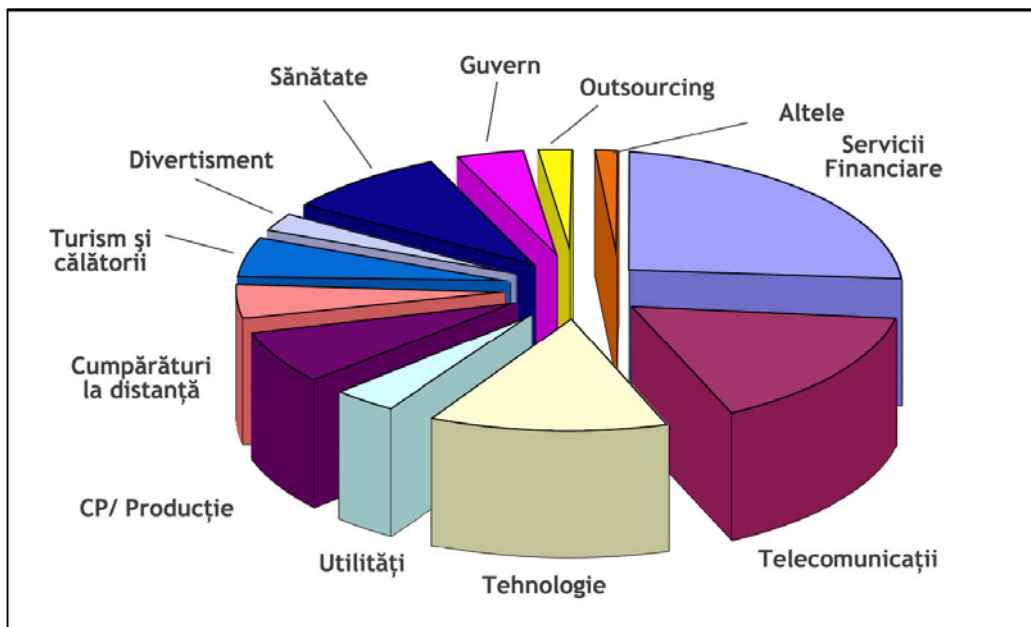
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[11] www.tree.ro

Figure no.4: The shares of the CRM informatics service usage

A study realized by the researchers at Dayton University stresses the following 4 indicators to be observed, for a successful CRM:
- the CRM capacity of influencing the corporative strategy (25% respondents)
- the integration with success of the technology (23% respondents)
- the increasing of the strategic partnerships(20% respondents)
- the assimilating of the technologies related to CRM (18% respondents)

The installing of the CRM informatics applications in the Intranet network is facilitated by the existence of an informatics infrastructure, based on the client-server technology; this brings a series of advantages[12]:
- allows a high individual production;
- the requested information is obtained in a short time;
- allows the breaking of the organizational barriers;
- due to the remote approaches, a remote user can access the information in the central data basis or the local distributed databases.

In order to quantify the customers' profitability, the performing companies created and developed CRM informatics systems focused on the value of the data bases deposits. Such a deposit has the following characteristics:[13]
- the data are organized depending on the process they serve within the CRM;
- the data are organized on different time periods;
- the data are extracted from varied sources and transformed in operational data;

Conclusions

All in all we can say that the organizations in all sectors should invest important amount of money in collaborations with specialized consulting companies and suppliers of ITC solutions, in order to create informatics administration infrastructures for their relations with the customers, and the positive and performing results will appear sooner.

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[12] Orzan G. – „*Sisteme informatice de marketing*", Ed. Uranus, Bucureşti, 2001

[13] Note de curs, Managementul relaţiilor cu clienţii, Alexandru Căpăţână

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