

MANAGEMENT OF CUSTOMER RELATIONS CRM



SUMMARY: The concept of customer relationship management is a result of today's marketing approach. For the markets, the power to compete always has to be different. Nowadays, the differentiation achieved by technological innovations is not long-lasting, so it will not be possible in the long run to get customers to offer a unique sale. So, customer relationships are shown as one of the most important ways of differentiation. The ongoing relationship, loyalty and increasing purchasing behavior of the customers are values that will protect the companies in strong competitive conditions. CRM deals with these relationships, both operationally and analytically, that are required to continue with the customers. When assessed this way, CRM is a new philosophy of management, even though it is not seen as a concept focused on information technology. In this management philosophy, where customer-oriented marketing is dominant, long-term customer relationships and loyalty are targeted.

Key words: Customer, Customer relationship, Customer Focus, Customer Relationship Management.

We live many changes in this period when we started on the 21st century. The changing world and the astonishing developments in the changing economic landscape also require fundamental changes in the conceptual arena. In the world of such rapid changes, we have to change the traditional marketing concept. Are the increasing competition, the products and services that are very similar to each other, the increasingly difficulty of differentiation, the decreasing prices and the decreasing profits being the most important function of the businesses marketing done correctly? It is facing its face.

The changes we mentioned above have made business behavior more customer centric. Establishing long-term relationships with customers and turning these relationships into allegiances has become a key to profitability with this new trend. (CHRISTORHER CRM Overview) Establishing one-to-one relationships is not a new situation for businesses. With the development of the Internet and other communication technologies, it has become possible to establish a direct connection between the customer and the vendor. This relationship-oriented marketing approach has evolved over time, resulting in a new marketing philosophy that sees the relationship established by the customer as the main axis. Customer Relations Management or Birebir Pazarlama has become a tool for businesses to find customers in an increasingly competitive environment, to keep these customers, to make them loyal customers, and to increase the profitability ratios in relation to these customers (ERSOY 2002-03).

1. CUSTOMER RELATIONSHIP MANAGEMENT (CRM) DESCRIPTION

There are two important developments in the world of business, which we call the new economy, changing and changing in radical measure. The first of these is the loss of the validity of product-based strategies to a great extent and the value creation process is completely out of the product and other services gain importance. In other words, it is important that the product is not only itself, how and how the customer will arrive, how permanent relations with the customer will be established and how permanent relations will

be established with them. The other development is; Mass marketing begins to lose its importance. The prominence of mass marketing is diminishing due to the improved communication technologies. The customer has become able to make purchases from any point of sale anywhere in the world without time and space constraints. This leads to a complete change of the mass marketing concept and counteracts new marketing concepts based on one-to-one relationship established with the customer.

Before entering into the concept of CRM, it is necessary to touch on the concept of relational marketing which is a priority of CRM (ÖZTÜRK 2000)

Relational marketing is, in a fundamental sense, a strategic trend that focuses on retaining existing customers and developing relationships with them rather than finding new customers (PEPPERS & ROGERS 1999)

- Identifying an individual's individual customers by name
- Create a relationship that includes many operations between business and customers
- It is intended to manage this relationship for the benefit of the customers and the business.

CRM can be considered as an application of relational marketing, based on the customer's sayings and the business's knowledge of the customer (RYALS & PANE Vol.9,2001).

The use of existing information technologies in the application of relational marketing strategies.

However, it should not be understood that CRM is a computer software. Technology in CRM is a tool for implementing this strategy. At this point it will be useful to define CRM.

CRM can be defined as a strategy that places the customer concept in the whole of the business and adopts the customer-centered culture.

CRM is a concept that aims to establish long-lasting customer relationships and accordingly profitability.

This concept assumes a bridge between marketing strategies and information technologies (KIRIM 2001). We can also define CRM as an information-focused relational marketing concept (KIRIM 2002)

2.CUSTOMER RELATIONSHIP MANAGEMENT (CRM) OBJECTIVES:

Once you have defined the CRM, it is worth mentioning the importance of CRM for businesses. As stated in the CRM definition, CRM is a strategy. It is necessary to understand the whole method that must be applied in order to be different from the competitors desired by the strategy. If the product we produce is similar to other products, the price will be reduced to the point of meeting the basic costs and profitability will approach to zero. It is to differentiate the product that needs to be done. Differentiation with today's technology has become easier. So any innovations that take place in the game will be imitated very quickly by competitors. It is necessary to look at this differentiation from a different point of view. Starting with the question of "what does the customer want?" Other than improving the product to differentiation efforts, it will lead to being ahead of the competition strategically.

The purposes of CRM are as follows:

1. Making customer relationships profitable: Ensuring that marketing and sales departments maintain and maintain long-lasting and profitable relationships with customers.

2. Provide differentiation: to be able to catch differences in an environment where the products resemble each other, to recognize customers individually, and to do individual production and individual marketing for them.

3. Providing cost minimization: It is possible to withdraw the budget that is divided into a well designed CRM project which is considered with system approach in a short time. Given the additional sales from current customers, the benefits of retaining customers, the savings in the cost of sales and the reduction in intra-company communication costs, the budget can be withdrawn shortly.

4. Increase the efficiency of the enterprise: The enterprises design every activity according to their own needs. However, it is necessary to carry out the design from the outside, that is, around customer needs.

5. Provide compatible activities: CRM combines sales, marketing, customer service activities with internet opportunities and ensures that all these activities work in harmony. Both the information obtained from traditional sales channels and the information provided from other alternative channels are synthesized to provide a high level of customer information and related opportunities.

6. Meeting customer requirements: Customer identification is possible with the help of CRM. Thanks to feedback from customers, it is possible to do the job in the way they want.

As a result, today, customers have a lot of options, alternatives do not hesitate to change the institution more. In order for customers to do business with the business, the business needs to do as they please. This can be achieved by giving importance to the customers, by getting to know them better, by building strategies on the information gained and by making all the customers a part of the business process.

3.CUSTOMER RELATIONSHIP MANAGEMENT (CRM) PROCESS:

It is not clearly known by the businesses that CRM expresses exactly. The results of a research conducted by Meta Group, which includes 2000 operations, including Sprint, Nortel Networks, Eastman, Kodak, PNC Bank, show that business CRM applications are inaccurate. According to this research (PEPPERS 2002)

· 64% of businesses have missing technology to measure the operating value of CRM.

- Less than 10% of companies can measure the return on investment.
- Less than 30% have started the operational activities necessary to implement CRM.
- Most of the participants were unable to give a complete description of CRM.
- 78% of the participants expressed CRM only as customer orientation whereas the remaining 22% indicated CRM as a set of rules and technology.

Choosing the best technology for CRM is not enough. The operator and his staff must be ready to make this change. Businesses are not sufficiently accustomed to change culture, and they show resistance in this regard.

Businesses need to implement a number of steps to pass on their CRM applications (HAMMER & CHAMPY).

4.CRM STAGES:

4.1- Relationship-Based Marketing Strategy: The first step is to establish a relationship-based marketing strategy. Generally, in CRM applications, technology is first widely provided and then processes and strategies are tried to be adapted. For this reason, CRM applications may fail. It is not right to expect people to fit into machines. However, according to people, adapting technology is a more accurate strategy.

CRM is the objective relationship management. For this reason, it is the first step to create an organizational strategy that can maximize customer relationships. A CRM team must be established within the enterprise. Only top management and consultants will be sufficient when making such a change. Synergy is absolutely necessary for change. The CRM team should have business personnel in different locations within different locations. For example; Senior sales manager, sales staff, customer service manager, customer service staff, senior marketing manager, communication technology department, human resources manager, procurement manager, CEO at top level. In order for the team to work effectively, they must be from different units, the team must be composed of at most eight people, and the team members must be trained in teamwork.

After the team is set up, the difference analysis needs to be done. Where is the business? Where should it be? What should be done? The answers should be searched. If possible, it would be more useful to start with a wider group of CRM teams for difference analysis. Greater participation increases synergy and experience. The purpose of difference analysis is to reveal the differences between existing business design and business design that can maximize customer interaction. It is necessary to consider the following steps in differential analysis (SEYBOLD 2001)

4.1.a - Processes: It is necessary for the operator to know whether the current business processes are designed from the outside to the inside. In other words, is it appropriate to learn the needs of the client and develop the relationship? The answer of Sorus must be sought.

4.1.b.- Knowledge Strategy: It is necessary to know whether the information obtained from customers (all information) can be used in order to get ahead of the competition as required. There may be different information in each department of the operator. For example; There may be information that the customer pays by credit card in the accounting service, but this information may not be known by the salesperson. The answer to this question should be sought:

- Can we use the information obtained during a cumulative experience with a client as a competitive weapon?

4.1.c- Customer Relations: It includes the information, activities and processes necessary for the operator to establish long lasting and lasting relationships with the customers. These associations need to be ready for the employees of the institution. The answers to the following questions should be sought:

- Is there a system for evaluating customers?
- Are there processes for understanding and improving the customer's experience?
- Is there a system of measuring and responding to customer expectations and reactions?
- Are there systems and processes to understand and predict customer behavior trends?

4.1.- Corporate Culture: In order for CRM implementation to be successful, employees must have customer-centric behavior and be open to change. In this regard, answers to the following questions should be sought:

- Are award systems dependent on customer-centered behavior?
- Do employees have the authority to take decisions and take initiative for the benefit of the customer?
- Is the driving force of the business a customer?

4.1.e- Products and Services: CRM is a "boutique", personalized, mass production for customers on the basis of continuous learning relationships with customers. Produced goods and services must be separated into a number of components. Other products to be added to the basic product or service may be provided by services. Different modules can be created by the information collected from the customers. These modules can be combined in different combinations to obtain a variety of different products. The more modules are created, the more different products it is possible to produce. The most powerful example of this is Levi Strauss (Danismend). In 1994, the company started a marketing activity called Personnel Pair Program, which was created by women who hardly liked the target population and tried it. If Levi's tailor-made jeans are available, they will be able to pay for an additional price for the pair of trousers and wait a few weeks to get their trousers. Thanks to the program, in 1997, 25% of women's pants sales were made in this way. In 1998, Levi's removed this program and replaced it with the program called Orginal Spin. With the program both men and women began to make jeans tailor-made.

Levi's first measure is to collect the customer's measurements, and then she sets up many jeans combinations with this measure. There are basically three styles, comfortable, classic

and low specific. The advantages of this kind of production on Levi's are also excessive. There is no risk of stock, all jeans produced at the end of the season are sold.

The following are the questions that need to be answered:

- Do you develop products and services on the basis of customer needs?
- Do you develop personalized and personalized marketing programs?

4.1.f- Outward Focusing: It is the case where the competitors desired to be described with an external focus are related to the subject. The following question should be answered:

- How closely do you track customer centricity of your competitors?

4.1.4- Technology: While the technology is being selected and implemented, customers should be fully informed. The answers to the following questions should be sought:

- How much do you consider customers when choosing and applying technology?
- Is it the communication technology (IT) unit that chooses the technology?
- Do you participate in the customer contact point?

4.2- Redesigning Functional Roles: There are a number of fundamental changes in the work done when CRM application is started. Most of the employees do not want these changes. They are familiar and this is changing. Even those who do not want to change will be more than those who want it. For this reason, the CRM team was started at all times. These changes must be realized by synergy.

It is useful to give an example of the changes that can be experienced functionally. If we consider the functional roles of the sales force:

1. Sales will have to collect more information as well as sell. More time will be spent with the customer, information will be collected, less time will be spent on sales.
2. The sales force will be redesigned to the customer base.
3. The screens of the vendors will be on-line.
4. Most of the routine orders are internet, telephone, etc. So the existing premium system will be affected.
5. Fewer sellers will have more responsibility.

Some of the changes that may be in the functional roles of marketing are:

1. Employees who are particularly interested in advertising will have to deal with more data and will be less interested in the media.
2. Market analysts are going to focus on customer behavior rather than dealing with numbers.
3. Marketing will not transmit data to sales that will receive data from sales.

4.3- Re-engineering of business processes: This is actually a topic that needs to be addressed on its own. Switching to CRM application is a re-engineering work. The biggest mistake to be

made here is to design business processes according to the technology required for CRM, namely to design a software supported process. As mentioned earlier, processes must be designed in such a way that the strategy needs to be applied, and software must be defined according to the redesigned processes.

5. MAIN FEATURES OF SUCCESSFUL CRM PROJECTS:

CRM projects are of great importance for the enterprise as it is the projects that the corporate culture and the way of doing business of the business are being underlined. In CRM projects that the enterprise has put into practice with great costs, it is necessary to pay utmost attention to some important points in order to return the investment as soon as possible. These:

1. To be able to determine the functions to be automated: CRM automation supervision and control should be carried out in the enterprise for effective automation. During this process, the operating functions to be automated and the technical specifications of the required automation system are determined. Introducing inefficient processes or functions into automation can be an expensive mistake. It should be determined at this stage which functions of the sales, marketing and support units will be automated.

2. The intelligent use of technology: The information technology system to be used over time, which may be the technology of the system or the technological requirements of the enterprise may increase, should carry the characteristics of the open system architecture according to the international standards. (Anton, 1996: 152)

3. The first test of the system prototype: The creation of the prototype of the CRM automation system will lead to the introduction of new technology and suitable site for operation, and the improvement of the site that can meet the objectives with less cost.

4. User training: Training of the personnel who will use the CRM system will be one of the most important elements for effective CRM.

5. Personnel motivation: Employing and using CRM automation firstly is as important as at least training. They will become more motivated if business executives can reach their Goals and provide spiritual satisfaction with the help of the CRM system. This will indirectly increase the strategic importance of CRM.

6. Regular management of the CRM system: Ensure smooth operation of the CRM system is under the responsibility of a person or department. Among the most important tasks of this person or chapter are; Continuous updating of the database, easy access to appropriate information by appropriate personnel, and integration of the system's operator into decision support systems.

6. CRM APPLICATIONS IN TURKEY:

In Turkey, companies that produce customer-centric strategies, businesses that renew their corporate culture, employees and technologies have begun implementing CRM, which they regard as competitive advantage to the world markets since the 1990s. In Turkey, CRM was first introduced with 444 lines and 800 lines of increasing number of call centers. In this period, CRM applications started to enter our life as stock market, internet and campaign lines mainly for retail banking. Because they are easy accessibility, usability and generally problem free, these services have created dependency. (OZKAN, 2001: 16)

Within these applications, the studies prepared in the club type have gained importance. In this kind of CRM applications where all customers who call a call center in a club atmosphere are accepted as free customers, health, psychological counseling and information services are provided in various subjects. (UYLUM, 2000: 6)

It is planned to serve 500,000 in 2001 and 1 million in 2002. (ÖZPEYNİRCİ, 2001,11) This application, which will enable the detergent company to expand its customer base and to make it easier for customers to hear special promotions and campaigns, Will also increase customer loyalty, which is the target of CRM.

In a study conducted in 400 enterprises for small and medium-sized enterprises in Turkey, 35% of customer acquisitions were seen as the most important CRM case. The second most important CRM case for businesses is seen as customer protection with 31%. The customer selection, which is considered as the first and most important stage of the CRM philosophy, has been accepted as the least valued CRM stage by the Turkish enterprises due to the sales concerns. In another question, where different CRM models were evaluated, 48% of the 400 enterprises selected to invest in the profitability model. Investing in customer information, which is considered to be one of the most important functions of CRM and which will benefit the business in the long run, and investment to increase customer interaction, is not taken much into consideration in Turkish enterprises (GÜLDEMİR, 2001: 2)

As we have seen in this research, CRM Turkey is not fully understood for the moment.

RESULT

CRM is as relevant to today's companies as it is - and even more - for future companies. "Future customers, termed Z Belts, will be a generation that has very short shopping times, very high expectations levels, and a good use of information technology. It is envisaged that the companies that will serve the next generations will have a wide range of databases about their customers and that they will be able to manage customer relations by reaching far more information with advanced information technologies.

All of this is a sign that the interest shown in the concept of CRM will continue to increase in the future. It will not be misleading to say that companies and marketers who want to succeed in the coming years should prepare for CRM. These preparations should be aimed at changing or improving the management philosophy and institutional structure as well as investments in information technology.

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