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Modern Consumer and CRM - Customer Relationship Management Platforms

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Abstract: Customer Relationship Management is a technology for managing company relationships and interactions with current and potential customers. The goal is simple: improving business relationships. CRM helps companies stay connected permanently with consumers, streamlines processes and improves business profitability. An intelligent company can use its CRM system to attract new segments of consumers and also to predict whether current customers would still buy from them in the future and what products / services they would need to meet their needs. A CRM system centralizes all the information in a company, and when requested to access, it will be possible to do so from any department of the company, as the content will be stored on a single database. Over the past 20 years, global markets have focused their interest from sellers to customers. Today, customers are more important and stronger than sellers, taking into account market leadership. Different kinds of CRM platforms can be identified depending on: changes in customer portfolios, business operations speed, the need to manage important data, and the need to share information, resources and efforts.

Keywords: business operations; market leadership; consumer

JEL Classification: D12

1. Introduction

The importance of implementing Customer Relationship Management (CRM) is that it allows the registration of existing customers and potential customers, tracking all interactions with customers from all departments of the company, the database remains even if an employee leaves.

An intelligent company can use its CRM system to attract new segments of consumers and also to predict whether current customers would still buy from them in the near future and what products / services they would need to meet their needs.

A CRM system centralizes all information in a company, and when it comes to access, it will be possible to do so from any department of the company, as the content will be stored on a single database.

You never know when a potential customer wants to buy from you. Probably not today, maybe tomorrow, who knows. Thus, it emerges the need to organize contacts. There rae necessary some basic categories to make data efficient so that the CRM strategy can be implemented in order to meet the needs of both the company and its customers.

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The categories can be as follows: Clients, Lost Clients, Possible Customers, and Inactive Clients. Also it can be taken into consideration dividing customers into customers A, B, and C depending on the different retention programs for each segment. Thus, the use of outdated accounting methods - complex spreadsheets, files, or even a notebook in which there is a tendency to write different information - can be avoided.

Consumers appreciate the small details. For example, based on the data recorded in the system, different discounts, vouchers, symbolic gifts or just the simple message with specific cheers can be sent on the client's birthday. Also, the same can be done at holidays.

2. Types of CRM Systems

Over the past 20 years, global markets have focused their interest from sellers towards customers. Today, customers are more important and stronger than sellers taking into account market leadership factors. Various types of CRM platforms can be identified by taking into account: changes in customer portfolios, business operations speed, the need to manage important data, and the need to share information, resources and efforts.

CRM systems are ranked on the basis of their prominent features, with four types: Strategic CRM, Operational CRM, Analytical CRM, and Collaborative CRM.

Table 1. Classification of CRM Systems

Strategic CRM	Customer-oriented, based on attracting and maintaining loyal and profitable customers.
Operational CRM	Based on client-centric processes, such as sales, marketing, and customer service.
Analytical CRM	Based on smart client data extraction and tactical use for future strategies.
Collaborative CRM	Based on the application of technology within the organization's borders, in order to optimize it and its customers.

Source: Processed according to: https://www.tutorialspoint.com/customer_relationship_management/crm_types.htm

2.1. Strategic CRM

The company focuses its attention on customers, placing them first. For business success, customers' voice is considered to be important for survival. Unlike product-centered CRM platforms (where the company focused first on product development, which was then aimed at all customer categories), the company continues to learn about and adapt to customer requirements.

These companies know how to buy consumers and know that a satisfied customer tends to buy more frequently and in larger quantities. If a business does not consider this type of CRM, then it risks losing market share.

2.2. Operational CRM

It focuses on client-centered business processes such as marketing, sales and services. It includes the following automation: Sales Force Automation, Marketing Automation and Service Automation.

Figure 1.1. CRM Automation of Operational CRM

Source: Processed according to:
https://www.tutorialspoint.com/customer_relationship_management/crm_types.htm

Sales Force Automation

SFA helps the organization to automate its sales process. The main goal of sales automation is to get new customers and deal with the existing customers. It centralizes and organizes the information in such a way that the business can meet the needs of consumers and increase sales in a more efficient way.

Marketing Automation

The main purpose of marketing automation is to find the best way to offer products and address customers and potential customers. One of the most important things is campaign management, which allows the company to decide on effective communication channels to reach potential customers (such as e-mail, phone call, face-to-face meetings, social media ads).

Service Automation

Allows businesses to retain their customers by providing top quality services and building strong relationships. This includes managing issues to solve customer complaints, managing customer calls in handling input / output streams, and monitoring the quality of the provided services based on performance indicators.

Advantages of CRM Operational:

Operational costs are reduced by automating the management of important marketing, sales and customer service activities.

Potential customers are attracted by personalized campaigns targeting specific people or segments.
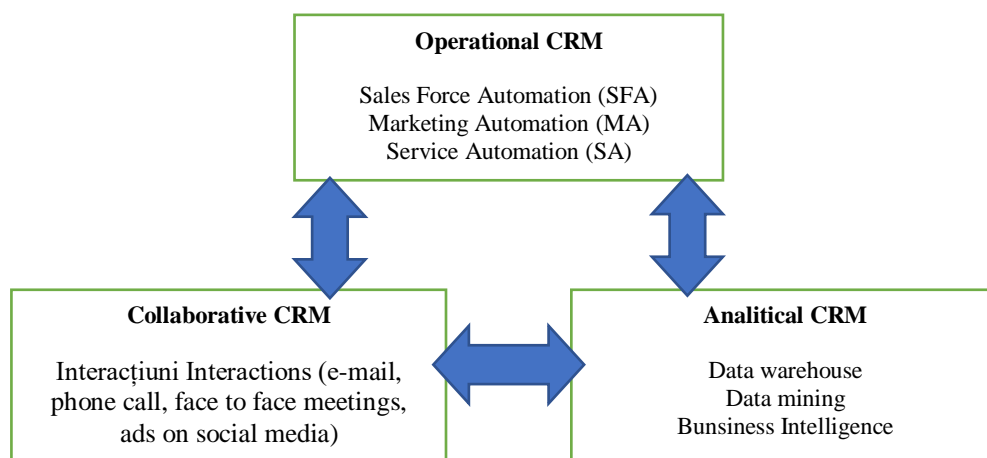
2.3. Analytical CRM

It uses BI (Bussiness Intelligence) to analyze and interpret customer data and obtain relevant information about these data. Unlike Operational CRM and Collaborative CRM, analytics does not directly involve the client but uses data mining and data warehousing to extract and store valuable information from different sources. By analyzing the information, some patterns and trends are emerging, allowing for better creation of long-term strategies for customer management and sales.

Advantages of Analytical CRM:

• Interpret customer behavior and preferences to reveal sales opportunities.

• Evaluates customer relationships and customer satisfaction to predict the probability of their retention.

• Improves the accuracy and speed of decision-making through predictive modeling and scenarios such as: What if?

2.4. Collaborative CRM

Sometimes called Strategic CRM, it allows an organization to share customer information between various business units such as sales team, marketing team, technical team, and assistants. Feedback from a particular support team might be useful for the marketing team to target customers with specific products or services.

Operational CRM

Sales Force Automation (SFA)
Marketing Automation (MA)
Service Automation (SA)

Collaborative CRM

Interacțiuni Interactions (e-mail, phone call, face to face meetings, ads on social media)

Analitical CRM

Data warehouse
Data mining
Bunsiness Intelligence

Figure 1.2. The relationship between types of CRM systems

Different types of CRMs offer different benefits to the company, it depends on how they are exploited. Before buying and implementing a system, it is important to look at the long-term strategy for the company and the services that can be delivered to customers. This is important to make sure that selected CRM software solutions are the best option for maximizing sales volume and boosting business.

3. Success Indicators

A CRM system is based on the following elements:

Customer needs - an organization can never know exactly what the consumer wants. It is therefore extremely important to find out and analyze all his desires, because without this basic information it is difficult to serve the client and maintain a long-term relationship.

Customer Response - is the positive or negative feedback the organization receives on its products, services, or business ethics. The consumer's response can be initiated by the customer or requested by the company.

Customer Satisfaction - includes a person's feelings of joy or disappointment resulting from the use of a product or service based on their experience. One of the many reasons a company needs to satisfy their customers is to increase their market share, which may increase the profit margin.

Customer loyalty - is the customer's tendency to regularly buy products from a particular vendor, being very satisfied with the quality of the products or the firm's ethics. To keep a customer always close, the most important aspect an organization must rely on is to maintain customer satisfaction. Therefore, loyalty is an aspect that influences CRM and is always crucial to business success.

Loyalty in turn is stimulated by: *satisfaction, involvement and affinity*. Affinity is the way the customer is emotionally attached to the brand.

$$\text{Loyalty} = \text{Affinity} \times \text{Satisfaction} \times \text{Involvement}$$

Customer retention - is a strategic process of keeping or retaining existing customers and not letting them choose other providers or organizations. Usually a loyal customer tends to use a particular brand or product to the extent that its needs and desires are properly satisfied. The higher the mass of current customers, the higher the company's turnover is.

Customer complaints - is the act of customer dissatisfaction, in many situations due to misunderstandings in analyzing and interpreting the conditions imposed by suppliers on the product or service. Complaints can be interpreted positively, analyzed and manipulated until customer satisfaction is achieved. It is essential for an organization to have a predefined set of processes in the CRM in order to deal with discontent and to solve them as quickly as possible.

Customer Service - consists of activities that target customer needs by providing and delivering professional services and support before, during and after the customer's requirements.

4. Conclusions

The digital consumer is in most cases an intelligent man who knows not to miss the various traps found on the Internet today. That is why companies have to use some "tricks" to try to capture the customer's attention and influence his behavior in buying different products and services.

The reality is that people spend twice as much online as they did 20 years ago. The way people buy has changed dramatically, which means offline marketing is no longer as effective as it used to be in the past.

Marketing management has always been linked to connecting with people at the right place and at the right time, that means they have to meet the new type of consumers where they spend most of their time, and that is on the Internet.

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