



A Study on CRM Practices and its Impact on Customer Satisfaction

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ABSTRACT

Nowadays organizations focus more on the sales executives for promotion of sales. They fail to focus more on CRM but CRM has large scope to promote sales and customer satisfaction. Although it has more scope, less attention is given to CRM. For CRM strategies formulation and development, it has to be studied. This has become great problem for organizations to shift the part of their focus in CRM. This study focuses on studying CRM practices and assessing the ways for its contribution on improving customer satisfaction. CRM plays an important role in enhanced customer satisfaction. It satisfies the customer according to their needs and wants.

KEYWORDS: CRM, Customer retention, Customer satisfaction, CRM practices, Promotion sales, CRM development, CRM Practices, Customer needs and want.

INTRODUCTION

Customer relationship management in marketing is the process of managing customer satisfaction and loyalty through understanding customers' needs, wants, and behaviours. Utilizing a wide range of marketing and customer service channels, CRM software enables organizations to proactively manage customer relationships and build loyalty. The purpose of customer relationship management is to ensure that customers are satisfied and loyal. This management works by understanding the customer's needs and wants and balancing the customer's expectations. The goal is to create a successful customer experience. Understanding customer behaviour can help companies to better satisfy customers. Customer relationship management works by understanding the customer's needs, wants, and expectations. It also aims at creating a successful customer experience by balancing the customer's expectations with the company's objectives. Understanding customer behaviour can help companies to better satisfy customers. Customer relationship management software helps companies acquire, retain, and expand profitable relationships with their customers. The pursuit of customer relationship management is based on the idea that organizations can use information technology to gather data about their customers. This allows them to analyse that data using statistical methods. Then, they can use the analysis results to predict how much each customer is worth and which customers are likely to be more profitable in the future. It is of paramount importance to ensure that your customers' needs, wants and expectations are met so as to offer them the best possible service. This is also key in creating a successful customer experience. Customer relationship management software is an excellent tool for collecting, analysing, storing, and sharing data with customers. It also allows businesses to improve their marketing and customer service strategies. It's a sad fact that many companies have not yet embraced CRM software. It is necessarily required for an organization to interact and communicate with customers on a regular basis to increase customer satisfaction. In these interactions and communications, it is required to learn and determine all individual customer needs and respond accordingly. Even if the products are identical in competing markets, satisfaction provides high retention rates.

REVIEW OF LITERATURE

1. **Rizwan Ullah Khan, Yashar Salamzadeh, Qaisar Iqbal & Shaohua Yang, December 2020.** This study investigates the impact of customer relationship management (CRM) and company reputation on customer loyalty with customer satisfaction mediating the relation among small and medium-sized enterprises. Customer satisfaction is essential for company reputation and loyalty because a company's reputation largely depends on customer satisfaction in turbulent markets. Therefore, the current study is conducted in the Pakistani context to examine the customer beliefs regarding the company reputation.
2. **Poovarasam. K. 2019.** Customer relationship and Customer Relationship Management are in forefront of recent business arena gaining prominence in management profession. Since long businessmen and academicians relied on relationships for their success. However modern markets started taking a fashion recently. Along with developments in business to business and services marketing, the emphasis on the need to develop long term

relationships with customers to retain, resell and attract new customers from them through these relationships are given importance. With this approach many organizations started paying attention and spent lot of money on CRM and customer relationship programs.

3. **Subhasish Das & Mani Mishra. September 2018.** Customer Relationship Management (CRM) is total alignment of business around the customer. It is a business practice focused on customers; being customer-centric and staying customer-centric. Customers know that the biggest gift they can give to an enterprise is their loyalty. They expect to deal with enterprises the way they like. Enterprises won't satisfy the customers unless they re-engineer their processes to be customer focused and customer oriented. They have to keep track of the customer's past activities in order to influence the customer's future activities. Therefore, there is no substitute to customer-centrism. The objective of a business should be to create customers and keep them, and CRM helps in doing just that.
4. **Roya Rahimi & Metin Kozak. January 2016.** Customer Relationship Management (CRM) can bring many benefits to the hotel business, though there are some associated challenges. Such challenges often bring a significant risk of failure, and these risks become more significant in budget hotels. This study considers the changes that have emerged in the last decade as regards customer expectations when staying in budget hotels. We use qualitative approaches to investigate the overlaps between customer expectations and managers' perceptions of CRM applications. The findings reveal that regardless of all changes, value for money and core products continue to play a critical role in customers' overall satisfaction with budget hotels.

OBJECTIVES OF THE STUDY

1. To study the impact of CRM practices in customer satisfaction.
2. To analyse the impact of CRM in customer retention.
3. To find out the strategies in customer retention and customer satisfaction.
4. To analyse the financial assistance in customer satisfaction.

METHODOLOGY OF THE STUDY

Secondary data were collected from various sources which includes articles, thesis and websites.

The Value of Customer Relationship Management in Marketing:

The pursuit of customer relationship management is based on the idea that organizations can use information technology to gather data about their customers. This allows them to analyse that data using statistical methods. Then, they can use the analysis results to predict how much each customer is worth and which customers are likely to be more profitable in the future. It is of paramount importance to ensure that your customers' needs, wants and expectations are met so as to offer them the best possible service. This is also key in creating a successful customer experience. Customer relationship management software is an excellent tool for collecting, analysing, storing, and sharing data with customers. It also allows businesses to improve their marketing and customer service strategies. It's a sad fact that many companies have not yet embraced CRM software.

Technological Tools:

The application of technology is the most exciting, fastest growing, and changing the way customers get information about products and services. Technology includes all of the equipment, software, and communication links that organizations use to enable or improve their processes, including everything from simple overhead transparency projectors to laptop computers, from fax machines to email, from audiocassette and videocassette players to cellular phones and voice mail. The most widely used tools are:

- 1) Electronic Point of Sale (EPOS): The main benefit of EPOS and retail scanner systems is the amount of timely and accurate information they deliver. Advances in the technology have significantly aided the scope for data analysis. IN addition to the original scanner-related data on sales rate, stock levels, stock turn, price and margin, retailers now have information about the demographics, socio-economic and lifestyle characteristics of consumers. They can, in addition, assess the impact of a whole host of variables-price, promotion, advertising, position in store, shelf position, number of facings, and so on.
- 2) Sales Force Automation: These systems help in automating and optimizing sales processes to shorten the sales cycle and increase sales productivity. They enable the company to track and manage all qualified leads, contacts, and opportunities throughout the sales cycle including customer support. They improve the effectiveness of marketing communications programs for generating quality leads as well as greater accuracy in sales forecasting. The Internet can be used by the company in imparting proper training to its sales force.
- 3) Customer Service Helpdesk: These applications help the company in automating the customer support processes, which enable it to deliver high quality service to their customers. Such software helps in logging the information about customers, enquiries, and suggestions, etc. It also helps in directing these queries to appropriate employees within the company. It maintains information regarding status of customer enquiries and stores all

support calls and related communications to final resolution, continually updating the database accordingly. With an automated customer service, a company can reduce the costs of maintaining its customer service department while at the same time improving the level and quality of customer service.

4) Call Centres: Call centre helps in automating the operations of inbound and outbound calls generated between company and its customers. These solutions integrate the voice switch of automated telephone systems with agent host software allowing for automatic call routing to agents, auto display of relevant customer data, predictive dialling, self-service interactive Voice Response systems, etc. These systems are useful in high volume segments like banking, telecom and hospitality. Companies are now focusing to offer solutions that leverage the Internet in building comprehensive CRM systems allowing them to handle customer interactions in all forms.

Factors affecting customer satisfaction:

Customer satisfaction is the overall impression of customer about the supplier and the products and services delivered by the supplier.

Following are the important factors that could affect customer satisfaction:

- Departmentwide capability of the supplier.
- Technological and engineering or re-engineering aspects of products and services.
- Type and quality of response provided by the supplier.
- Supplier's capability to commit on deadlines and how efficiently they are met.
- Customer service provided by the supplier.
- Complaint management.
- Cost, quality, performance and efficiency of the product.
- Supplier's personal facets like etiquettes and friendliness.
- Supplier's ability to manage whole customer life cycle.
- Compatible and hassle-free functions and operations

CONCLUSION

The motive of this research was to identify effective strategies for dealing with repetitive motions identified in CRM practices and its impact on customer satisfaction. It is useful for developing the CRM strategies to satisfy the customer and customer retention. In this way, CRM plays a prominent role in improving customer satisfaction. So, the organisation given more importance to CRM practices which in turn provides enhanced customer satisfaction and retention.

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