

Course: Corporate Communication and Public Relations

Lecture 13: Proper application of customer relations management solutions

Lecturer: Protais NIYONSHIMA



Objectives

By the end of this lesson, learners will be able to:

1. Define well customer relations management.
2. Explain clearly customer relations management application.
3. Discuss well the future of e-commerce in Rwanda.
4. Explain well the customer life cycle management.

1. Introduction

When Customer Relationship Management (CRM) is used appropriately, it drives the core business of a company. This is often due to the fact a customer is at the heart of your business. A CRM system tends to hold a customer's data footprint with you.

CRM has become a fundamental aspect of business strategy worldwide. Organizations across the globe leverage CRM solutions to manage interactions with customers, streamline processes, and enhance overall customer satisfaction.

In essence, CRM enhances market competitiveness by allowing businesses to understand, engage, and serve their customers more effectively. It contributes to a customer-centric approach, which is increasingly recognized as a key driver of success in today's dynamic business landscape.

2. Definition

Customer Relationship Management (CRM) solutions refer to a set of technologies, strategies, and tools that businesses use to manage and analyze customer interactions throughout the customer lifecycle.

The primary goal of CRM solutions is to improve and optimize customer relationships, ultimately enhancing customer satisfaction, loyalty, and the overall customer experience.

CRM systems enable organizations to streamline processes, automate tasks, and gain insights into customer behavior.

CRM is the building of a customer-oriented culture by which a strategy is created for acquiring, enhancing the profitability of, and retaining customers, that is enabled by an IT application; for achieving mutual benefits for both the organization and the customers (Rababah & et al., 2010)

3. Applying service quality

Applying service quality principles is crucial for businesses to deliver exceptional customer experiences and build strong customer relationships.

To be successful in quality service, the following areas should be taken into consideration:

1. Technical
2. Functional
3. Dimensions of service quality
4. Managing customer communications

4. Applying service quality and CRM

Applying service quality and customer relationship management (CRM) practices together is a powerful approach to creating exceptional customer experiences and building long-lasting customer relationships.

These two concepts complement each other, as CRM helps manage and nurture those relationships, while service quality ensures that the customer experience is consistently excellent.

Here's how to integrate service quality and CRM effectively:

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a) Understanding customer needs and expectations

Both service quality and CRM start with understanding customer needs and expectations. CRM systems can help gather, organize, and analyze customer data to gain insights into their preferences and behavior.

b) Data integration

CRM systems should integrate with other data sources within your organization to provide a comprehensive view of each customer. This includes information on their purchase history, interactions, and feedback.

c) Segmentation

Segment your customer base based on their preferences and behaviors. This segmentation can guide your efforts to provide personalized services and offers.

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d) Personalization

Use CRM data to personalize interactions with customers. Address them by name, recommend products or services based on their purchase history, and tailor marketing campaigns to their interests.

e) Service quality standards

Define service quality standards that are aligned with your CRM data. These standards should take into account customer expectations, and CRM can help monitor and enforce them.

f) Employee training

Train your employees on both CRM usage and service quality standards. They need to understand how to use CRM tools to provide the best service to customers.

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g) Communication

Use CRM to streamline communication with customers. Ensure that all customer interactions are logged in the CRM system to provide a consistent and unified customer experience.

h) Feedback collection and analysis

CRM can help you collect and analyze customer feedback. Use this feedback to continually improve your service quality.

i) Service recovery

CRM can assist in managing customer complaints and service recovery processes by tracking issues and ensuring they are resolved promptly.

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j) Cross-selling and upselling

Utilize CRM data to identify opportunities for cross-selling and upselling. For example, recommend complementary products or services to existing customers based on their purchase history.

k) Loyalty programs

CRM can help manage customer loyalty programs and reward systems. Use it to track customer points, rewards, and incentives.

l) Monitoring performance

Monitor and analyze performance metrics related to both service quality and CRM, such as customer satisfaction, response times, and conversion rates.

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m) Data security and compliance

Ensure that customer data is handled securely and in compliance with data protection regulations. CRM systems should include features for managing consent and privacy settings.

n) Adaptation and innovation

Regularly adapt your CRM and service quality strategies based on changes in customer preferences and industry trends.

o) Employee empowerment

Empower employees with CRM tools that provide customer insights and history, allowing them to deliver personalized and high-quality service.

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p) Continuous improvement

Continuously improve service quality and CRM practices based on customer feedback and performance data.

In a company one may satisfy customer expectations and proactively address their requirements by integrating CRM practices with service quality. This will increase customer satisfaction and loyalty while also improving business outcomes. When combined, these two tactics can support your company's growth in a cutthroat industry.

5. CRM solution application

CRM solutions are software applications designed to help businesses effectively manage their customer relationships. They provide a centralized platform to store customer data, track interactions, and streamline various customer-related processes. Some of them include, Salesforce, HubSpot CRM, and Microsoft Dynamics 365.

Implementing a Customer Relationship Management (CRM) solution in your business can help you streamline your customer interactions, improve customer relationships, and enhance your overall business processes.

Steps to successfully apply a CRM solution include to clearly define objectives, select the right CRM system, data migration and integration, customization, user training, data entry and management, automation, customer segmentation, customer interaction tracking, sales and lead management, marketing automation, customer support and service, analytics and reporting, customer feedback and surveys, mobile accessibility, security and compliance, and regular review and improvement.

a. Define a company's objectives

Clearly define your objectives for implementing a CRM solution.

You can use the following questions in defining your goals:

- What specific problems or challenges do you want to address?
- Do you want to improve customer service, increase sales, or enhance marketing efforts?

b. Select the right CRM system

Choose a CRM system that aligns with your business needs and objectives. There are various CRM options available, including cloud-based, on-premises, and industry-specific solutions.

In selecting the right CRM system, it is very important to consider different factors such as scalability, features, ease of use, and cost.

Selecting the right CRM system is a crucial decision for your business, as it will impact the company's ability to manage and nurture customer relationships effectively.

c. Data migration and integration

If you have existing customer data, plan and execute data migration to the new CRM system. Ensure data integration with other relevant systems like email, marketing automation, and ERP.

Properly managing the transfer and integration of data is critical to ensure a smooth transition and continuity of operations.

d. Customization

Customize the CRM system to match your specific business processes. Tailor it to your industry, department, and individual user needs.

Customization of a Customer Relationship Management (CRM) system is essential to tailor it to your specific business needs and workflows.

Customization allows you to make the CRM system a more effective tool for managing customer relationships, sales, marketing, and customer support.

e. User training

Provide comprehensive training for your employees who will be using the CRM system. Ensure they understand how to use its features effectively.

Training employees in Customer Relationship Management (CRM) is crucial to ensure they can effectively use the CRM system to enhance customer interactions and improve business processes.

f. Data entry and management

Establish data entry standards and processes to maintain data accuracy and consistency. Encourage employees to keep customer records up to date.

Data entry and management in a CRM system are critical for maintaining an accurate and organized database of customer information.

Effective data management ensures that you can make informed decisions, deliver better customer service, and achieve your business goals.

g. Automation

Use automation features to streamline routine tasks and processes, such as lead nurturing, email marketing, and follow-ups. This will help you save time and reduce errors.

Automation in CRM is a powerful strategy that can streamline processes, save time, and enhance the overall efficiency and effectiveness of your customer interactions.

h. Customer segmentation

Segment your customer base based on various criteria, such as demographics, purchase history, and behavior. This allows for more targeted marketing and communication.

Customer segmentation in CRM involves categorizing your customer base into distinct groups based on specific characteristics or behaviors. This segmentation allows a company to tailor your marketing, sales, and customer service efforts to better meet the needs and preferences of each group.

i. Customer interaction tracking

Ensure that all customer interactions are logged in the CRM system. This includes emails, phone calls, meetings, and support requests. This comprehensive record can help your team provide more personalized service.

Tracking customer interactions in CRM system is crucial for understanding customer behavior, improving customer service, and making data-driven decisions.

j. Sales and lead management

Implement lead management processes to track leads from acquisition to conversion. Set up sales pipelines and use the CRM to track sales opportunities and monitor progress.

Sales and lead management are essential components of CRM system. Properly managing leads and sales opportunities within your CRM helps your organization convert leads into customers and drive revenue.

k. Marketing automation

Utilize the CRM system to create, schedule, and track marketing campaigns. Personalize marketing efforts based on customer data.

Marketing automation in CRM is a powerful strategy that allows businesses to streamline and personalize their marketing efforts, nurture leads, and improve customer engagement. Here's how to effectively implement marketing automation within yo

m. Customer support and service

Streamline customer support and service processes within the CRM system. Ensure quick access to customer information and issue history for support agents.

Delivering excellent customer support and service through a Customer Relationship Management (CRM) system is essential for building and maintaining strong customer relationships that contribute to the growth of the company.

n. Analytics and reporting

Use the CRM's reporting and analytics tools to gain insights into customer behavior, campaign performance, and overall business operations.

Analytics and reporting in Customer Relationship Management are essential for gaining insights into customer behavior, tracking performance, and making data-driven decisions.

o. Customer feedback and surveys

Implement mechanisms for collecting customer feedback and conducting surveys. Use the CRM to analyze feedback and improve your services.

Customer feedback and surveys are essential components of a Customer Relationship Management system.

Gathering customer insights and opinions helps businesses understand customer satisfaction, identify areas for improvement, and strengthen relationships.

r. Mobile accessibility

Ensure that your CRM system is accessible on mobile devices, allowing your team to access critical customer information while on the go.

Mobile accessibility in CRM is crucial in today's business environment, where employees and customers are frequently on the go.

s. Security and compliance

Implement robust security measures to protect customer data and ensure compliance with data protection regulations.

Security and compliance are paramount when managing sensitive customer data within a CRM system.

Protecting customer information and adhering to regulatory requirements are essential to maintain trust and avoid legal consequences.

t. Regular review and improvement

Periodically review your CRM processes and system to identify areas for improvement. Stay updated with new CRM features and technologies.

Regular review and improvement of a company's Customer Relationship Management system is crucial for ensuring that it continues to meet your business needs and delivers value to your organization.

u. CRM Integration with other business technologies

Integrate your CRM solution with other relevant technologies, such as ERP systems, email marketing platforms, and e-commerce systems.

In any company, CRM solution can be well implemented by following the above steps that enhance customer connections, boost productivity, and enable you to make better decisions based on insights from data.

6. CRM solutions' implementation

Implementing a Customer Relationship Management (CRM) solution involves several phases to ensure a successful deployment and adoption within an organization.

While the specific steps may vary based on the CRM solution and business requirements, here are the general phases involved in CRM implementation:

- i. Development
- ii. Customizations
- iii. Beta test and data import
- iv. Train and retain
- v. Roll out
- vi. System hand-off
- vii. Support

7. E-Commerce and CRM

Combining e-Commerce and Customer Relationship Management (CRM) is crucial for businesses looking to provide a seamless and personalized shopping experience, build customer loyalty, and drive revenue growth.

E-commerce is commonly known as electronic marketing. It consist of buying and selling goods and services over an electronic system such as the internet. E-commerce is the purchasing , selling & exchanging goods and services over computer network or internet through which transactions or terms of sale are performed electronically. Therefore, when CRM is enhanced, the business grows.

8. Nature of e-relationship

- ✓ Business-to-business
- ✓ Business-to-consumer
- ✓ Consumer-to-consumer
- ✓ Consumer-to-business

9. E-commerce apps for CRM

- ✓ SugarCRM
- ✓ Salesforce.
- ✓ Zoho.
- ✓ Act!
- ✓ Microsoft Dynamics.
- ✓ SAP.
- ✓ Maximizer.
- ✓ Ready Clou

10. Advantages of e-commerce

- Faster buying/selling procedure, as well as easy to find products.
- Buying/selling 24/7.
- More reach to customers, there is no theoretical geographic limitations.
- Low operational costs and better quality of services.
- No need of physical company set-ups.
- Easy to start and manage a business.
- Customers can easily select products from different providers without moving around physically

11. Disadvantages of e-commerce

- ✓ Unable to examine products personally
- ✓ Not everyone is connected to the Internet
- ✓ There is the possibility of credit card number theft
- ✓ Mechanical failures can cause unpredictable effects on the total processes.

12. The future of e-commerce in Rwanda

The future of e-commerce in Rwanda holds significant potential and is poised for growth. Like many other countries, Rwanda has been experiencing a shift in consumer behavior and business operations toward digital platforms.

Here are some key factors that will shape the future of e-commerce in Rwanda:

- Government support and infrastructure development
- Digital literacy and internet accessibility
- Mobile payment solutions
- Marketplace and platform growth
- Cross-border trade
- Logistics and last-mile delivery

- E-commerce regulation & consumer protection
- SMEs involvement
- Social commerce and influencer Marketing
- Sustainable e-commerce practices
- Customer trust and data security
- Rural outreach

The future of e-commerce in Rwanda is bright, with the potential to improve access to goods and services for broader segment of the population, boost economic growth, and create job opportunities. To thrive in this evolving landscape, businesses and entrepreneurs should adapt to changing consumer preferences, leverage digital technologies, and embrace innovation.

13. How to develop trust in e-commerce?

The whole machinery of e-Commerce functions on trust. Customers trust online stores to sell them genuine products, online stores trust customers to pay promptly and sellers trust store owners to give them their due.

The following are the ways of developing trust in e-commerce:

- ✓ Be transparent
- ✓ Show you're trustworthy
- ✓ Be easily reachable
- ✓ Show testimonials
- ✓ Be social
- ✓ Build security
- ✓ Be responsible

14. Steps to build better customer relationships online

- ✓ Minimize customer effort, maximize the experience
- ✓ Offer different service options
- ✓ Personalize their visits
- ✓ Develop loyalty programs
- ✓ Learn from your customers
- ✓ Establish their trust

15. Electronic CRM (eCRM)

- ❑ The eCRM or electronic customer relationship management, coined by Oscar Gomes, encompasses all standard CRM functions with the use of the net environment i.e., intranet, extranet and internet. Electronic CRM concerns all forms of managing relationships with customers through the use of information technology (Afsahhosseini, 2020).
- ❑ eCRM processes include data collection, data aggregation, and customer interaction. Compared to traditional CRM, the integrated information for eCRM intraorganizational collaboration can be more efficient to communicate with customers.

16. Disfavors of e-commerce in CRM

While e-commerce offers several benefits in customer relationship management (CRM), there are also some challenges and potential drawbacks that businesses may face.

Some of them are the following:

- ✓ Sectoral limitations
- ✓ Costly e-business solutions for optimization
- ✓ Question of safety
- ✓ Data security
- ✓ System upgradation
- ✓ Momentary intangibility

17. Managing the customer life cycle

Managing the customer life cycle involve three phases of CRM:

- Acquiring new customers
- Enhancing the profitability of existing customers
- Retaining profitable customers for life

a. Today's customer vis-a-vis CRM

Today's customer, in the context of Customer Relationship Management (CRM), is more empowered, informed, and demanding than ever before. Businesses need to adapt to these changing customer expectations and preferences in their CRM strategies.

The characteristics of today's customer and how CRM can address their can be seen through the following features: Digital Savvy, instant gratification, personalization, transparency and trust, self-service options, feedback and reviews, omnichannel experience, mobile-centric, data privacy concerns, empowered decision-making, social media engagement, 24/7 availability, sustainability and values, emphasis on user experience.

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i) Digital Savvy

Today's customers are highly digital-savvy and use a variety of online and mobile channels to interact with businesses. CRM systems must be equipped to handle multi-channel interactions, from email and social media to live chat and mobile apps.

ii) Instant gratification

Customers expect quick responses and instant gratification. CRM can automate response processes and provide customer service agents with relevant information to resolve issues swiftly.

iii) Personalization

Customers appreciate personalized experiences. CRM helps businesses segment their customer base and personalize marketing, communication, and product recommendations.

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iv) Transparency and trust

Trust is paramount for today's customers. CRM systems can store customer information securely, demonstrate data privacy compliance, and provide transparency in data handling.

v) Self-Service options

Many customers prefer self-service options. CRM can include self-service portals and knowledge bases to allow customers to find answers to common questions on their own.

vi) Feedback and reviews

Customers actively provide feedback and reviews online. CRM systems can help collect and analyze this feedback, allowing businesses to respond to customer concerns and improve based on suggestions.

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vii) Omnichannel experience

Customers expect a seamless experience across all touchpoints, whether online or offline. CRM systems enable businesses to track customer interactions and provide a consistent experience.

viii) Mobile-centric

Mobile devices are a central part of modern life. CRM systems need to be mobile-friendly and support mobile access for both customers and employees.

ix) Data privacy concerns

Customers are increasingly concerned about data privacy. CRM systems should be compliant with data protection regulations and allow customers to control their data.

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x) Empowered decision-making

Customers have access to a wealth of information before making purchasing decisions. CRM can provide insights into customer behavior and preferences to help businesses make data-driven decisions.

xi) Social media engagement

Social media is a primary platform for customer engagement and feedback. CRM systems should support social media integration for monitoring and responding to customer inquiries and comments.

xii) 24/7 availability

Customers expect businesses to be available 24/7. CRM can support automated responses and chatbots to handle inquiries outside of regular business hours.

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xii) Sustainability and Values

Many customers are conscious of a business's environmental and social values. CRM systems can track and communicate a business's commitment to sustainability and social responsibility.

xiii) Emphasis on User Experience

CRM systems should be user-friendly for both customers and employees. A clunky CRM interface can lead to customer frustration and lower employee productivity.

In summary, today's customers are well-informed, tech-savvy, and value personalized, efficient, and trustworthy interactions with businesses. CRM systems are essential tools for businesses to meet these customer expectations and build and maintain strong, long-lasting customer relationships.

b. Today's companies

Today's companies have the following features:

- ✓ Digital services and using strong IT infrastructure.
- ✓ Flatten (less hierarchy).
- ✓ Location Independent.
- ✓ Flexibility.
- ✓ Low transaction and coordinating cost.

18. Differences between CRM and eCRM

- ✓ CRM uses phone, fax and retail store for contacting customers while eCRM uses wireless, PDA technology, internet and email.
- ✓ The design of CRM system is related to job products and functions while the design of eCRM system is related to customer needs.
- ✓ The maintenance of CRM is very expensive while the maintenance of eCRM is less expensive and requires only less time.

19. Why satisfied customers?

Satisfied customers are essential for the success and sustainability of any business. When they are satisfied, customers bring in new customers and they contribute to advertising the companies services and products.

The following are some key reasons why businesses need satisfied customers:

1. Customer Loyalty

Satisfied customers are more likely to become loyal customers. They are more inclined to continue doing business with your company, which can lead to repeat purchases and long-term relationships

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2. Positive word-of-mouth

Satisfied customers often share their positive experiences with friends, family, and colleagues. Word-of-mouth marketing is a powerful and cost-effective way to attract new customers.

3. Enhanced reputation

A history of satisfied customers contributes to a positive reputation for your business. A strong reputation can make your company more attractive to potential customers and partners.

4. Reduced customer churn

Satisfied customers are less likely to switch to competitors. Reducing customer churn (customer loss) is crucial for maintaining and growing your customer base.

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5. Increased sales

Satisfied customers are more likely to make additional purchases and try new products or services offered by your business. This can lead to increased sales and revenue.

6. Lower marketing costs

Acquiring new customers is typically more expensive than retaining existing ones. Satisfied customers require less marketing and advertising efforts to maintain their loyalty.

7. Customer feedback and improvement

Satisfied customers are more likely to provide valuable feedback and suggestions for improvement. Their insights can help your business enhance its products, services, and customer experiences.

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8. Customer advocacy

Satisfied customers can become advocates for your brand. They may write testimonials, participate in case studies, or refer other potential customers to your business.

9. Customer tolerance for errors

Satisfied customers are often more forgiving when errors or problems arise. They are more likely to give your business a second chance and allow you to make things right.

10. Reduced customer service costs

Satisfied customers are less likely to generate customer service inquiries and complaints. This reduces the workload on your support team and minimizes the costs associated with resolving issues.

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11. Competitive advantage

A reputation for customer satisfaction can provide a significant competitive advantage in the market. It sets your business apart from competitors and can be a differentiator that attracts customers.

12. Brand trust

Satisfied customers tend to trust your brand and are more likely to have confidence in your products or services. Trust is a critical element in the decision-making process for many customers.

13. Stability and growth

A base of satisfied customers provides stability to your business and a solid foundation for growth. It allows you to focus on expanding your offerings and exploring new opportunities.

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In summary, satisfied customers are not only more likely to stay with your business but also contribute to its growth, reputation, and overall success. Fostering customer satisfaction should be a central focus for any business looking to thrive in a competitive market.

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Thank you!