

## Accomplishing customer-centricity through Customer Relationship Management

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### Abstract

Since two decades with the changing business scenario Marketing theory has undergone a massive change. The cogitation has led to sound theoretical domain of Relationship Marketing and effective application of customer relationship management. India has huge untapped customer base. So any strategy through customer centricity, customer loyalty, product penetration, product development, Market Development and Diversification strategies are analyzed, chosen and implemented as per the need of hour. In this era of cut throat competition, Organizations are dealing with myriads of new marketing avenues where different marketing tools and techniques can be deployed for serving customer. These Organizations are now revamping themselves in order to take benefits of the changing global trade scenario. This study comprises of emerging customer relationship. It illuminates the customer centricity as if becoming a new norm of Business organizations. It enumerates important CRM's practices across five processes. It cursorily briefs about Co-opting customer competence.

**Key Words:** Customer Relationship Management, Customer Centricity, Customer Relationship, CRM Processes, Relationship Marketing.



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## 1. Introduction

Most of the big businesses are actively implementing customer relationship management. Customers who get satisfied play prime role for business growth. As great management thinker Peter Drucker has pointed out "It is the customer who determines what a business is and the purpose of firm is to create and keep customers". Operationally the traditional focus of business is to upgrade efficiencies. This thought was embedded in economic ideation. Adam Smith did not write about customer satisfaction, retention and loyalty; he developed theories of specialization, division of labour and production efficiency.

Marketing is a high-tech exposure to relate with how best to accomplish the methods of marketing-advertising, sales promotion, sales force, product development, market development and pricing. When customer expectations were uniform and demand exceeded supply, moving a greater volume of output resulted in lesser unit costs enabling a price-focused market share strategy to thrive. It made sense in an homogeneous market place to excel at the technology of marketing. But now things have progressed so much so that firms need innovative strategies. Ascending the experience curve no longer guarantees success. Customers in business-to-business (B2B) markets and, ever more customers in business-to-consumer (B2C) markets are exacting custom-made value propositions.

Businesses suppose suppliers to recognize their business and add to their value chain. Hence, the new arenas are: service, process, knowledge and information. Business is not easy as existed in the old times. Business practices are evolving. Hyper-competition between companies has made even survival difficult with the impact of increasing inflation. This insinuates trouble for new start-ups, small and medium companies and witnesses more industrial challenges than ever. There is sometime reinventing the wheel through unique innovation by research and development unit of business behemoths. It is highly expensive and perilous proposition. Corporate debts are augmenting and technology is becoming obsolete quickly. Ruthless competition has worsened the situation much. The falling and uprising is a cyclical process in any business. The idiosyncratic pattern of the business trend is an irony of today's business world. The three major advancements such as globalization, technological prowess, and deregulation brings forth multifarious opportunities.

## 2. Research objectives:

1. To Understand customer relationship in the light of customer relationship Management.
2. To know if theoretical model can be made and discussed.
3. To Analyse co-opting customer competence and relational exchange
4. To evaluate customer-centricity as important aspect of customer relationship building.

## 3. Emerging customer relationship

*If relationship marketing is the science or physics of relationships, then customer relationship management represents its application or engineering.*

It has ancient pasts going back into the pre-industrial era. Much of it was due to direct collaboration between manufacturers of agrarian products and their customers. Likewise, craftsperson customized things for each and every customer. Such direct rapport led to relational cohesive bonding between the marketer and the customer. Much newly, the shrinking of vying conditions in markets that have become more transnational and the advancement of info and telecommunication knowhows have contributed to a large degree to the quick development and progression of customer relationship management (CRM) permitting manufacturers to straight intermingling with end consumers. In industries such as the air carrier industry, investment industry, insurance or domestic appliances, the middle process is quick changing the nature of marketing and building relationship marketing more famous. In the present epoch of hyper-competition, markets give the impression to focus more and more on customer retention and loyalty. As several studies specify, retaining customers perhaps offers a distinctive competitive advantage than acquiring new customers.

According to **Gbadeyan, R. A. (2010)**, CRM is a assemblage of specific kinds of commerce chores. These tasks are absorbed towards initialization, maintenance, and development of booming long-term interpersonal interactions. According to Gronroos (2004) the principal opinion behind robust relationship building are, it gives greater security, better poise, more trust-worthiness, lessens risks and diminishes costs. To maintain the relationship with customers is essential as much as quality is essential. However, attention invigorated before



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more than past three decades when organizations started giving holistic and comprehensive view to interpersonal bonds of relation.

#### 4. Expounding about Customer Relationship Management

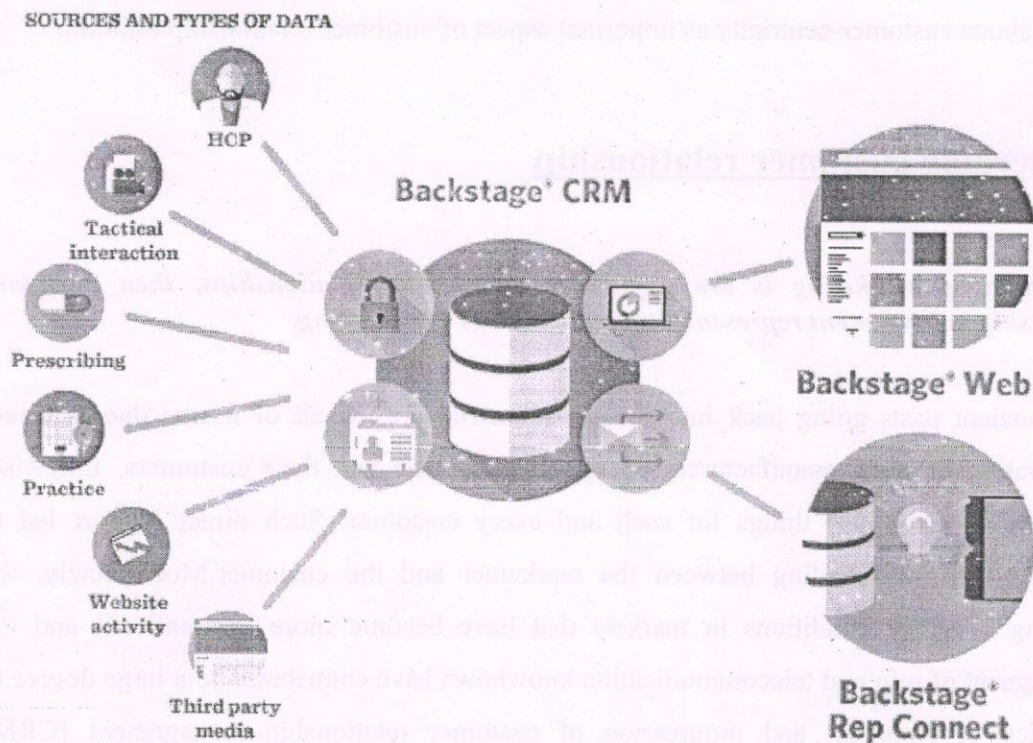
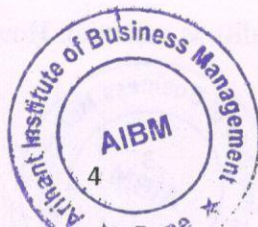


Fig 1. Source :Back Stage CRM(Google Images)

*Customer Relationship Management (CRM) has become a comprehensive strategy of gaining, keeping, and growing with chosen customers to engender superior value for the company and the customer. It is a reciprocally accommodating relationship completed upon a foundation of trust and loyalty through holistic marketing, proper customer service, and challenging relationship programs.*

Customer relationship management is a part of RM with the following additional points (Payne and Frow 2005, p. 168):

1. Confines the relationship focus to "prominent customers and their segments."
2. "Bonds the potential of RM and IT."



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- Emphases more on the anticipation through an “amalgamation of process, stakeholders, maneuvers, and marketing abilities that is enabled through information, technology, and applications.”

Thus, CRM is the managerially relevant claim of relationship marketing across a firm focused on customers, which influences IT to achieve performance objectives.

## Theoretical Framework

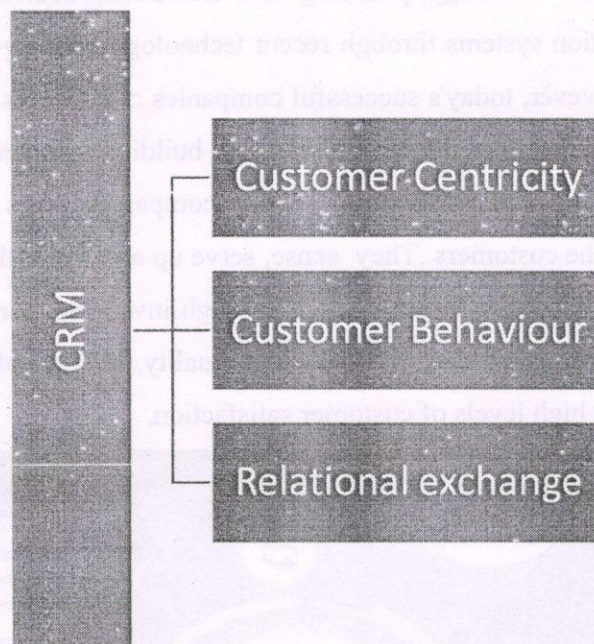


Fig 2: Theoretical Framework (By Research Scholar)

CRM is an expertise that permits businesses both large and SME to collate, automate, and synchronize every facet of customer interaction. That focuses on customer centricity, Business Organization and long lasting relational exchange. Most CRM platforms comprises businesses analysing customer interactions and improving the customer relationship. This ultra-modern technology has been widely embraced all over the business milieu. If you are striving about investing in a CRM solution, you're possibly interested in the big numbers, and more connected with how companies such as yours can use CRM to

improve their productivity of business. Further it Focuses on Customer relationship and Relational exchange.

### **5.Customer centricity: A new norm of Business organizations**

Many colossal and undersized organizations hunt for success. horde of aspects contribute to making a business successful – strategy planning and execution, dedicated and adroit employees, effectual information systems through recent technological know-how, excellent exploitation of resources. However, today's successful companies at all levels have one thing in common - they are strongly customer-focused relationship building and heavily committed to marketing through advocacy and partnering . These companies takes industrious & assiduous endeavors to cater the customers .They sense, serve up and fulfil the needs, wants and desires of customers in distinctive target markets through involving, partnering them . They motivate everyone in the organization to deliver high quality, fidelity and superior value for their customers, leading to high levels of customer satisfaction.



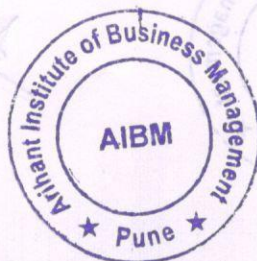
**Fig 3. Source: Customer Centric CRM**

Organizations attain and maintain market leadership by understanding customer needs, wants and desires. Also to study customer psyche, buying preferences is an opportunity to understand market dynamics. Organizations need to find solutions for customers which would elate & delight them through superior value, quality and service. People in these

organizations need to know how to define and create customer segment and how to position products with high customer perceived value by developing need-satisfying products, and services for their chosen segments. These organizations know that if they take care of their customer share –then market share and profits will follow. They take an extra pains to comprehend customer's needs through exercising possible trade-offs & breaking limits through innovation, value and cost effectiveness. Technological elevation & possible proliferation of offered products/services is allowing customers to choose well from huge available array with expanded value at reduced cost. Relationship is less about selling and more about knowing what to make for enchanting customer. Extensively CRM is useful in networks in product and service firms, consumer and business markets, profit and non-profit organizations, domestic and global companies, and small and large businesses.

## 6. Use of CRM at Wells Fargo.

While your organization is accountable for keeping trace of the money and property of approximately 70 million individuals, you can be sure that customer service is going to be one of your most pressing concerns. "Such is the case with Well's Fargo, one of the "Big Four" banks in the United States. Wells Fargo understands that many of their customers use multiple banks, so they know that they need to go to delight them when it comes to have connect with clients. They do this by taking advantage of CRM social media connectivity, so that they can always connect and accessible to those who need them. They also use CRM to ensure that those who come to them with concerns to strengthen relation with someone who can provide a solution. Firms innovate in new product, product utility, operation processes, logistics, customer service and integrated communication to differentiate their propositions from those of competitors. Much of this innovation focuses upon creating new and improved products and service and reducing costs. Efficiency-driven firms focus on the product or service they sell, whereas effective firms focus on their ability to fulfil individual customer's most important needs.



  
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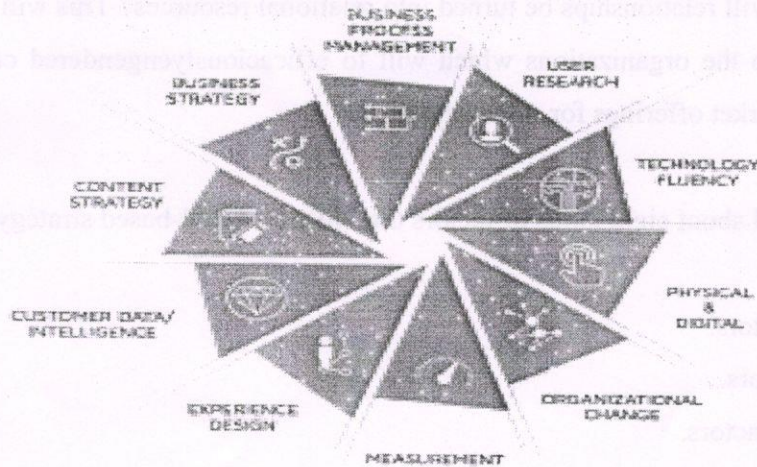
## 7. Changing customer behavior and motivation

The customer needs, wants and desires have to be probed. Next, company should offer what he needs even beyond what he can reason and suppose. Without them there is no meaning to the business existence. To identify, evolve and exploit the resources in the best possible manner is one of the utmost challenges for today's business. There is cut throat competition and business war tuned to exploitation of resources as well as application of technological flair. Companies must be adept to find new market places, penetrate emerging markets and establish strong network in existing markets. The businesses should mull over the shifting patterns of customer satisfaction, customer loyalty and yet better customer delight. There comes a massive shift towards the well thought manoeuvres based on customer relationship.

Customers are most keen and informed than ever in purchase decisions and wish to get best possible service transparency. As Business center is customer, the potentials would be multiplying. The customers are coming forward to persuade a change in internal management processes. They are more knowledgeable purchasers. Cost of mistaking the customer is immense which may lead to renegeing by them. This switching is detrimental to overall profitability of the company. They may demonstrate as helpful to the companies in new product development. Hence companies will need to get improved at listening, understanding and developing rapport to each individual customer. CRM is the progression that talks about all facets of recognizing patrons, making buyer information, building buyer relationship and determining their awareness of the organization and its goods. In order to have a more efficiently-managed customer affiliation, CRM focuses on successfully spinning data into bright commercial familiarity. That evidence can come from anywhere inside or outside the firm. This requires successful incorporation of manifold database and skills such as the internet, call centers, sales force automation and data warehousing (John and Fredrick, 2002).



## 8.Co-opting customer competence



**Fig 4.Source :Customer Competence (Google Image)**

According to C. K. Prahalad & V Ramaswamy Business practitioners and research scholars talk about alliances, networks, and collaboration among companies. But managers and researchers have largely ignored prominent agent that is most dramatically transforming the industrial system as we know it: **the customer**. The study of capabilities and resources of company's stakeholders to compete effectively would not suffice the purpose. They must now include consumers as a part of the extended enterprise. The changing role of consumer affect the belief a company's core competencies. There are four central truths in **co-opting customer competence**:

- 1.They have to engage their customers in an *dynamic, clear, and continuing Rapport*
- 2.Mobilize *community network of customers*
- 3.Manage *customer diversity*
- 4.Engage *customers in co-creating the personalized experience by replacing customised*



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## **8. Rationality of firms to adopt relational exchange**

Relationships will contribute to the keenness of firms when they create relational exchanges. Under which situations will relationships be turned into relational resources? This will happen while they contribute to the organizations which will to efficaciously engendered customer value through varied market offerings for some segment.

Research has recognized about eight kinds of factors that influence RM-based strategy success:

1. Relational factors.
2. Resource factors.
3. Competence factors.
4. Internal marketing factors
5. Information technology factors.
6. Market offering factors
7. Historical factors
8. Public policy factors.

## **9. Conclusion**

It is observed that CRM helps in studying in following ways i. customer centricity, ii. customer behaviour and iii. relational exchange. Above concepts are discussed in brief. General insight implies that long-term customers have the strongest and highest-paying relationships, but research demonstrates that this is not always true. Instead, the highest-performing relationships are the ones that are still in growing phase. Once a relationship are at pinnacle and enters a maintenance phase its effect on performance ebbs. At this instance if the customer no longer wishes to continue a relationship, the seller should either move that customer to a more transactional, low-cost interface. Customer oriented decisions lead to reconsider, reconstruct and galvanize the concept of the business-growth itself. Customer relationship management (CRM) is the managerial relevant application of relationship marketing across an organization focused on customers, which leverages IT to achieve performance objectives. Thus CRM tries to understand customer in much better way through one to one relationship. Thus we accomplish Customer Centricity through CRM softwares.

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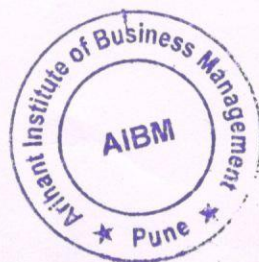
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