

**Гл. ас. д-р МИЛЕНА ФИЛИПОВА**

*ЮГОЗАПАДЕН УНИВЕРСИТЕТ "НЕОФИТ РИЛСКИ", гр. БЛАГОЕВГРАД*

**CUSTOMER RELATIONSHIP MANAGEMENT – BASIS FOR THE INCREASE OF THE COMPETITIVE POWER**

*CHIEF ASSISTANT PROF. DR. MILENA FILIPOVA*

*SOUTHWESTERN UNIVERSITY "NEOFIT RILSKI", BLAGOEVGRAD*

**Abstract:** The new digital economy has drastically changed the manner, in which companies make business, and the way, in which the consumers perceive them. They base their assessment not only on the merchandise and services they are offered, but also on the degree, to which it is easy and pleasant to make business with a particular company. And each customer wants to be treated as the only customer. The customer relationship management system provides means of management at all phases of interrelation with the potential customers, consumers and partners of the company.

The Customer Relationship Management is a modern management strategy embracing the processes for attraction, attendance and retaining of the particular customer. A cheaper, faster and better customer attendance could be achieved with the introduction of the CRM system. As a result the expenses will be reduced, new revenue will be generated, and the customers will be retained. This allows the establishment of an essential and permanent competitive advantage. The relationship management is not only a software solution; it is an aggregate of skills and competence allowing the company to manage better and to gain advantage from any relation with its customers. In a situation of an economic stagnation, the competition is an indisputable fact and the competitive power based on the customer relations is more important than ever.

**Key words:** Competitive power, Customer relationship management system.

In order to achieve competitiveness nowadays the companies need much more than quality products, low price and attendance. According to R. Madgerova, the problem of companies' competitiveness is of exceptional importance, mainly from the viewpoint of economic globalization. The solution of this problem requires supplying of products, which meet the customers' requirements and ensure optimal market positions for the companies (5). The successful marketing requires a more precise segmentation and a more frequent and flexible communication than ever – communication covering multiple channels, from the radio and TV, to direct mail, e-mail and the Internet.

The companies should interact with the consumers personally at any convenient moment, to provide them at the concrete moment with the necessary level of attendance before the competitors manage to win them. Therefore it is imperative to follow and meet the consumers' requirements in all the ways and with all the

means possible, incl. information centres, merchandising teams, marketing campaigns and Internet, as well as to provide a constant quality of interaction regardless of the channel.

The CRM (Customer Relationship Management) is a modern management strategy embracing the processes for attraction, attendance and retaining of the particular customer. The CRM is a strategy used to find out more of the consumers' needs and behaviour with the purpose to develop a more stable relationship with them, as the good relations with the customers are at the root of business success (7).

Professor Adrian Payne, Director of the Center for Customer Relationship Marketing at the University of Cranfield, USA, studies the customer relationship management through carefully selected customers and consumers' groups, and the result is the increase to the maximum extent of the consumer's general value (6). He considers that the place of the detailed traditional

marketing based on the function has been taken by a new form of a multifunctional marketing – Customer relationship management. The traditional approach to marketing putting the stress on the management of the key marketing mix elements as product, price, promotion and venue, is more and more often brought in question throughout the recent years. The new approach of the customer relationship management, though accepting the a.m. key elements, reflects the need for the establishment of an integrated multifunctional focus on the marketing, which attaches importance on the retaining as well as on the winning of new customers. This way the focus is shifted from the acquisition of customers to the retaining of consumers and provision of the necessary time, means and managers' resources aiming at these two key tasks. Now the focus is first on the customers:

□What will they buy, when, why and for how much?

□What creates value for them, and does this create a structural bond?

□What services can we perform that merit premium margins?

□Can we establish a new market segmentation strategy focused on potential profitability and willingness to purchase?

□Do we understand their business drivers, financial metrics, buying process and decision criteria?

Customer driven CRM means that organizations first understand the **customer**, then move inward to **operations**. Within the context of the customer, the systems and infrastructure capabilities needed to serve those customers and segmentation-based requirements must be reassessed. Next, it's imperative to explore the skills and competency requirements for the **people** component of the CRM design. A decade of CRM has taught us that nothing happens until your people interact with the customer in a manner consistent with new CRM customer strategies and systems.

Ready CRM solutions have been offered on the market during the recent years. It is

accepted that CRM as a system of automated registering and tracing of history of customer relationships could be understood as an aggregate of applied programmes, linked in a uniform business logic and integrated in the information environment of the company based on the common database. Usually the CRM systems consist of two mutually related blocks: Sales Force Automation – automation of sales, and Service Automation – automation of the customer after-sale attendance. An attempt for presentation of the modules implemented at the introduction of the CRM system is given below, with the reservation that practically there is no implementation of all the modules within one system (1):

- Contact Management. Module in which possibly the most complete information of each business contact is contained, as well as its history of origin and development, individual profile of the particular customer, supplier, distributor, etc. It provides opportunities for selection of customers by different groups.

- Account Management. This module comprises information of the company relations with its contractors in regard to the planned and implemented deals with them. It is an important module for rendering an account of the efficiency of company-customers relations and for scheduling of events for their improvement or cessation.

- Sales Management. Data concerning a particular sale are submitted here. It is typical for that module that the sale is presented as a process, consisting of separate steps and stages that have to be information-supported. This way an opportunity is provided for prognostication and efficient management of the particular sale.

- Time Management. This module facilitates the time synchronisation of operations of the company sectors. Its implementation is carried out through the preparation of a calendar and list of tasks, connection of modules to fax applications, electronic mail, etc.

- Telesales. This module designation is to take statistics and records of the inquiries and replies from and to the customers of the company. This module is implemented through the integration of the systems with the opportunities provided by the electronic mail, conference and mobile links, electronic questionnaires, etc.

- Marketing. Planning and account rendering for the execution of various marketing events is carried out with this module, as analyzing a free market segment, segmentation of a selected market group, research on similar products offered by competitor companies, etc.

- Lead Management. This module is designed to be of help in potential customers relation management. The initial information of future customers, the source of this information – its reliability and trustworthiness, has to be collected and kept in this module.

- Knowlead Management. This module contains the information necessary for the company actions aiming at the creation of new products and modernisation of the existing ones, and implements the integration with the Internet technology as a mighty resource for the search of information.

- **E-BUSINESS. THE LINK BETWEEN THE INTERNET TECHNOLOGY AND THE CRM SYSTEM IS CARRIED OUT IN THIS MODULE. THIS IS ACHIEVED THROUGH THE DEVELOPMENT OF WEBSITES, E-SHOW CASES, E-CATALOGUES, THEIR LOCATION ON THE INTERNET AND THEIR POPULARIZATION THROUGH THE INTERNET.**

With the introduction of the CRM systems offered by the US software company SAS, the brewery enterprises will be able to get a prompt notion of the factors causing the changes in the consumers' behavior, to determine who are exactly the customers planning to abandon them, and to answer 'why'. These CRM systems provide (9):

- ✓ accurate information about 'who is abandoning the company';
- ✓ entering into the major factors, influencing the decision for abandonment;
- ✓ active analyses, based on the rules of behavior of the key customers of the company;
- ✓ precise system or early warning of the changes in the consumers' disposition;
- ✓ flexible technology to inform you of the results achieved by your company;
- ✓ easy compatibility with other modules of CRM systems.

The CRM systems of the US software company SAS are designed to submit the information necessary for the development and introduction of better customers strategies and maximum increase of profitability, so that the customers could be understood through all the channels providing access to them – incl. through the Internet..

According to their functional essence the CRM systems comprise that part of the marketing, sales and after-sale services that serve for the creation of the customer relationship history from the moment of their attraction to the settlement of the deal with them (2). Various CRM systems have been offered on the market – personal and client-server orientated. The personal ones are with limited potential and low sale price. The network solutions offer an abundant range of options, servicing a great number of users at a significantly higher price. All the CRM systems are built up on a module principle and can be introduced in stages, the reconstruction and update of already operating modules is possible without problems.

Through the introduction of the CRM systems the companies can get a notion of the factors causing the change in the consumer's attitude, to determine not only who are exactly the consumers who tend to desert, but also their reasons for doing that.

The consumers have become exceptionally precise and exigent in regard to their expectations. The development and introduction of a versatile approach, like the

Customer relationship management makes it possible to achieve a strategic management of all the relations between the company and the consumers, thus helping the company to implement its overall strategy and goals (4). In its essence, the customer relationship management is a combination of marketing, sales, attendance, manufacturing processes and information technologies.

The idea of CRM is that it helps businesses use technology and human resources to gain insight into the behavior of customers and the value of those customers. If it works as hoped, a business can (8):

- provide better customer service
- make call centers more efficient
- cross sell products more effectively
- help sales staff close deals faster
- simplify marketing and sales processes
- discover new customers
- increase customer revenues

The systems of customer relationship management can enhance the advantages of the company compared to its competitors with regard to marketing, sales and after-sale services, allowing, as follows:

- Internal and external sales tracking
- Improvement of the quality of the deliveries at customer's place
- Centralisation and consolidation of the customers attendance through product and geographical differentiation
- Rendering attendance and assistance to the consumers through call-centres and Internet-connections
- Introduction of a technology facilitating the sale trade, incl. of an interactive and database marketing, marketing information systems, campaign management.
- Maximum increase of the information about the consumers – who are they and where are they? What do they do and in what manner do they buy?
- For the consumers – to demand and place orders of products and services via Internet, to review the status of the orders,

deliveries and balance of accounts at any time.

The customer relationship management is a versatile approach providing a problem-free combination and unification of any field of customers' related business, and namely marketing, sales, after-sale services for customers and support of activities through integration of staff, processes and technologies, utilising the revolutionary influence of the Internet. The customer relationship management establishes mutually beneficial relations with the customers of the company.

The systems of customer relationship management have the following advantages:

□ **Consumer information tracking:** the CRM systems allow quick access, update and review of heterogeneous information about the consumers, from the regular information, received through contact, to the preferences they show when buying.

□ **Respond to the customers' demands and foreseeing their needs:** the relationship management systems allow the stimulation of sales and help the customers through the quick respond to their demands and through foreseeing the needs of the future customers and consumers.

□ **Provision of target marketing campaigns aiming at potential consumers:** the automated target campaigns provide repeatable and economically efficient actions. They allow also a better measurement of the marketing campaigns efficiency and of the return on the funds invested in them.

□ **Management of the customers' status and activities throughout the entire campaign.** The basic difference between the CRM systems and the regular databases for contacts tracking consists in the option for management of all the phases of consumers' activities, from the winning of the potential customer up to the after-sale attendance and assistance. The understanding of the consumers' behaviour and activity can contribute to retaining of

customers, and the CRM systems can contribute to the consumers' activities management without increasing the staff.

The growing competition and the constantly changing markets at a global scale, undermine the customers' loyalty and the potential of profits increase. In a situation of this kind, the survival of companies depends on their skills and capability to achieve the maximum consumer's value through the efficient market positioning of the supplementary services and products offered to customers. This calls for determination of new sources of receipts and for definition of "what the following demand of the particular consumers will be" (9). These conclusions are valid for the public sector companies as well, mainly from the viewpoint of ensuring

creditworthiness for the realized projects (10).

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