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### KEY ELEMENTS OF CONSUMER RELATIONSHIP MANAGEMENT

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#### ABSTRACT

Modern industry is having a very vital tool in hand in the means of Consumer Relationship Management (CRM). CRM is the ultimate concept to understand consumer aspects. In this paper the researcher will look at CRM with a different holistic prospect. Through the tool of marketing CRM policies, industry have found an identify increase of sales and net profit. Consumer relationship is – (i) What ties the industry and consumer together (ii) The nature of benefit they mutually offer each other. The meaning of this relationship is not constant; it changes according to consumer need or the organisation. As per the consumer view point – A consumer's favourite product provides a committed or loyal bonding towards the industry whereas the utility service may be the low attachment bonding. As in today's market trend the market power have shifted in the consumer hand. The consumer is having the particular choice along with the details and information available of all the competitive products. This gives a clear and loud voice of the consumer's particular demand as well as the dissatisfaction voice of them. This has changed consumer's expectation level. Today, the industries emphasis on consumer carrying and consumers aspect service, integrity, transparency and honesty in return. So considering the supportive role to sales we can say that CRM is a must factor for any Industry.

**KEY WORDS:** Consumer Relationship, Management, integrity, attraction, bonding.

#### INTRODUCTION

Modern industry is having a very vital tool in hand in the means of Consumer Relationship Management. By the nearby few years the Consumer Relationship Management (CRM) has came – up as if the most essential and necessary marketing instrument. Through this weapon the industries have found an identify increase of sales and net profit. So considering the supportive role to sales we can say that CRM is a must factor for any Industry. Today's competitors are tough than before, so now each and every industry have to analyze the role, create a CRM based new strategies and to implement it for existence in this competitive market and to attract new consumers. All Industries in INDIA are having competition with a target of maintaining current consumers and capturing more market share. Consumer Relationship Management (CRM) has grown as the most effective marketing tool in the decade. Due to this, new concepts and strategies for consumer relationship management approaches have rise and is always passing through changes. In competitive business in India Consumer Relationship Management is essential due to changing pattern of market dynamics. Thus, CRM is key tool to re-present the market arena. The motive to this study is analyzing the effective factors of CRM as well as to analyze its role to competitive advantage at Indian Industry.

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### **CRM ANALYSIS - 6 C's FACTORS**

The 6 C's factor analysis is an analytical tool & is the key instrument for the industry to sustain the competition and to implement the use of assessment of impact to CRM. These 6 Cs includes Consumer, Cost, Communication, Convenience, Commodity and Channel factors that affect the performance of the Indian Industries.

#### **(1) Consumer**

Consumer is the most undefined and important characterial factor in today's industry throat cut competition. To maintain these consumers and to gain the new consumer base the industries are implementing innovative strategies and offerings. The CRM based policies attracts the consumers towards these industries and its offerings. On the other side the consumer is also getting smarter and analysis the offerings of every industries and try to purchase the products in the best beneficial way. So, on meeting the Industries offerings and consumer purchase intension the new consumer for the them is develop and gradually through frequent purchases that consumer converts into the loyal consumer. Thus, this becomes a part of relationship marketing. Relationship marketing should be describe in various ways like consumer contentment, consumer retention and conversation towards loyalty, and the other all ways to be linked for cultivation of conviction, trustworthiness, contiguous interaction and liaison excellence.

#### **(2) Cost**

Cost is again the important key factor to gain the consumer. The whole competitive game is played on this factor. Again in the today's economic downturn era in India to attract more and more consumers this key factor plays very important role. The relationship marketing seeing that as an incorporated attempt of identifying, Creating and sustaining a relation bridge with personal - consumer and throughout fortifying network which are mutual beneficial towards both sides, via interactive, entity wise plus value additional long term contact maintenance. So, on meeting the effective and attractive Industries product cost to the consumer intension of purchase the new consumer for the industry is develop and gradually through frequent purchases that consumer converts into the loyal consumer. To maintain the low cost providing the increasing quality is very crucial. It is possible with the combine efforts of the industries and its suppliers through the constant monitoring of the market trend.

#### **(3) Communication**

Constant communication with the consumers is also one of the key factors for the success. Through the communication the industries can reach to the consumers, can inform them the new offerings, schemes, product arrivals etc. The use of communication media plays an outstanding role to success. For these the media like TV, radio, news paper, individual calls, sms, emails, mouth to mouth publicity are the essentials. Though communication is an essential part, its controlled use is also necessary as it directly effects to the product costing. The relationship marketing means a process which creates bridge in between a buyer as well as a seller; its characterizers are belief, assurance, communication plus promise fulfilments.

#### **(4) Convenience**

Consumer convenience is one of the major aspects for the consumer creation and loyalty. The consumer coming firstly to the industry examine and analyze his / her connivance like product availability, product display, product arrangement - brand and

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category wise in organize way, quality and rate wise product category, product range etc. Similarly, location of the industry, service, good attitude from responsible staff etc. are also key convenience factors which attract the consumers to the industry. Accordingly, along with the other factors convenience also plays the important role for the consumer attraction and conversation towards the loyal consumer. So the industry has to be firm towards the consumer convenience. The relationship marketing draws uphold as well as augment relations through a designed strategy with the consumers.

### **(5) Commodity**

The fifth key factor is commodity. All these war games are after all played on, by and for commodity. So commodity is one of the important factors for the consumer loyalty scheme. It should be affordable, in good quality, in attractive and convenient pack size; it should be a value addition to the consumer etc. These are the characteristics needed in a commodity to attract and to gain the consumer trust. Thus, commodity is such a factor that can change the whole market game. To be precise in commodity selection and presentation is so very important part to gain the consumer intention to purchase and to convert it to consumer loyalty. At the relationship marketing commodity directs the maintenance with valued consumers, providing in time as well as precise knowledge of services plus products.

### **(6) Channel**

The sixth important factor is channel. Product availability, product quality, product price, product offer implementation, product supply chain etc. all is depended on the product channel. Starting from the product procurement to the product placement to the consumer and product service and after sales service all is totally depended on the product channelling. So, in this way proper product channel is also having the same important role in the key factors. So, to win the consumer loyalty towards the industry proper channel arrangement is also necessary. At the industry framework, type of individual interaction with polite consumer service is needed maintaining relationship and parallel increase in sales which provides force for this relationship with consumer. So, looking in this manner the channel also plays an important key role in creation of consumer loyalty.

The consumer service philosophy has generated the concept of CRM and it has proved success to the industry tagging the reputation of best service providers. Accordingly to the increase in the competition the industry realise consumer value is just not always a lower price, but also expectations like delivery, service, brand associations and image. Thus, the consumer linkage importance increases apparently. The gathered information through communication with consumers enables industry to define the marketing mix which ends to the consumer satisfaction. The eventual aim of CRM is to make consumer a 'partner' of the industry through 'individual serve' relations. Now with the technological development the support like data gathering as well as individual consumer contact has become easier for the industry and is also a cost effective. Such individual contacts are also known as B2B (business – to – business) marketing. This research will try to work out the affecting factors to CRM and its effect to the brand loyalty of the consumer.

### **CRM ANALYSIS – THE ENVIRONMENTAL INCLINATION**

**Purchase Power:** The presentation explores the industry and consumer buyer power and its effects to CRM. The buyer power of industry and consumer enables them to a certain extent

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to balance the interlinked bargaining power. The purchase power becomes stronger as the industry's purchase power is supported by its consumer's purchase power. This linkage of powers is possible through the bonding of consumers to the industry or industry (Harvard Business School Press, 2010). CRM plays a crucial role to create the industry and consumer bonding.

**Collective environmental inclination:** As the consumers purchase power is increasing they have become more demanding. Today's consumer is well aware of product quality and price variations. This awareness of the consumers is diminishing for the industries as consumers may switch easily to another industry looking at the product availability, quality and the offerings. Thus, fulfilling the consumer requirements as well as consumer service improvement is a continuous key challenge for industry and is seen as a critical situation of competitive advantage. Researchers enjoy analyzing a 'lifetime value' of various consumers which helps them understanding the consumer value of maintaining particular categories. The CRM policies can lead industry towards various P's of marketing according to their need and a foot step towards the consumer loyalty. The increasing importance of e-business can be accentuated along with current ways of grabbing replicate business as practised by Industries. This research provides potentiality to observe the involved costs attracting new consumers' verses maintaining the existing consumers. This accentuates the concept of consumer profitability.

Many Industries have developed certain products for their loyal consumer's satisfaction in the niche market i.e. Special offers for the consumers above 50 years age. Through case studies as well as role plays the research outcome can be approached. Centres can be used demonstrating examples of external as well as internal consumers. It is very useful comparing the consumer service mission statement with individual personal knowledge pointing consumer service.

### **CRM MARKETING**

CRM marketing defines and elaborates with the building of a long-term relationship which provides mutual advantage each; the importance of these functions of consumer service as well as concern of quality in CRM marketing; difference of transactional marketing as well as relationship marketing.

**Concepts of CRM:** The basic concepts of CRM are - the amplified products and its basic concepts; expansion of the marketing mix - 7 P's which are people, processes, product, place, price, promotion, as well as consumer (people) service); CRM marketing – brand building and its importance; the steps of consumer loyalty, (consumer, prospect, supporter, client & advocate).

**Reasons - The development of CRM marketing:** The value of lost consumers; services sector growth; consumer lifetime value; in b2b and b2c markets the growing sophistication through e-business as well as direct marketing; facing difficulties of new consumer attraction; industry's own mission as well as objective linkages; needs and expectation of the stakeholders; strategic aim & objective connections; the critical role of communications and information technologies etc. Today the technology is shaping a competitive landscape to the industry. Will the consumers be willing to purchase their daily needed commodity items this

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way? Can the internet facilitate a better economic scale to the players? If yes, then the rate war in between the major players will be transparent and may end to the diminishing of consumer loyalty. The latest technology provides information of each and every movement which helps an industry to be prepared and equipped in a better way than before. But this technological advancement has made home as well as Internet shopping consumers easily switchable in between the retailers.

**CRM Methods:** The different CRM marketing methods like consumer loyalty schemes; various type of discounts; competition environment, offers & free gifts; 'club' card membership; past sale links and its analysis launching the new products and its effect with the associated products; attractive promotional offers; advantageous trade-in and its easy renewal arrangements; internet using to create and maintain the consumer relationship management eg. emails; personalised recommendations; 'valued consumer' bookings; sales promotion of the unique selling points and presentation in relation to competition etc.

**Consumer Attraction and maintenance:** The features of consumer relationship; approaches to create a value-building; various relationship levels; 3 R's (relationship, response & revolution) and the database marketing; social, structural & financial loyalty schemes as tools to be used at b2b and b2c marketing; direct mail and e-business - *Methods:* loyalty schemes; 'club' membership; offers & free gifts; 'club' card membership; past sale links and its analysis launching the new products and its effect with the associated products; attractive promotional offers; advantageous trade-in and its easy renewal arrangements; internet using to create and maintain the consumer relationship management eg. emails; personalised recommendations; 'valued consumer' bookings; sales promotion of the unique selling points and presentation in relation to competition etc.; various type of discounts; consumer segmentation: creating a consumer base to the retail reference etc.

**Functions of the consumer service:** The linkage of the consumer service mission linking with an industry's mission; consumer service skill's implications for training; the pre-transactional components of consumer service; setting standards of consumer charters for communicating them and service policies; elements of pre - transactional as well as post – transactional services etc.

**Systems of consumer relationship management (CRM):** Supporting software systems which assist the management of consumer relationships; functional activities like to manage consumer contacts directly, triggering the sales promotion activities and consumer behaviour analysis, indirect contacts such as billing, consumer data analysis; a holistic support approach through software or program etc.

**Connection and use in planning & review of the marketing activities:** Consumer behaviour analysis of marketing activities response or the external changes; organisational intelligence sharing in between the different departments; Consumer segmentation or the targeted group wise analysis etc.



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As today, the companies are facing their ever toughest competition, moving towards holistic marketing psychology & philosophy instead of a product as well as sales philosophy, however, provides better chance to outperform this cut-throat competition. The strong consumer relationship is a cornerstone to a well-conceived and organized marketing orientation.

### CONCLUSION

Effective management of the critical consumers, finances, inventory, human resources, location, information and facility develops the strategic advantage. The CRM policies is the modern industry's weapon and a business philosophy which identify the need of the business development, design the strategies, implement programs and the supporting system to identify, focus, create and maintain relations with the most valued consumers and convert them to the loyal consumers of the industry. The loyal consumers are committed to denigrating an industry and may not prone to divert towards the other competitor. The CRM process can be define as an iterative process which converts the collected consumer data to the loyal consumers with the help of data collection of the consumers, analyzing those data, spotting the targeted consumer, developing and implementing the appropriate CRM programs.

According to the analysis and findings of the various researches, the policies which can be implemented by Industries to create more numbers of loyal consumers are: launching the frequent purchaser programs, special consumer service offerings, offering the personalized consumer services and building the community sense by identifying the loop holes of the current programs running on and through innovative changes to the strategies and policies of the program. Implementation of the effective CRM programs is difficult as it requires to co-ordinate the many departments, segments and areas of the industry, but through constant and effective policy identification and implementation the way to success of such policies can be defined.

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