

Customer Relationship Management in B2B Market

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Abstract

The modern environment requires one business to interact with another. CRM is all the tools, technologies and procedures to manage, improve, or facilitate sales, support and related interactions with customers, prospects, and business partners throughout the enterprise. It assumes that CRM is involved in every B2B transaction. Despite the general notion that CRM systems were created for the customer-centric business, they can also be applied to B2B environments to streamline and improve customer management conditions. B2B relationships usually have longer maturity times.

Many of the characteristics in the B2B market suggest that CRM is a factor which influences the business. Due to customer relationship this network can be established and extended. Extension causes the network not to increase benefits linearly, but in an exponential way. As new members can be contacted by any existing member the benefit of a network of 200 people is much more effective than one with 100. Hence, these networks can be used to increase the amount of available information for each company. The history of previous sales from this customer be a great relief. Moreover it is possible to establish technical cooperation-a bigger network, is more likely to provide special services. These services include systems integration, hosting, financial services such as payment processing, receivables management, credit analysis and logistics services. Services of this kind encourage companies to join the B2B network by using CRM. Furthermore, B2B hubs have another advantage as they can substitute external personal if members of the network liaise. The present paper will throw light on handling the customer relations in a better way in future.

Keywords: Network, Customer, Business to Business, Customer Relationship Management

Introduction

Customer relationship management (CRM) is increasingly important to firms as they seek to improve their profits through longer-term relationships with customers. An increased competitive situation on the basis of similar products, scarce resources, advancements in technology and changes in customer behavior are forcing companies to consider a sustained and efficient structure of the provision of their services over and above a strong customer orientation. Customer relationship management (CRM), as a part of strategic marketing, can be seen as the emerging management model, with which companies seek to respond to these changing market conditions. The term "customer relationship management" emerged in the information technology (IT) vendor community and practitioner community in the mid-1990s. It is often used to describe technology-based customer solutions, such as sales force automation (SFA). In the academic community, the terms "relationship marketing" and CRM are often used interchangeably.

CRM Perspectives and Definition

CRM is more commonly used in the context of technology solutions and has been described as "information-enabled relationship marketing". It is a philosophically-related offspring to relationship marketing which is for the most part neglected in the lit-era. Through the adoption of a CRM system, companies are able to collect and evaluate specific knowledge about their customers in a systematic way, hence primarily improving customer service and customer loyalty. Until recently, companies ignored the importance of this, which lead to a loss of customers and thus a decrease in profitability. Beyond that, the fact that companies neglect their customers is oftentimes intensified by a lack of appropriate equipment, tools or project management methods.

However, CRM can be an effective and profitable cross-functional management tool for attaining a lasting exchange with customers across all their points of contact and access with a personalised treatment of the most beneficial customers in order to ascertain customer retention and the effectiveness of marketing initiatives. The adoption of an effective customer relationship management within the field of business-to-business (B2B) marketing is therefore essential, as companies have to be exceedingly responsive to individual customer preferences, equally requiring a differentiated sales approach in order to raise customer profitability.

The result is the above definition, which we use for the purposes of this study: CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customers segments. CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information to both understand customers and co create value with them.

This requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications.

1. CRM is a term for methodologies, technologies, and e-commerce capabilities used by companies to manage customer relationships.
2. CRM is an enterprise wide initiative that belongs in all areas of an organization.
3. CRM is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer.
4. CRM includes numerous aspects, but the basic theme is for the company to become more customer-centric. Methods are primarily Web-based tools and Internet presence.
5. CRM can be viewed as an application of one-to-one marketing and relationship marketing, responding to an individual customer on the basis of what the customer says and what else is known about the customer.
6. CRM is a management approach that enables organizations to identify, attract, and increase retention of profitable customers by managing relationships with them.

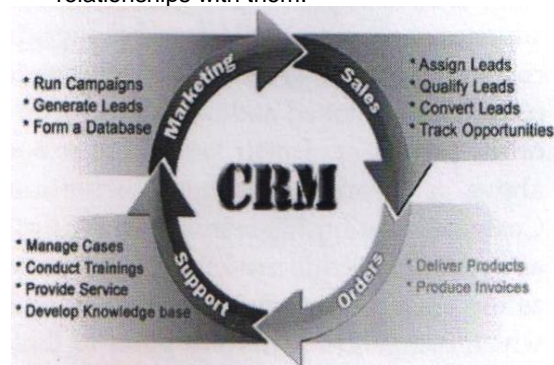


Figure No. 1 Activities of CRM

Aim of the Study

The objective of this paper is

1. To provide a clear overview of the importance of customer relationship management in respect of B2B market.
2. To identify alternative perspectives of CRM in B2B market
3. To emphasize the importance of a strategic approach to CRM within a holistic organizational context,
4. To develop the deliver an effective CRM strategy, and
5. To develop a process-based conceptual framework for CRM strategy development and to review the role and components of each process in B2B market.

CRM and its Importance in B2B Market

Customer relationship management (CRM) and business-to-business (B2B) are essential to the success of modern business. Although they are two different modules, they share many similarities. The integration of CRM and B2B will benefit all related parties in business processes, including sales, marketing, customer service, and information support. This article discusses the characteristics, similarities, and differences of B2B and CRM. It also explores the CRM-B2B integration strategies, the current issues and their future development trends.

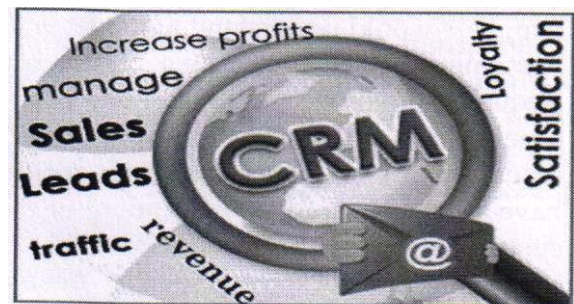


Fig No. 2 Importance of CRM

Identifying Roles of Sales People

A sales team is always looking to contact the influencer and decision makers because these people are directly make impact on sale. If the team has to navigate through a company each time to lowers productivity. Therefore it is important to identify these roles on your CRM database and saves the users from cold calling and takes them right to the decision makers.

Mark Progress

The sales team needs to understand what is working, what is not and if they are in line with their objectives. We need a CRM to log this progress, the team will be able to see what sales are in progress and those that will be up for renewals. Marking our progress will help to understand the business environment equipping we to know what direction to move in.

Sharing

CRM is not just a bank of information used for occasional reference it should be assessed by everyone involved to contact and share. Collaborating

over data keeps everyone update leaving no one behind to form a combined bigger source.

Knowledge

Beating our competitors takes great strategy and that comes from an understanding of market conditions. The knowledge of this really is the key to success. We would be using CRM because it keeps we informed, providing we with an encyclopedia of knowledge. Through data our system will inform about our decisions.

CRM system really becomes a central source for all information regarding the marketing and sales activities and therefore provides data for business decision making. In order to fulfill our customer's expectations, we structured our approach into following phases:

1. Analysis of the business environment and client expectations (business analysis).
2. Solutions proposal: project management methodology, processes and workflows, documentation, integration, reports, IT infrastructure, configuration and support.
3. Infrastructure setup and configuration.
4. Security roles and user rights definition, implementing global resource pool, project templates, workflows and report design.
5. Trainings and workshops for marketing, sales, development and product departments.
6. Content and technical system maintenance.
7. Daily support.

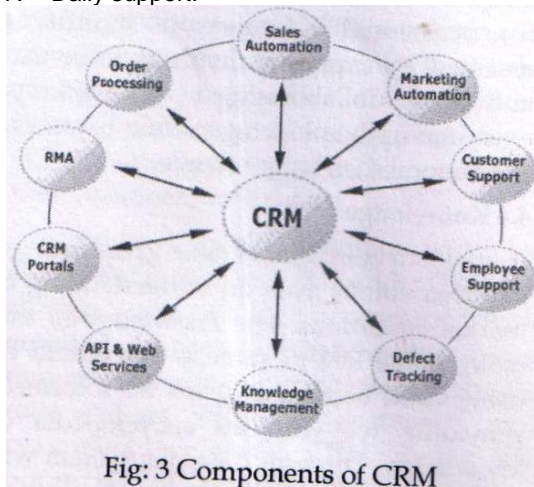


Fig: 3 Components of CRM

Customer Relationship Orientation and Customer Expectations

A B2B relationship consists of two willing parties using relationship components such as mutual trust and commitment to initiate and maintain their relation. Yet the relationship process may not be completely reciprocal between the buyer and the seller; in any specific instance sellers may want a relationship while customers may prefer single transactions. Although there are models that identify the unique perspective of customers in an exchanges, few studies have empirically investigated the effect of the customer's orientation toward B2B relationships. The customer's orientation towards initiating and continuing a relationship has an effect on the development of the relationship, and has been shown to moderate the impact of relationship investment and

subsequent outcomes. Thus the customer's relationship orientation played an important part in the development and continuation of relationships. For example, some customers considered short-term relationships advantageous and would pursue short-term gains i.e., price reduction.

In addition customers having a positive relationship orientation may be more inclined to view relationship performance positively, or alternatively imprint specific expectations as to what that relationship should entail. A case study of an industrial chemical manufacturer found that customers do form additional expectations from a relationship after CRM technology is adopted by the manufacturer. There was an expectation that CRM technology-enabled suppliers would understand and deal with customer issues better (e.g., reducing frequency of late deliveries, running out of stock, and improving supply chain management) and that suppliers would have a better overall understanding of the customers' business and therefore better meet the customer's specific needs. Customers also perceived more frequent and productive customer-supplier meetings. The effect of a customer relationship orientation may moderate the relationship between suppliers and customers in a B2B environment. Similarly customers adoption of CRM technology, which may moderate certain aspects of the relationship performance.

Current CRM Use

Today CRM is used primarily by sales, sales support and customer service staff (including call centers and telemarketers) to portray a unified and coordinated point or points of contact to customers. It is also used as a marketing tool to segment and target customers, help develop marketing/sales programmes for targeted customers, and aid in keeping track of customer activities. CRM requires the IT, and sales and marketing departments to work closely together if the benefits of CRM are to be properly realized. From the practitioner perspective, CRM technology adds value to the business by: (a) making it easy for customers to do business, (b) focusing on the end-customer for products and services, (c) redesigning customer-facing business processes from the end-customer's point of view (d) designing a comprehensive, evolving electronic business etc.

Conclusion

With CRM system implementation, company can make a significant step towards information hygiene, transparency, accessibility.... but it is also important to change business processes and CRM integrations with business processes that have any kind of influence on marketing and sales.

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