CUSTOMER RELATIONSHIP MANAGEMENT SYSTEMS

Maria Nikolova
New Bulgarian University, Montevideo Str. 21, Sofia
e-mail: nikolovamaria@hotmail.com
Bulgaria

Abstract: CRM systems are part of integrating management of business. Relationships with customers are important for the business success. The transition of the business in web demands development of online relations with customers. CRM systems in the Bulgarian market are discussed.
Key words: CRM systems, bank business, integration.

1. INTRODUCTION

Information and communication technologies are part of new aspect of business - e-business. Customer service is part of an approach known as a customer relationship management (CRM). CRM means building long-term and effective relationships with customers. To make easy for customers to do business and focus on customer loyalty, is necessary to deliver personalized services. Other useful actions are targeting the right customer, help the customers to do their jobs, provide observation on customer relationship.

The importance of CRM is based on the need of acquiring new customers online and keeping the existing.

2. CUSTOMER SERVICE FUNCTIONS

The first goal of CRM systems is to manage the multiple channels of interaction with customers - communications include e-mail, automated phone systems and fax-back services. The second goal of CRM systems is to provide an integrated picture of the customers across the various customer-facing parts of the organization. The third major goal is to enable the analysis of customer-related information. This information is gathered through interactions with customers, although external data (such as census data) may also be involved.

Customer services on the Web can take many forms, such as answering customer inquiries, providing search and comparison capabilities, providing technical information to customers, allowing customers to track order status and to place online order.

Airlines and some Bulgarian hotels offer consumers the advantage of direct booking. Specialized services are available like travel maps, price information, weather reports, news and so on. Example of checking the status of delivery is FedEx that allows every customer track the order status. In bank industry customers can check online their account balances, the status of a loan application.

A tendency for better customer satisfaction is allowing them to order customized products and services. A popular practice is web sites to allow consumers to choose individual music titles from an online library and create a custom CD, a service that is not offered by traditional music stores.

3. A METHODOLOGY FOR UNDERSTANDING CRM SYSTEMS

The used framework is developed by the META Group, IT and research consulting company. The framework consists of two dimensions: customer life cycle and functional components. The customer life cycle consists of four phases: engage, transact, fulfill and service.

The engage phase deals with making the customer aware of the product. The CRM-related functions are used when engaging potential customers. These include sales automation tools, marketing campaign management tools and web-based catalogs. E-mail marketing is a popular application, when the web site requires you only to register before allowing you to access some content.

The transaction phase goal is to achieve efficiently and effectively complete the purchase process. E-business technologies are closely linked with activities in the transact phase even for non-web purchases. One common example is payment technologies. Even when a customer orders a product over a telephone, e-business technologies are used to connect to a credit card processing center in order to gain payment approval. In many cases sales representatives use network-enabled systems to check inventory to perform other tasks. Another application is configuration software. For example identifying the correct memory to purchase when upgrading your computer may be difficult because of different types of memory used in personal computers, digital cameras, MP3 players, and personal digital assistants. The software helps the customers select the proper memory for a vast array of computers and other devices.

In the fulfill phase activities are directed towards delivering the purchased product to the customer. E-business technologies are important when a product is in digital form, such as music or software. The product delivery can take place using networks such as Internet. Example is package tracking of companies as UPS and FedEx.

The service phase is made up of activities directed toward supporting customers during their ownership of a product. Widely discussed applications are call center automation and customer self-service. Web sites are a popular method for customer self-service – FAQ pages or large databases with sophisticated search activities.

4. FUNCTIONAL COMPONENTS

The second dimension of CRM framework consists of categorization of components of CRM systems.

Operational components help organization improve interactions with customers. These are applications such as sales management, account management, order management system.

Collaborative components are directed toward improving the way in which organizations interact and collaborate with their customers. Example is chat facilities to organization's web site. Automated respond and traditional e-mail are efficient customer collaboration tools. Using of VoIP technologies allow a customer to talk to "live" customer service representative online. These technologies are attractive to companies because allow customers to have voice interaction as an option even if the telephone line is tied and because are cost effective.

Analytical components are technologies and processes that organizations can use to analyze customer data. In most CRM systems this component is data warehouse. Data mining technologies are often used to discover patterns in the data stored in a data warehouse. Many organizations use the analysis named customer segmentation – grouping customers that share certain characteristics.

Combining the customer life cycle with CRM components' categorization results gives a classification CRM technologies.

Sales Force Automation technologies include application software that provides a number of functions directed at marketing sales representatives more efficient and effective. Examples are contact management, proposal generators.

Marketing Automation Systems help organizations identify and research top customers, prospects and market segments. Systems automate responding to requests for product literature.

Lead Processing Systems are used to qualify, assign and track sales leads in order to maximize the probability that the leads and assign them to the proper sales representatives based on location, product line or other criteria. This system may link to external information sources to gather additional information, such as financial information.

Order Tracking Systems use database technology to allow customers to determine the status of every order. Many organizations have systems that are used internally by sale or a customer service representative to answer customer inquires over the telephone.

Call Center Automation – the main contact point between an organization and its customers. There the access to complete customer information is important and is used integrating information from a number of databases and legacy systems.

Data Mining tools are used to analyze data gathered through other components of a CRM system. Data mining helps identify patterns and relationships in the data. For example can identify products that are often purchased together, which can help build product bundles that are more likely to be successful.

Customer Profiling Systems help organizations group their customers to demographic characteristics or behaviors. An interesting development in the area of customer profiling is the emergence of Customer Profile Exchange (Cpexchange), which is an XML-based standard for exchanging customer profile information.

5. CUSTOMER SERVICE TOOLS

The major tools include personalized web pages, FAQ pages, tracking tools, chat rooms, e-mail and automated responses, web-based help desks and call centers.

Industry	Percentage
Electronics and hi-tech	64%
Chemistry Industry	52%
Telecommunications	50%
Pharmacy	47%
Trade	28%

Implication of CRM systems on profitableness of sales in different industries. *Source: Accenture*

6. CRM SYSTEMS INTEGRATED WITH OTHER APPLICATIONS

Customer service programs are expensive and a number of problems arise. The determination of the appropriate level of customer support is measured by metrics below [4]. The response time that many companies apply is usually from 24 to 48 hours. If a company uses intelligent agents (software) the response should be in real time. Site availability should be at any time (24 hours). This means that downtime should be close to zero. Users also want the download time is no more than 20-30 sec. The information on the site should be actual and frequently updated. Navigation in the site should be easy and flexible. Customers are satisfied if the security measures and privacy statements are explained.

All these functions may be achieved by integrating CRM system with other systems in the organization. The personal management system outputs to CRM system the automated calculations of sales performance. Financial management system and the module Account Receivable Management are close related to receipts from customers [3]. The module for ABC analysis (report for customers making 70/20/10% from the incomes from sales is a part from Customer Report and should be part of CRM system. The ABC analysis on clients is applied widely in receivable management.

Extranets can aid customer retention by providing premium content and services to customer. Extranets can be also a barrier because the new customer must go through the process of getting connected.

7. CRM SYSTEMS IN BULGARIAN BANKING E-BUSINESS

Bulgarian banks developed already all communication channels with customers – branch offices, PC banking, Internet banking, phone banking, ATM and POS remote access terminals, untraditional branch structures. Soon GSM banking and smart card banking will be used like communication channels with customers [3]. The next step in development of bank IT structures is developing and applying CRM systems, integration with other systems and visualization. An important part of future development is improvement of relationship customer/business – government – banks in the area of payments to state administration.

8. CRM SYSTEMS PRESENTED ON BULGARIAN IT MARKET

The Bulgarian organizations are close to the moment to invest for CRM system. The predictions of experts are increasing popularity of such class of systems. A survey of Computerworld newspaper presents 18 CRM system on the Bulgarian IT markets.

Product	Company/Representative
Altitude uCI	Altitude Software
AVAYA CRM	AVAYA/Contrax
COSMOSS	EuroMacc/Contrax
CRM	Rila Solutions
CRM module of BAAN	BAAN/Technologica
EDA CRM	EDA Ltd
eRelationship	Pivotal/LLP Sofia
Frontstep CRM	Frontstep Inc./Frontstep Bulgaria
GoldMine Business Contact Manager	FrontRange/David Holding
Insider	IRM Ltd
Marketing Manager	Update AG/S&T Bulgaria, Siemens Business Services Bulgaria
Microsoft CRM	S&T Bulgaria
MySAP CRM	SAP AG/SAP Bulgaria
Nemetchek CRM	Nemetchek Bulgaria
Openlink eCRM/CVM	Openlink Software
Oracle CRM Suite 11	Oracle/Oracle Bulgaria
SalesLogix	Interact commerce corporation/FTS Bulgaria
Siebel	Siebel Systems/IBM Bulgaria

9. CONCLUSIONS

The user of CRM system can select and sort customers according risk factor and risk profile, also can find reports for history of changes in risk groups of customers. For big organizations are important reports on credit limits, risk groups, payment periods. Bulgarian companies are with high level in debts and risks of bad debts are dangerous. The investment in CRM system should be a good decision for many organizations.

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