

The Relationship between Customer Relationship Management, Customer Centricity and Customer Experience

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Abstract: CRM and CE are not the same; they are, in fact, mutually exclusive of each other. Although they might seem to bear some resemblance in their monikers arising from common roots (both tools are used to capture customer data, generically speaking), they have separate operational goals and come with functionalities unique in their own way. CRM software helps a business integrate sales, marketing and customer support by analysing customer data. An ideal CRM provides the analysis of sales cycles, marketing campaigns, customer acquisition strategies and other customer interaction, the time spent by the customer engaging with your business, the cost of each transaction, the quantity of products/services purchased and so on. A CRM records raw, unsorted customer information from various channels such as website, E-mail, brick and mortar stores, before disseminating this information along with the insights gained into various departments such as Sales, Marketing, etc.

Customer Experience (CE) is the collection of processes a company uses to track, oversee and organize every interaction between a customer and the organization throughout the customer lifecycle. The goal of CE is to optimize interactions from the customer's perspective and, as a result, foster customer loyalty. Highlighting the phrase 'customer's perspective' here as it makes all the difference. A CE is engineered to collect experiential data from customers – it involves listening to customers, their feedback and viewpoint and then using this information to discover customer insight and optimize the customer journey accordingly.

Customer Centricity (CC) is not just about offering great customer service, it means offering a great experience from the awareness stage, through the purchasing process and finally through the post-purchase process. Customer Centric is a way of doing business with your customer in a way that provides a positive customer experience before and after the sale in order to drive repeat business, customer loyalty and profits. And a customer-centric company is more than a company that offers good service.

The goal of customer-centric CRM is to optimize customer value. It treats relationship marketing as a continuum as opposed to treating it as a means to an end. Companies that view CRM as mere software end up automating business processes, instead of using the tool to optimize customer transactions and improve buyer experience.

CRM is fundamentally essential for the future of the company. CRM technologies enable the company to understand customer behavior better, predict their future behavior, deliver customized customer experience, and establish long-term customer relationships. However, considering that CRM is only limited with technology would be a big mistake for the company. Companies cannot deliver outstanding customer value, service, and experiences only through investing in CRM technologies. Strategic integration of CRM into company culture and operating processes are required to deliver superior customer service and experience. In the absence of CRM strategy, companies fail to harvest the benefits of CRM. The main purpose of this study is to explain the relationship between CRM, Customer Experience and customers' centricity, this study ends that CRM is important tool to enhance customer experience in order to a achieve customer centricity.

Keywords: Customer Relationship Management (CRM), Customer Experience (CE), Customer Centricity (CC).

1. INTRODUCTION

It is believed that in order to reach a successful CRM implementation, one would need to do much more than just plug in a new technology and assume that it is going to be functional. CRM is not just about call center solutions, direct mail, web pages, or sales force automation, or viewing CRM as an internal activity emphasizing on establishing, maintaining, and enhancing relationships with customers and partners at a profit (Hazboun, 2006). Therefore, in this study, technology is seen as a supportive tool that facilitates the activities needed to build a strong relationship with the most valuable customers.

2. CUSTOMER RELATIONSHIP MANAGEMENT

As the economy growth and global competition increases, the leading edge of business continues to progress. Nowadays consumers have a great number and complex choices, beside huge amount of channels through which to pursue them than before, in the past companies were considering how to improve customer service, they were investing big money in CRM systems to track customer data for a variety of reasons which are: increase revenue by better understanding their customers, and gaining insight into both individual customers and target market segments, these companies can boost sales and optimize top-line business performance. The core of CRM is to balance the following desires and enhance the customer experience in order to drive the company toward customer centric, both are new concepts in marketing (Thusy and Morris : 2004).

3. CUSTOMER EXPERIENCE

Customer experience defined as part of the challenge in building memorable customer experience is that experience is an intangible quality that is so different from one person to the next, experiences are built around feelings, emotions, smells, colors, spaces, sounds, human contact, branding, a thousand other factors, and time. A great experience is created, because it doesn't happen by accident - and it is not only the result of better product features and functions or better services but because of how it makes people feel (Thusy and Morris : 2004), customer experience also defined as internal and subjective response customers have to any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use, and service and is usually initiated by the customer. Indirect contact most often involves unplanned encounters with representations of a company's products, services, or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports, reviews, and so forth (Meyer and Schwager : 2007).

4. CUSTOMER CENTRIC

In contrast, customer centric process defined as tailored product offering based on discrete customer segments; real-time customer insight supports personalized interactions; predictive analytics employed to adjust offers and service actions accordingly; multi-channel approach based on behaviours and buying preferences (Meyer and Schwager : 2007).

5. CRM IMPLEMENTATIONS

CRM implementations rarely meet the top goals and objectives of many businesses, effective implementations of CRM are critical to the success of every company, while customers are company's most important asset. Consequently, businesses need to rethink from the outside and turn their internal CRM projects toward their customers and illustrates how a company should develop its current CRM strategy to become customer centric. Customer centricity has a great impact on company performance, thus, centric company caring for their customer on based of the specific needs and preferences on order to improve revenue, decrease costs and enhance the customer experience.

According to Kingstone (2004) Businesses that don't prioritize customer centricity will see a negative effect on corporate performance. Eventually, companies begin to see: high customer churn, low customer satisfaction, plummeting employee morale, decreasing market share, and increasing cost because of fragmented business processes.

Beside all what has been mentioned, companies have to concern about the importance of customer satisfaction, because satisfied customers buy more than dissatisfied ones, and they do so for a long period, while dissatisfied customers decrease future wallet share and reduce the potential for new customers.

International Journal of Novel Research in Marketing Management and Economics

Vol. 4, Issue 2, pp: (41-43), Month: May- August 2017, Available at: www.noveltyjournals.com

Companies should continue to focus on CRM and customer lifecycle care as a key driver for improved business performance. Customer-centric companies use every customer touches point to stimulate interest, close business, satisfy a need or demonstrate commitment to the relationship, so to ensure that every customer contact produces value. In addition, combining of technology with people achieves process efficiencies and providing employees and customers with the information (quality data) they need enables performance effectiveness. Consequently, process efficiencies and performance effectiveness will lead to profit and a competitive advantage, also effective CRM can be appropriately managed to maximize revenue and lifespan while keeping operational costs low (Kingstone : 2004).

CRM is a great tool to gather data on your customers, to know them as mere data and numbers. But unless you invest in a CE, you will never make sense of that data and fully understand your customers to become centric company.

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