

8.3 COMPONENTS OF CRM Pleasing the customers has been the priority of most organizations. CRM is that face of business process that aims to establish enduring and mutually beneficial relationship with the customers in order to derive customer retention, value and profitability. CRM entails acquiring and developing knowledge of one's customers and using this information across various touch points to balance revenue and profit with maximum customer satisfaction. CRM aims at capturing pertinent data about the current and prospective customers. The objective of Customer Relationship Management (CRM) is the optimization of profitability. It focuses the issue that not all the customers are equal and need priority while providing services to the deserving customers. The company grows only if it has reliable customers and it is in the hands of the company to catch and retain valuable customers. This can be done once the company identifies the needs of the customers, their desire and the area where the company has to improve to fulfill the needs. Executing this process is not such an easy task and those who have done that lead the market in the industry. CRM provides a solution to address these points through the following components: (a) Operational CRM (b) Analytical CRM (c) Collaborative CRM

The operational CRM looks at the business processes of an organization. It considers the automation of various business processes and providing a smoother interface among these processes. This will involve integration of the front-office and the back-office of an organization. The analytical CRM will analyze the data and provide effective reports for decision making. This is the component of CRM which will help the organization to improve its system and provide better services to the customers. Techniques like data mining and data warehousing are used to aid the CRM to analyze the collected data and generate reports to the top management. The combination of CRM with ERP is also important. Resource allocation for everything like maintaining sufficient product stock, satisfying customer demand and sufficient inventory for marketing direct mail promotions will eventually be important constraints to incorporate into any CRM system that is trying to optimize customer profitability. This will also help the organization to change its marketing strategy to improve the business. Collaborative CRM deals with applications of collaborative services including email, chat, websites, e-communities, internet, intranet, e-commerce, e-business and similar other vehicles driving the organization. These three components of CRM not only help to retain the existing customers and add new customers; it aids the organization to define its marketing strategy, pricing, introducing new products, identifying the competitors, locating valuable customers and above all keeping a database of customer information which is an asset to any organization.