Customer Relationship Management - Meaning, Need and Steps in CRM

In an organization, sales representatives have the responsibility of creating brand awareness and making products popular among the end users. They are the ones who interact with the customers, understand their requirements and fulfill their needs and expectations.

**What is Customer Relationship Management ?**

**The art of managing the organization’s relationship with the customers and prospective clients refer to customer relationship management**.

Customer relationship management includes various strategies and techniques to maintain healthy relationship with the organization’s existing as well as potential customers. Orgnaizations must ensure customers are satisfied with their products and services for higher customer retention. Remember one satisfied customer brings ten new customers with him where as one dissatisfied customer takes away ten customers along with him.

In simpler words, customer relationship management refers to the study of needs and expectations of the customers and providing them the right solution.

**Need for Customer Relationship Management**

**Customer Relationship Management leads to satisfied customers** and eventually higher business everytime.

**Customer Relationship Management goes a long way in retaining existing customers**.

**Customer relationship management ensures customers return back home with a smile**.

**Customer relationship management improves the relationship between the organization and customers**. Such activities strengthen the bond between the sales representatives and customers.

**Steps to Customer Relationship Management**

* **It is essential for the sales representatives to understand the needs, interest as well as budget of the customers**. Don’t suggest anything which would burn a hole in their pockets.
* **Never tell lies to the customers**. Convey them only what your product offers. Don’t cook fake stories or ever try to fool them.
* **It is a sin to make customers waiting**. Sales professionals should reach meetings on or before time. Make sure you are there at the venue before the customer reaches.
* **A sales professional should think from the customer’s perspective**. Don’t only think about your own targets and incentives. Suggest only what is right for the customer. Don’t sell an expensive mobile to a customer who earns rupees five thousand per month. He would never come back to you and your organization would lose one of its esteemed customers.
* **Don’t oversell**. Being pushy does not work in sales. It a customer needs something; he would definitely purchase the same. Never irritate the customer or make his life hell. Don’t call him more than twice in a single day.
* **An individual needs time to develop trust in you and your product**. Give him time to think and decide.
* **Never be rude to customers**. Handle the customers with patience and care. One should never ever get hyper with the customers.
* **Attend sales meeting with a cool mind**. Greet the customers with a smile and try to solve their queries at the earliest.
* **Keep in touch with the customers even after the deal**. Devise customer loyalty programs for them to return to your organization. Give them bonus points or gifts on every second purchase.
* **The sales manger must provide necessary training to the sales team to teach them how to interact with the customers**. Remember customers are the assets of every business and it is important to keep them happy and satisfied for successful functioning of organization.

# An Overview of Relationship Management and Why it

# is Important for Corporates

### Introduction: Why is Relationship Management Important ?

If you are working and have a bank account, chances are that you would have heard of the term Relationship Manager who is tasked with the responsibility of attending to your banking needs as well as proactive account management.

Further, if you are working for a corporate and are either a marketing personnel or you are an important client for a corporate, chances are that you are either a relationship manager or deal with a relationship manager belonging to your vendors.

Thus, relationship management is indeed an aspect of management which has grown in importance in recent years mainly due to the intensely competitive marketplace where the Customer is the King and hence, any corporate wishing to “stay in the game” simply cannot do without relationship management.

### Who is a Relationship Manager ?

Before proceeding further, it would be worthwhile to understand what Relationship Management is in the first place. Consider the **Relationship Manager as a One Stop Contact Person or a Single Point of Contact for the Clients who do business with the corporates**.

Before the advent of relationship management, it was often the case that clients used to “talk to” various departments in the vendor’s organization wherein their issues related to sales, marketing, service, production, design, pricing, and any general query had to be resolved by multiple people and departments instead of being “routed” through a single person.

In this scenario, one can imagine the hassles of dealing with multiple people in the vendor’s organization and the wastage of time and the inefficiency inherent in this approach.

On the other hand, imagine if you were an important customer for the corporate and you are assigned a Single Point of Contact or a Relationship Manager for all your commercial needs.

In this scenario, if the deliveries are delayed or your payment has been stuck or if the product fails the quality standards, all you have to do is simply call the Relationship Manager and talk to him or her wherein you assign the issue to them and then wait for them to call you back.

Indeed, just think of **the “Synergies**” in this process as you need not call marketing, finance, quality assurance, or sales separately and all you have to do is talk to the Relationship Manager. Moreover, this is not only efficient but cheaper as well as more “**real time oriented**” meaning that there are no lags and delays arising from coordination and miscommunication aspects.

Indeed, Relationship Management takes the art and science of sales, marketing, and customer service to an “entirely new level” by channelizing and routing the queries and concerns through a single point of contact who is the relationship manager.

### What Does the Relationship Manager Do ?

Of course, this does not mean that all the queries and concerns would get addressed by the RM immediately since the RM’s job is to be the “face and the voice” that the Customers know in the vendor’s organization and once the concerns are raised, the RM would get down to work and contact the respective departments for resolution.

In cases where multiple departments are involved, the RM would also ensure that there is better coordination and communication leading to efficiencies **which in turn can lead to a situation where customer satisfaction goes beyond Customer Delight and instead, can easily lead to “Customer Wow” which is the pinnacle of customer service that all corporates must aspire to.**

What we are talking here is the essence of Relationship Management which based on the points raised so far indicates that Relationship Management is the “Management of End to End Customer Needs wherein the entire Customer Value Chain can be handled through a Single Point of Contact”.

### Relationship Management is also Proactive leading to Synergies and Efficiencies

Having said that, Relationship Management is also proactive meaning that almost all RM’s do not stop at handling queries and concerns but also seek new business, ask for continuous feedback, meet with their clients periodically, and some who are astute become the “alter egos” for their clients meaning that they anticipate what the customer wants and give it to them even before the customer asks.

This is the result of the “synergistic” combination of Marketing, Sales, Customer Service, and Contact Points for the Customers that is as much New Age Business as it is about old fashioned way of the so-called **“personal touch” based customer service**.

Indeed, it can be said that the **“wheel has come full circle” as the earlier decades management** emphasized personal selling and marketing only to be superseded by automation and what we now have is the combination of technology and the “human touch” wherein customers and vendors use Big Data, Analytics, and Marketing and Sales techniques to “manage their relationships”.