

Semester-II

E-Commerce
CRM & SCM

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**Customer
Relationship
Management**

AND

**Supply Chain
Management**



Customer Relationship Management



DEFINITION

Customer relationship management (CRM) is a model for **managing a company's interactions with current and future customers**. It involves using technology to organize, automate, and synchronize sales, marketing, customer service, and technical support.



The purpose of CRM

- “The focus is on creating value for the customer and the company over the longer term” .
- When customer value the customer service that they receive from suppliers, they are less likely to look to alternative suppliers for their needs .
- CRM enables organisations to gain ‘competitive advantage’ over competitors that supply similar products or services .

“Strategically significant customers”

- “Customer relationship management focuses on strategically significant markets. **Not all customers are equally important**”.
- Therefore, relationships should be built with customers that are likely to provide value for services.
- Building relationships with customers that will provide little value could result in a loss of time, staff and financial resources.



3 Phases Of CRM



Types/Variations

▪ Sales force automation

SFA uses software to streamline the sales process. The core of SFA is a contact management system for tracking and recording every stage in the sales process for each prospective client, from initial contact to final disposition. Many SFA applications also include insights into opportunities, territories, sales forecasts and workflow automation.



▪ Appointments

Appointment CRMs automatically provide suitable appointment times to customers via e-mail or the web, which are then synchronized with the representative or agent's calendar.



▪ **Marketing**

CRM systems for marketing track and measure campaigns over multiple channels, such as email, search, social media, telephone and direct mail. These systems track clicks, responses, leads, deals, and revenue.



▪ **Customer service and support**

CRMs can be used to create, assign and manage requests made by customers, such as call center software which help direct customers to agents. CRM software can also be used to identify and reward loyal customers.



IMPLEMENTING CRM

- When introducing or developing CRM, a strategic review of the organisation's current position should be undertaken.
- Organisations need to address four issues:
 1. What is our core business and how will it evolve in the future?
 2. What form of CRM is appropriate for our business now and in the future?
 3. What IT infrastructure do we have and what do we need to support the future organisation needs?
 4. What vendors and partners do we need to choose?

Benefits



- reduced costs, because the right things are being done (i.e., effective and efficient operation)
- increased customer satisfaction, because they are getting exactly what they want (i.e.. meeting and exceeding expectations)
- ensuring that the focus of the organisation is external
- growth in numbers of customers
- maximisation of opportunities (e.g.. increased services, referrals, etc.)
- increased access to a source of market and competitor information
- highlighting poor operational processes
- long term profitability and sustainability

trends

❖ **1. Social CRM**

Social media marketing remains on an uptrend and companies are paying attention. Consumers are empowered by social networking sites to influence product or brand image and perception. Negative feedback no longer simply routes a call to customer service; businesses can expect feedback to reach potential markets before they do.

❖ **2. Centralized Data**

By centralizing customer data through CRM, businesses will be able to target and engage customers more effectively. CRM data won't end with generating leads for the sales team but will be a continuing process that also includes maintaining relationships with a growing customer base. (For related reading, see *Using Product Management Features in a CRM Solution*.)

❖ **3. Mobility**

Customers are no longer bound to PCs and are constantly accessing data on the go. Frontline employees and customer service resources will increasingly be empowered by mobile devices for support. On the other side of the coin, customer perception will also be shaped not only by real-world involvement, but also by online and mobile experiences.

❖ **4. Flexibility**

Flexibility for CRM users is key because it allows them to customize the software to meet their needs. Ease of integration and multichannel publishing are key corporate considerations. As a result, a flexible and accessible CRM platform is becoming increasingly important for users.

❖ **5. Crowdsourcing**

With customers gaining voice through social media, enterprises are increasingly able take advantage of crowdsourcing for business improvements. Tapping current customers for fresh ideas, solutions and expectations can help employees across an organization provide the innovation and interactive relationship that a growing number of customers now expect. This means that CRM will no longer be just for lead generation and marketing, it will also provide a source for new innovation.

Supply Chain

Management



What is a supply chain?

- ◎ Supply chain is a “**process umbrella**” under which products are created and delivered to customers.
- ◎ It includes suppliers, manufacturers, distributors, retailers and customers. It also includes transporters and warehouses.
- ◎ In essence, **it consists of all parties involved, directly or indirectly, in fulfilling a customer's request.**

What is Supply Chain Management?

- » A set of approaches used to efficiently integrate
 - ☐ Suppliers
 - ☐ Manufacturers
 - ☐ Warehouses
 - ☐ Distribution centers
- » So that the product is produced and distributed
 - ☐ In the right quantities
 - ☐ To the right locations
 - ☐ And at the right time
- » System-wide costs are minimized and
- » Service level requirements are satisfied



WHY IS SCM SO IMPORTANT?

- ☐ To gain efficiencies from procurement, distribution and logistics
- ☐ To make outsourcing more efficient
- ☐ To meet competitive pressures from shorter development times, more new products, and demand for more customization
- ☐ To meet the challenge of globalization and longer supply chains
- ☐ To meet the new challenges from e-commerce
- ☐ To manage the complexities of supply chains



Information Technology: A Supply Chain Enabler

- » Information links all aspects of supply chain
- » E-business
 - replacement of physical business processes with electronic ones
- » Electronic data interchange (EDI)
 - a computer-to-computer exchange of business documents
- » Bar code and point-of-sale
 - data creates an instantaneous computer record of a sale
- » Radio frequency identification (RFID)
 - technology can send product data from an item to a reader via radio waves
- » Internet
 - allows companies to communicate with suppliers, customers, shippers and other businesses around the world, instantaneously



Why Is SCM Difficult?

- » **Uncertainty is inherent to every supply chain**
 - ☐ Travel times
 - ☐ Breakdowns of machines and vehicles
 - ☐ Weather, natural catastrophe, war
 - ☐ Local politics, labor conditions, border issues

- » **The complexity of the problem to globally optimize a supply chain is significant**
 - ☐ Minimize internal costs
 - ☐ Minimize uncertainty
 - ☐ Deal with remaining uncertainty





- ❖ Globalization
- ❖ Increased cross border sourcing
- ❖ Collaboration for parts of value chain with low-cost providers
- ❖ Shared service centers for logistical and administrative functions
- ❖ Increasingly global operations, which require increasingly global coordination and planning to achieve global optimums



