Information Pack

Unit-509
Managing Customer Relations

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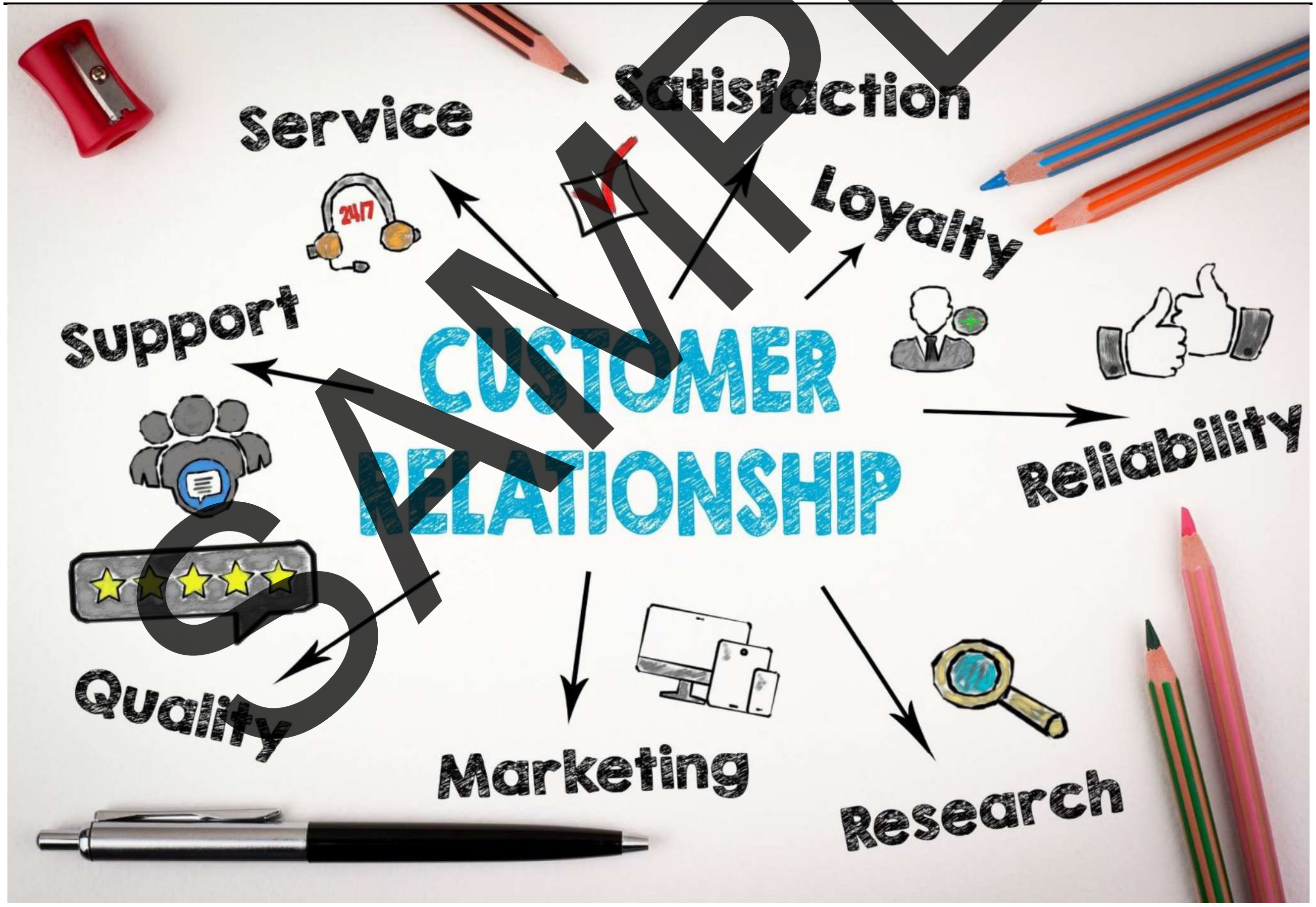
Service
Satisfaction
Loyalty
Support
CUSTOMER RELATIONSHIP
Reliability
Quality
Marketing
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INTRODUCTION

Good customer relations develop over time and remain stable if the consumer-business interactions are beneficial for both parties. Customer relation(ship) is a special bond created between buyers and a brand as a result of numerous marketing, sales, and customer service processes.

Customer relationship management methods will vary depending on the type of customer and business sector. But total reliance on technology cannot build the most effective relationships. Technology can provide and collate valuable information. But to see results, you must analyse this data, integrate knowledge, and offer good customer service skills.

Organisations today find themselves operating in an environment that is quick changing. The process of analysing the implications of these changes and modifying the way that the organisation reacts to them is known as business strategy.

'Strategy is the direction and scope of an organisation over the long term, which achieves advantage in a changing environment through its configuration of resources and competences'

(Johnson et al, 2009)

This information pack will break down strategic processes that will allow you to identify external factors within the environment that could have an impact on your organisation. Many of these will be things the organisation has no control over, but the implications of which need to be understood.

A popular tool for identifying these factors is the PESTLE Analysis, which can be used to help you consider Political, Economic, Social, Technological, Legal and Environmental issues.

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GUIDANCE

This document is prepared to break the unit material down into bite size chunks. You will see the learning outcomes above treated in their own sections. Therein you will encounter the following structures:

Purpose	Explains *why* you need to study the current section of material. Quite often learners are put off by material which does not initially seem to be relevant to a topic or profession. Once you understand the importance of new learning or theory you will embrace the concepts more readily.
Theory	Conveys new material to you in a straightforward fashion. To support the treatments in this section you are strongly advised to follow the given hyperlinks, which may be useful documents or applications on the web.
Example	The examples/worked examples are presented in a knowledge-building order. Make sure you follow them all through. If you are feeling confident then you might like to treat an example as a question, in which case cover it up and have a go yourself. Many of the examples given resemble assignment questions which will come your way, so follow them through diligently.
Question	Questions should not be avoided if you are determined to learn. Please do take the time to tackle each of the given questions, in the order in which they are presented. The order is important, as further knowledge and confidence is built upon previous knowledge and confidence. As an Online Learner it is important that the answers to questions are immediately available to you. Contact your Unit Tutor if you need help.
Challenge	You can really cement your new knowledge by undertaking the challenges. A challenge could be to download software and perform an exercise. An alternative challenge might involve a practical activity or other form of research.
Video	Videos on the web can be very useful supplements to your distance learning efforts. Wherever an online video(s) will help you then it will be hyperlinked at the appropriate point.

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Defining Customer Relations

Customer relations:

'the relationships that a business has with its customers and the way in which it treats them'.

Good customer relations require courtesy, professionalism and effective response.

Customer relations is the department within a company that deals with complaints from customers.

(Collins Dictionary)

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Customer care is at the heart of all successful organisation. It can help you develop customer loyalty and improve relationships with your customers.

Customers
Your customers aren't just the people who pay for your product or use your service. In fact, a customer is anyone affected by the work you do. Like stakeholders inside your organisation who benefit from good working relationships.

Customers and stakeholders can come from inside or outside your organisation. They include:

- owners
- shareholders
- investors
- suppliers
- partners
- the Government
- society at large.

A customer is a recipient of goods or services from a supplier. Customers are important as they drive revenue, without them organisations cease to exist. Organisations compete with others in their industry to attract and retain customers. Either by aggressively advertising their products, by lowering their prices or by creating loyalty schemes for existing customers.

Understanding Customers
Organisations often honour the adage "the customer is always right" because happy customers are more likely repeat business transactions with organisations who meet or exceed their needs. As a result, many organisations closely monitor their customer relationships to solicit feedback on methods to improve

CRM systems work best when companies spend time cleaning up their existing customer data to eliminate duplicate and incomplete records before they supplement CRM data with external sources of information.

Customer relationship management (CRM) is a strategy to learn more about customer's needs and behaviours. Do that and you can create, develop and enhance relationships with the customers you want to keep.

Many organisations view CRM as a technological issue. As a result, they implement systems that often fail. This is because they assume that CRM is 'done' once they've found the right system.

But to get real value from CRM, use it as an approach to better understand processes, relationships and customer behaviour. It's also important to get the whole organisation on board.

Technological CRM solutions link different sources of customer information. For example, from email campaigns, web sites, call centres, sales and marketing. After that, they organise information by operational and analytical systems (such as sales and inventory).

But these systems "don't provide the divisional and holistic customer view needed". That's because they underrate the value of individual customer relations. And the benefits of a strategy to really benefit from this information.

Merlin Stone suggests you should manage customer relationship in stages.

1. **Recruitment.** Target the customer and encourage them to purchase.
2. **Welcoming.** Make sure the customer knows how to use the product or service and has a contact in the company for queries.
3. **Get to know.** At this stage, you can analyse loyalty, satisfaction and retention to plan future customer strategies. (See our 'Measuring Customer Value' article).
4. **Account management**. At this stage, you should communicate with your customers. Do that and you can better manage relationships, identify their needs and spot any problems early.
5. **Intensive care.** If a problem arises and the customer is dissatisfied (e.g. from bad service or changing needs) give them special attention to return them to stage four.
6. **Dissociation of the relationship**. This is where a customer no longer purchases. It may be possible to win them back in time if you resolve the reason they left.

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