

Crm officer

[Business](#), [Management](#)



Nowadays, many companies are trying to change a way of their Relationship Marketing (RM) and create new methods different from competitors since customers' needs and wants is continually changing. One of the active RM tools is a customerloyaltyprogramme which can strengthen relationship with customers. The aim of Customer Relationship Marketing (CRM) is to build strategies that refine and increase the value of relationships, and that involves careful segmentation (Knox et al, 2003).

An organisation has to decide which customers it has to focus on. Moreover, it need to consider the nature of its customer strategy and keep improving customer relationship and customers' value in order to maintain and attract customers. The site of 12Manage (2008) contains a parallel view of customer relationship marketing. It presents customer relationship marketing as just another view of customer relationship marketing, thereby placing it as functional strategy.

It's take on CRM then is a combination of what Peelen (2006) and the Gartner Group's (2004) definition that it is a IT-based business strategy which is designed to maximize profitability, revenue and customer satisfaction by working on segments of customer, ensuring behaviours satisfying to the customers and executing processes that are centered on customers. What is interesting in this definition is that informationtechnologyis added in the equation.

According to Osborne (2001 cited in Little and Marandi 2003), if you want to change the business with a major step improvement in the way you interact with your customers, everyone in the company must recognize the changes

being made, why they are being made, what is required from them personally, what it means for the customers, and what the road map of developments and expected results are. Thus, maintaining customers with change is a significant factor to retain loyal customers. There are a number of indicators that are useful in gauging the effectiveness of CRM. Buttle (2004) said that Life time value (LTV) is such.

The life time value of a loyal customer can be enormous (Robinson and Etherington, 2006). Therefore, realizing loyalty guests who brings on a large amount of the hotel's revenue is very important. According to Hughes (2008), LTV has been in customer relationship management programme the measuring rod of success. Two other measures mentioned by Hugues (2008) which are related to LTV are the return on investment (ROI) and the net present value (NPV). In taking a snap shot of the behaviour of present customers, ROI is used for campaigns to measure profitability and is highly practiced in banks.

LTV then is the NPV of all the profits to be made from receiving a particular number of customers - whether acquired or existing - within a given time frame. Some scholars claim that customer retention has an effect on the bottom line. They further suggest that a 5 % increase in customer retention would create a 125% increase in profit (Buttle, 1996). CRM is based on the company and the customer exchanging 'value' rather than money, goods and services. Companies now pay more attention to 'value' and how to create, convey, and exploit it better (Knox et al, 2003).

So for instance, knowing that a customer had a less than memorable experience in the hotel provides the hotel manager with a chance to win them back the next time. According to Buttle (2004), what differentiates market segmentation in a CRM sense is a very clear focus on customer value. The marketing team will develop profiles of customer groups based on their insight and experience and then, this is used to guide the development of marketing strategies across the segments (Buttle, 2004). So, the hotel can build a profile on spending pattern of the customers.

Thus, it can create customer-centered strategy for increased loyalty.

Customer communication are such that managers regularly network on the customers to ensure that they are happy in the way contracts are proceeding, and as a result, close customer relationship is established.

Peppers and Rogers (2004: 93) state that 'loyalty programmes have been used for years to strengthen relationships with individual customers. And, this lead to a genuine relationship management strategy when the company actually uses the information it gets in this way to design different treatments for different customers.

'Furthermore, Uncle et al (2003) said that customer loyalty programmes are an efficient and popular instrument used by hotels in order to create customer satisfaction and repeat business. According to Buttle (2003), the organisation can build a good relationship with members of guest loyalty programme. In addition, the company's marketing costs are reduced by using the loyalty programme since the true loyal have high levels of repeat

buying and a strong relative attitude (Buttle, 2003). In other words, realizing loyal customers can improve the hotel's performance and profits.

Novo (2004) suggested on means how to do that - through RFM. By looking at customers data, he suggests that it is possible to predict the possibility of a customer responding to a particular offer, on in the context of this study, hotel loyalty programme. In that way, response would be maximized while discounts and incentives are kept low. This system would also be able to determine the times when customer is about to stop availing of the services, prompting the management to do something about it.