ANALYTICAL CUSTOMER RELATIONSHIP MANAGEMENT AS AN OPPORTUNITY FOR ENHANCING ORGANIZATIONAL GROWTH

MR. P. MOHAMMED BUHARI SALEEM

Assistant Professor, Department of Commerce
Sadakathullah Appa College (Autonomous), Tirunelveli, India 627011
ORCID: 0000-0003-4751-8993

DR. M. MOHAMED SIDDIK

Assistant Professor, PG and Research Department of Commerce
Sadakathullah Appa College (Autonomous), Tirunelveli, India 627011
ORCID: 0000-0003-4751-8993

ABSTRACT

In today's business world, enhanced organizational growth is an essential element that often eludes even the biggest of businesses. Achieving organizational growth is often the sum-total of different factors. Businesses can manage its sales pipeline usually with a good customer relationship management platform. Analytical Customer Relationship Management (Analytical CRM) can make a significant impact on organizational growth by shifting the focus from product to customer, streamlining the offer to what the customer needs rather than want the organization can make.

In the context of marketing and sales, there are many areas where Analytical CRM can enhance revenue, quality, and profit. Analyzing product queries shows where the most likely problems will occur. It is a powerful tool designed to analyze deeply the customer's data and unwrap or disclose the essential convention and intention of behavior of customers on which capitalization can be done by the organization.

KEYWORDS: organizational growth, convention, intentions, competencies, beliefs

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1. INTRODUCTION

Analytical Customer Relationship Management uses consumer information to help understand and to make efficient relationship management by supporting the company personnel with operations and its strategic analysis which includes all business structure that don't deal directly with the customer. It becomes a decision support system aims to help facilitate the decision making for personnel such as executives, marketing, finance, sales and customer support to help in understanding their customer's wants and needs. The systems associated with this customer discovery process are termed 'Analytical CRM' (Kelly, S). In analytical Customer Relationship Management, customer information gathered within the range of operational CRM are examined to help identify customers and their wants, through their selling perspective and also allows companies personnel to observe and understand the customer actions as well as preferences using techniques such as sales forecasting. And Analytical CRM accumulate information by relying heavily on techniques such as information gathered through a data warehouse, data mining, CRM software, and information gathered by business intelligence to better understand and have insight into customer behaviors. It includes all CRM programs mentioned and analyzes data about a company's customer and represents it in a method that is straightforward so that the results will lead to make faster as well as better business decisions that would assist improve selling techniques to their targeted customers. How analytical CRM systems are used to support customer knowledge acquisition and how such a system can be developed (Xu, M. and Walton, J., 2005) Analytical CRM may also provide information for better measuring the effectiveness of a company's market campaigns for their products as well as analyzes customer data for a variety of purposes such as:

1. **Campaign Analysis** - To assess and examine the effectiveness of a customer's response to a market campaign, sales promotions, and advertisements, and other activities.
2. **Customer Attrition Analysis** – To better understand the reason and the impact of the loss of a company's client.
3. **Customer Behavior** - To know the customer past and future trends, purchase activity, and patterns. And assists to understand the condition of the company's' products and services to provide better service to the community.
4. **Customer Interaction Analysis** – To better understand how a company's interaction with their customers and help to evaluate the effectiveness of communication with its customers to better understand the products and services.

5. **Customer Loyalty** - To understand the customer loyalty that a customer has to the company and its products. And also, to understand how to retain our customers with continuing the use of products and services of the company.
6. **Lead Analysis** - To assist in identifying potential and prospective customers for a company's new product and/or services.
7. **Market Analysis** - To help in identifying and determining how to attract the demographics of customers of a particular market.

KEY FEATURES OF ANALYTICAL CRM

1. It accumulates all relevant information about customers from various channels/sources and builds a knowledge base for an organization
2. It analyzes the customer data based on rules and methods set by business and prepares report to improve customer relationship activities and interaction
3. Helps business to segment their customers and run more customer centric marketing campaign activities to increase sales
4. Determine what if scenarios – probability of a customer that purchases one product could buy another product
5. Monitors activities like customer may purchase gifts on his marriage anniversary
6. Helps business to forecast the probability of customer defection and take necessary steps on it.
7. It aids top management to do better financial forecasting and planning

COMPONENTS OF ANALYTICAL CRM

Data Warehousing

Data warehousing technology and a comprehensive customer data warehouse are key elements to making analytical CRM work. Preferably, there should be a single customer repository for all transactions, behaviors, buying preferences, customer profitability and valuation, and segmentation treatments - but the reality is that most of the organizations have created silos of data and it will not be easy to coordinate all of the sources initially. Data warehousing technologies consist the extract the data, transformation and load (ETL) functions to move data in and out of legacy systems and disparate data marts into the comprehensive customer data warehouse.

Data Enhancement

Data Enhancement is a broad category consisting of data cleansing, data enhancement, and customer profitability. Data cleansing has cleaning up, standardizing, and linking the data as it is loaded from the legacy systems. Data enhancement has the activity adding external data such as demographic or spatial information. Customer profitability is the application of identifying the historical, present, and projected value of our customers and then using it to improve market segmentation and to implement customer strategies. Customer profitability analysis is one of the major important and underappreciated components of analytical CRM.

Data Mining, Personalization and Segmentation

Data mining is the major technology of analytical CRM (Z. Qiaohong et al). Finally, they are performing the same task - using various modeling techniques to forecast, tailor, and present customers with better messages and increase the odds of acceptance. Analytical CRM aids in better understanding of the customers by evaluating customer-related data using the tools like Data mining (Jayanthi Ranjan et al)

Business Intelligence

Business intelligence is range from ad hoc query and OLAP analysis to portals, standardized reports, and balanced scorecards. Business intelligence gives users access to customer information and will be different for different types of users. Business intelligence is the window into understanding the analytical information.

Marketing

The marketing management or campaign management application is usually seen as the link between the analytical and operational worlds. The marketing application controls the marketing process by creating, executing, and tracking offline batch and real-time offers to customers. The execution of marketing offers is the link into the operational or customer-facing CRM solutions and the reason marketing is sometimes seen as the Trojan Horse of the traditional CRM world.

Data Movement, Workflow and Integration into other CRM Applications

 This category is the glue that will connect the analytical and operational solutions into a cohesive and seamless total solution. Without getting into too many details, the emergence of XML (eXtensible Markup Language) as a standard for integration will be a huge enabler. Workflow and business-rule driven capabilities are also an important element. Finally, suites of CRM applications will dominate the landscape and reduce the integration issues - but it will take time and money to swap existing systems for new systems.

DIFFERENT REPORTS GENERATED BY ANALYTICAL CRM

Analytical CRM examines data coming from every aspect of business and generates reports.

Customer Analysis Report

It is the basic report based on the analysis of the customer knowledge base. This gives a 360-degree view of a customer that assists a company to gain further insights about customer's needs and preferences.

Sales Analysis Report

This type of report depicts the organization's trend of sales for a specified period i.e. monthly, quarterly, yearly, or any time frame that is significant for business. It gives support to streamline all sales opportunities by improving the sales cycle. This helps managers to identify market opportunities, predict sales volumes and profit by analyzing historical sales data.

Marketing Analysis Report

Marketing Analysis report aids to discover new marketing opportunities and increase marketing performance by maximizing Return on Investment (ROI). It determines marketing performance based on various parameters like region, channels, political influence. And it also mainly focuses on campaign planning and execution, product analysis.

Service Analysis Report

Service Analytics is an important area in Analytical CRM. It provides a deep insight into customer satisfaction, quality of service, and areas of improvement in service. It finds out the opportunities to cross-sell or up-sell products. It aids to track employee performance appraisal and productivity, tells management to conduct required adequate training for employees.

Channel Analysis Report

Channel Analysis report aids businesses to study customers' behavior across channels such as email, phone calls, social media or face to face interaction. This kind of knowledge can be used to interact with ultimate customers more effectively and efficiently.

APPLICATIONS OF CRM ANALYTICS

After implementation of Analytical CRM, it gives insights to understand and use the data that is mined. Most of the Organizations use CRM analytics in the following ways.

Customer segmentation groupings: Dividing the customers into those most and least likely to repurchase a product.

Customer value and Profitability analysis: Learning which customers contribute to the highest profits over time. This function includes understanding not just how much a customer spends, but how many resources you dedicate to that customer in return.

Personalization: It is the concept of the ability to market to individual customers based on the data collected about them. This function needs to obtain a 360-degree customer view.

Measuring and tracking escalation: It is the process of the ability to assess how often problems arise with a product and/or service to eliminate that issue and rapidly achieve customer satisfaction.

Predictive modeling: Comparing various product development plans in terms of future success given the customer knowledge base by assessing engagement levels through customer shares.

ORGANIZATION GROWTH IMPROVEMENT WITH ANALYTICAL CRM

A well-accepted wisdom in the industry is that it costs 5 to 7 times as much to acquire a new customer than to continue an existing one (Srivastava J.et al).

The research conducted by McKinsey, companies using the data and customer analytics in effective ways shows increased productivity and profitability. Companies that put data at the

center of marketing efforts improve their Return on Investment (ROI) by 15% to 20%. This adds up to several billions of additional dollars in sales.

It can improve our marketing in these ways:

1. Define our potential customer
2. Optimize our customer engagement
3. Improves customer loyalty and retention
4. Marketing optimization and performance
5. Reputation management
6. Competition analysis

Use customer analytics to identify opportunities

It refers to moving away from the normal way of doing things. Businesses require to focal point on the data available to them, both from within the company and from outside sources. In this way, the company finds specific geographic locations where our products and/or services sell well, where sales are lagging and where there's an opportunity for development.

Understand their customers' decision journey

Knowing how our customers get from finding out about our company to making an initial purchase is critical. Targeting customers, CRM system is definitely of strategic importance for enterprises (L. Kong et al). The truth is that the most of the purchasing decisions are now made online. This indicates our website needs to include all of the information needed to encourage sales. But our CRM software and strategy are of super importance in this regard.

They know what to say and who to say it to

Data and customer analytics can be intimidating. This means the people right at the front of customer service, the call center operators, and the sales representatives; need to have data at their fingertips. They need to know what items were browsed through, where the browsing process ended and where the customers may be interested in returning to the sales funnel.

That list just scratches the surface of what is possible with data. Research has represented that personalization of interaction with customers improves the likelihood of conversions. It indicates emails will be opened instead of trashed and Facebook posts engaged with rather than blocked.

2. ANALYTICAL CRM: CAPTURING DATA TO CATER TO CUSTOMERS

Customer relationship management (CRM) is a big and developing field that includes a diverse range of activities:

1. customer-facing applications like sales force automation;
2. collaborative applications, including e-mail and instant messaging applications, which promote interaction with customers; and;
3. analytical CRM that manages information in data warehouses to understand, predict and shape customer behavior

AMR Research foretells that extension in the CRM market will exceed 40% per year over the next several years. That phenomenal expectation helps explain why enterprise resource planning (ERP) firms, whose software manages back-office functions, have reached out to the front office through aggressive acquisitions or by developing their tools. For instance, PeopleSoft bought call center Vantive, SAP plans a front-office capability, and Oracle is already marketing an e-business suite, which adds front-office CRM capability to its back-office functionality. On the other hand, CRM firms, have not been drawn to the slower-growing back-office market. Market leader Siebel, for instance, remains to focus exclusively on the front office, as do many other CRM companies.

Analytical CRM is a great tool, although surprisingly, it is used by only about half of CRM implementers, according to the META Group. Different types of data can be gathered and examined, from customers purchases and complaints to clickstream data that reveals where customers are encountering difficulties on Web sites.

Although notable challenges remain in combining data from disparate sources into one data warehouse, analytical CRM presents the greatest value when it combines front- and back-office data, such as customer revenues, to guide marketing and other planning efforts. Both the Gartner Group and AMR understand that CRM companies lacking a back-office component will significantly limit their client base in future years.

In addition to a comprehensive data warehouse, the other key ingredient is an analytical technique such as online analytical processing (OLAP), which provides analyses requested by the user, or data mining, which seeks for patterns in the data that the user may not have suspected. The effects of those analyses determine which business rules are triggered, most often implementing a market campaign but sometimes changing workflow or other business processes. The nature of marketing has changed dramatically in the past several years, in terms of both timing and focus.

"Decision support used to be about watching at quarterly data to see how sales were doing in certain regions and to adjust marketing strategy as needed," says Mark LaRow, VP of the applications division at MicroStrategy. "Now, target marketing demands organizations to look at an individual's purchasing profile, match it to other similar customers, and then foretell what this individual might purchase next week, not subsequent quarter." Data warehouses that used to be populated on a monthly cycle are now down to a weekly cycle and are moving toward a daily update.

"And also, CRM marketing strategies turn around integrated customer contact," says LaRow. For most of the companies, that means blending their online and offline interactions, including telemarketing, direct mail marketing, and e-mail marketing channels."

MicroStrategy eCRM allows e-business as well as brick-and-mortar companies to conduct detailed investigations of their data. Kiko.com, which hosts an e-learning site, is using MicroStrategy eCRM to track membership growth and new content that is added by its members, which comprise educational institutions, corporations, and individual teachers. The firm also observes clickstream data to find out which links are most heavily traveled.

3. BENEFITS OF ANALYTICAL CRM

Improved Customer Experience

Marketing specialists have noticed that the best way to get on the customer's good side is by providing a positive customer experience. If we keep our customers happy and engaged, they will feel more confident about doing business with your company.

Positive customer experience is the result of interactions between our business and the customer. These interactions involve product purchases, information, doubts, comments on social media, etc. To ensure that each of these interactions has a positive outcome. The company needs to understand what the customers want, and then provide it.

This is where Analytical CRM software comes into play. A CRM tool will help you keep track of customers as you interact with them, enabling to adjust your approach on the fly. This is especially useful for small local businesses that handle a lot of customers daily. If we keep track of each customer's interaction history through CRM software, we'll find it much easier to present relevant product recommendations, sell related products and/or services, discover new customers, and offer effective customer support.

For example, we can ask customers to provide their email address after purchasing a product and/or service. we can then invite them via email to follow us on social media to get informed about sales, special offers, or product updates. And the best part is that you can do this for each customer with only a few button presses in your CRM tool of choice.

Marketing Workflow Automation

Software-based automation has transformed the way small businesses operate. Tasks that were too heavy or too expensive to solve manually can now be relinquished to software algorithms, which are both more active and less error-prone than human operatives.

Email marketing was one of the first areas where software-based automation rose to prominence in the world of small business. Sending out marketing emails was a slow, time-consuming task, which you nevertheless had to perform to keep up with competitors. And CRM software allows us to completely sidestep this issue.

Today's feature-rich CRM systems allow you to set up sequences of actions to be performed automatically whenever certain conditions are met. For example, we can arrange to send discount coupons via email to customers that haven't bought from us in a while.

Software automation is also integral for running a sustainable small business as it allows you to keep your staff lean while maintaining a high level of productivity.

Sales-Marketing Alignment

To generate revenue as a small business, we need to be strong in sales and marketing. Marketing requires attracting leads via strategic messaging, which you then have to convince to buy from you with an effective sales pitch. It sounds simple in theory, but a lot can go wrong with this process.

If we fail to attract qualified leads through marketing, we will have to spend a lot of time selling to them. Conversely, if we don't have an adequate sales strategy, we will have a harder time creating effective marketing materials.

The solution to this is to keep our marketing and sales efforts aligned, which can be accomplished with the help of Analytical CRM software. Analytical CRM tools will further keep marketing and sales data synchronized, so we can keep track of customers throughout the conversion process.

Lead Segmentation

Lead segmentation is the activity of separating our leads into lists to manage them more effectively. Lead segmentation used to be something only large corporate enterprises with developed IT infrastructure could carry out. But thanks to modern Analytical CRM software, small businesses can also leverage the benefits of lead segmentation.

Analytical CRM tools allow us to group leads based on a variety of criteria, including:

1. Demographic data (age, gender, marital status, etc.)
2. Online activity (How much time spent on site, social (Internet) media posts, chat logs, etc.)
3. Customer data (customer lifetime value, before purchased products, support tickets, etc.)

When we apply these criteria to our lead database, we will start seeing patterns in lead behavior. we can then organize our leads according to these patterns, which will give you several segments to work with. We can then create custom email templates, content, product recommendations, and entire marketing campaigns for each segment.

Though, the best part about using Analytical CRM software for lead segmentation is the fact that we can run these campaigns from the tool itself.

Multichannel Marketing

Modern customers use a variety of channels to interact with businesses, from social media to email, live chat, and even phone calls. For small businesses, it can be difficult to keep track of all these channels at the same time. And if we don't communicate with customers through their preferred channel, we will miss out on many sales opportunities. Analytical CRM software allows you to circumvent this issue completely. Substantially all Analytical CRM tools provide us the ability to manage all our communication channels from a unified dashboard. we can send personalized emails while keeping an eye on live chat, and making status updates on social media like Twitter or Instagram.

Even better, we can use a technique called multichannel marketing. The idea here is to leverage the powers of each channel to better engage customers during conversion. We can ask the customer for their email through live chat, and then send them an invite for a webinar we're hosting on our website.

Enhanced Communication

Despite its name, Analytical CRM software is not limited to solving management tasks. Analytical CRM tools also have specialties that can help us achieve better communication with customers, colleagues, part-timers, and other professionals work with. Gone are the days where we had to keep stacks of memos and cabinets full of files to communicate reliably.

Analytical CRM software makes it easy to share customer data between team members, so each member will be in a position to render the same high level of service. Analytical CRM software also comes with built-in communication features such as chat and shared dashboards, which refers we can run complex, multi-stage strategies with ease.

It also gives it convenient to work with partners, shareholders, marketing agencies, and other people outside our organization. For example, if we're working with a marketing agency to update our website SEO, we can create a user account for them within the Analytical CRM to eliminate the need for juggling spreadsheets and shared folders.

4. CONCLUSION

Even though updated technology, data, and analytics can improve marketing in many ways, it can never replace the innovation and insights from the minds of intelligent marketers. But it is indispensable to remember the importance of data. For an organization, the collection of customer data and its analysis is a continuous and iterative process. Decisions based on customer data and feedback becomes better and more accurate over time.

One of the things worth mentioning is that most modern Analytical CRM software is mobile ready by design. This allows us to turn your Smartphone into a communication hub, so we can communicate with customers on the move.

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