

1 A Theoretical Approach to Customer Relationship Management 2 and Communication

3 Yakup Durmaz¹, Yakup Durmaz², Esra Cikmaz³ and Yakup Durmaz⁴

4 ¹ Hasan Kalyoncu University

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6

7 **Abstract**

8 Nowadays customer relationship management process is a marketing approach used by various
9 businesses. Management of customer relations provides businesses with great profits,
10 especially in the case of gaining superiority in competition. This approach represents a process
11 in the first place. It should be applied in an efficient and successful way by businesses.
12 Moreover, ensuring customers? satisfaction while providing them with products and services
13 plays a crucial role in increasing the profit rates. The efficiency level in communication among
14 employees and customers forms one of the most important implementations enabling costumer
15 satisfaction.

16

17 **Index terms**— customer, process of customer relationsip management, communication.

18 Introduction n today's time, globalization removes boundaries among countries. This caused a furious
19 competition environment with regards to all sectors ??Farrell, vd, 2001; ??radyvd, 2002). All businesses are
20 affected by this competition considerably. Therefore, in order to be able to survive in this competititonal
21 environment, today's businesses need to improve the process of customer relations management along with the
22 quality of the products and services they provide. (Fowdar, 2007; ??kiz ve Masoudi, 2008). Recent developments
23 around the world, forces businesses to use marketing strategies on customers in order to gain advantage in
24 the competition by ensuring customer satisfaction. Given that we live in a information age, improving the
25 process of customer relationship management, offering products and services by using various advanced methods
26 and therefore inreasing customers' level of loyalty to businesses are the things which take place at the top of
27 marketing strategies. (Eccless ve Durand, 1997; Akbaba, 2006; ??sievhd, 2008; ??im vd, 2009).

28 Individuals have important role in presenting products and services produced by businesses according to
29 wishes of customers ??Özkul, 2007). The extent of communication between a customer and a staff member
30 affects customer's perception of the quality of products or services (Olal? ve Korzay, 2004;C?kmaz, 2013)
31 Communication level of a staff member not only affects customer satisfaction, but it also helps to eliminate the
32 possible service mistakes done by the staff member. As a result of this, communication level of staff members is
33 crucial in terms of customer satisfaction and the profit rate of all businesses (Sigala, 2003; ??eung ve Lam, 2003).

34 **1 II. General Concepts About Customer Relationship Management 35 a) Customer**

36 A customer is a person or a foundation who/which buys a specific product of a certain business for administrative
37 or private purposes. A current customer is a customer whom a business sells frequently and who buys products or
38 services constantly from a certain business. Prospect is a customer candidate with whom a business nagotiates
39 about sales. An old customer is a customer who was a customer of a business, yet stopped being a customer for
40 some reasons. A new cusotmer is a customer who buys products or services from a business fort he first time.
41 Target customer is a customer who is targeted by a certain business as to sell specific products.

42 **2 b) Customer Lifetime Value**

43 The value of a customer in a lifecycle determines the concept of customer life. In an undefined lifetime, value
44 of a customer life can not be measured. Customer lifetime value is determined with regard to a lot of criteria
45 including customer holding costs, rate of order in a year, total income, direct cost, customer acquisition costs,
46 discount rate. Customer value differs according to businesses in the way that customers' expectations changes
47 from business to business. Therefore customers are ranged by their value and differ in accordance with their
48 needs. ??Y?ld?zel,2002:65-69).

49 **3 c) Customer Loyalty**

50 Modern marketing concept is a business management philosophy including all units of a businesses to study
51 coordinately in order to determine consumers' requests and needs and gain their satisfaction ??Varinli, 2008: 2).
52 Since modern marketing aims to gain a continuity in acquiring customer satisfaction by meeting their needs, it
53 helps businesses to make profit and gain customers' loyalty. ??Durmaz, 2006:2).

54 Customer loyalty can be defined as customers' tendency of buying the same product or shopping from the
55 same store to meet their needs. ?? WaltersandBergiel, 1989: 497).

56 A strong customer loyalty is one of the most important thing businesses could have. The strength of customers'
57 loyalty and attitude towards a company makes it hard for its opponents to attract its customers. We can list
58 some of the advantges of customer loyalty in terms of businesses as; easing the process of selling , maintaining
59 marketing stability, gaining control over prices, customers visit relevant company more often, and they help
60 companies with channel of distribution ??Sharp,1997: 473).

61 **4 III. Customer Relationship Management Process**

62 Customer reationship management process consists of four stages. These stages are; customer selection, customer
63 acquisition, customer retention and customer deepening. ??Anton, 1996: 15).

64 **5 a) Customer Selection**

65 In this stage it is aimed to define and group the intended population. In CRM's philosophy customer selection
66 is important since every customer and customer group carries different value and is integrated into different
67 campaigns. Determining the target audiance, segmentation and positioning for the target audiance and developing
68 campaigns in accordance with positioning data falls into this part also.

69 **6 b) Customer Ac quisition**

70 The main purpose of this stage is "selling". It seeks the most efficient way of selling products or services to
71 customers. Need analysis, developing offers and prerequests about buying and selling are also done in this stage.

72 **7 c) Customer Retention**

73 One of the determining factors in CRM is customer loyalty. CRM gives importance to keeping the current
74 customers as well as gaining new ones. Contrary to traditional belief, establishing relationships about sale with
75 current customers is very important. Customer retention stage, seeks an answer to the question "How long a
76 customer can be retained?" The purpose is to connect customers to institution and keep them by ensuring
77 contuniuity and loyalty in relations. For this stage some marketing efforts, such as; order management, demand
78 organization and problem management, should be developed.

79 **8 d) Customer Deepening**

80 This stage consists of steps for maintaining the loyalty and profitability of a current customer and raising customer
81 expense share. "Share of wallet" is one of the concepts which is questioned in this stage. The purpose is to profit
82 the continuity of customer relationship. Need anlysis for customers and cross-selling campaings are suggested for
83 this stage. ??Arslan, 2013: 80).

84 **9 IV. Communication in the Process of Customer Relationship
Management**

85 Since finding an employment has become very hard these days, a good education by itself is not enough for
86 it. One should follow certain rules along with education. It is an undeniable truth that individuals who can
87 work with customers in harmony and provide customers with motivating and constructive feedbacks to reach
88 target-driven solutions are able to ensure customer relationship management successfully. ??Q?kmaz, 2013: 33).

90 **10 a) Communication Process**

91 A communication process may change depending on individuals' knowledge, purpose and their cultural and
92 psychological aspects .Therefore, for an efficient communication process to happen, several factors need to

93 come together. Key elements to a communication process are; source, message, channel, receiver and feedback.
94 ??M?s?rl?, 2007: 2).

95 Source is the one who/which starts the communication process and sends the message. It can be a person
96 or a device which has different qualities. Source turns a notion or a behavior into a message by using words,
97 numbers, figures, signs and other symbols when we want to convey them to the receiver. Source is crucial for a
98 successful communication process to happen. If the source can not gain the receiver's confidence for any reason,
99 communication process won't be successful. Thus, source should choose topics in which receiver have interest,
100 talk comprehensibly and dress according to the receiver's culture. ??Fidan, 2009: 36).

101 Message enables the relationship between source and receiver. Therefore it is the central point in
102 communication process.

103 Receiver is a person or a group who interpret the message of source and respond to it. ??Z?ll?o?lu, 2003:
104 98). Receiver deciphers the message and answers using new codes. All customers in a store are considered as
105 receivers. However, not all receivers percieve the same thing from the same message since every individual has
106 different background, value judgement, prejudice and thought system. ??Sezgin ve Akgöz, 2009: 22).

107 A message is sent back to source from receiver through feedback. Feedback shows us the way receiver interpret
108 the message. An efficient communication is formed by positive feedback. Positive feedback consists of several
109 steps; (Tutar, 2009: 80-81):1) Message is taken. 2) Message is perceived.

110 3) Message is interpreted correctly. 4) Receiver is ready for feedback.

111 **11 b) Effective Communication with Customers**

112 Communication means conveying ideas, feelings or information to others, using several methods including a
113 message and feedback. It is not only information exchange, but also a comprehension activity. Communication
114 starts within a staff member or a supplier and is reflected on customers with a smile, removing possible
115 inconvenient situations. The next step for an individual who made the customer ready for the message is to
116 develop a communication language in a harmony with the customer. Sharing the same language with customers
117 does not mean that they (salesperson and customers) share the same language in communication.

118 They could have different communication frequency. ??Çelebi, 2013: 160).

119 Knowing customers names and addressing them with their names makes customers happy. This should not
120 be considered as a deception, on the contrary, this kind of motivation makes customers feel good. This makes it
121 easier for salesperson to do his/her job. Bringing out the best sides of customers is considered as the begining
122 of a good communication. Carefully watching customers and listening to them without prejudice makes people
123 realize the reasons behind disagreements and false viewpoints. In this way, efficient communication comes into
124 being. The best way to an efficient communication with costumers is to approach them in respect and without
125 prejudice. ??Dwight, 1996: 47).

126 In an efficient communication, mutual understanding is very important. In order to make understanding easier,
127 one should convey the message according to adreseee's level and perception management and feedback should be
128 operated as a process. ??William,1981: 22).

129 V.

130 **12 Conslusion**

131 Customer relationship management (CRM) will be important for future businesses as it is for today's businesses.
132 Future customers will have limited time for shopping and higher expectations. It is predicted that companies
133 which will serve the future generations will have very wide data bases for customers and manage customer
134 relations by reaching vast amount of customer information thanks to developed technology.

135 CRM in businesses which want to be successful in the future, represents a process in the first place. Listening to
136 customers comes first in this process. Then it continues with determinig the customers expectations of businesses.
137 Businesses need to understand their customers and listen to them carefully in order to keep their customers for
138 a long time, since to be interested in customers is not solely enough. They need to serve customers with higher
139 quality and different range of products and services at every turn. Businesses need to construct themselves taking
140 CRM into the centre in order to have more profitable and loyal customers. In this construction, quality of service
141 is directly proportional with personnels' attitude towards customers and their communication skills. Therefore,
142 they need to have efficient communication skills to have a successful customer relationship. ¹

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