Managing Customer Relationship Management in B2B

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Abstract - **Customer relationship management (CRM) and business-to-business (B2B) are essential to the success of modern business. Although they are two different modules, they share many similarities. The integration of CRM and B2B will benefit all related parties in business processes, including sales, marketing, customer service, and information support. This article discusses the characteristics, similarities, and differences of B2B and CRM. It also explores the CRM-B2B integration strategies, the current issues and their future development trends. Customer relationship management (CRM) and business-to-business (B2B) are essential to the success of modern business. Although they are two different modules, they share many similarities. The integration of CRM and B2B will benefit all related parties in business processes, including sales, marketing, customer service, and information support. This article discusses the characteristics, similarities, and differences of B2B and CRM. It also explores the CRM-B2B integration strategies, the current issues and their future development trends. Customer relationship management (CRM) and business-to-business (B2B) are essential to the success of modern business. Although they are two different modules, they share many similarities. The integration of CRM and B2B will benefit all related parties in business processes, including sales, marketing, customer service, and information support. This article discusses the characteristics, similarities, and differences of B2B and CRM. It also explores the CRM-B2B integration strategies, the current issues and their future development trends.**

keywords **- CRM, B2B, CRM-B2B Integration**

I. INTRODUCTION

"CRM …an enterprise wide business strategy designed to optimize profitability, revenue and customer satisfaction by organizing the enterprise around customer segments, fostering customer-satisfying behaviors and linking processes from customers through suppliers."**(Gartner Group)**

"Customer relationship management (CRM) is a term that refers to practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention and driving sales growth. CRM systems are designed to compile information on customers across different channels — or points of contact between the customer and the company — which could include the company's website, telephone, live chat, direct mail, marketing materials and social media. CRM systems can also give customer-facing staff detailed information on customers' personal information, purchase history, buying preferences and concerns". **(SearchCRM)**

"CRM is the business strategy that aims to understand, anticipate, manage and personalize the needs of an organization's current and potential customers" (**PWC Consulting)**

"CRM is a business strategy that permeates your entire company – beginning with the acknowledgement that your customer is the center of your organization. All your management decisions, systems, processes, marketing, advertising, sales approaches, customer retention programs, product or service enhancements ,on-going support, billing, pricing – everything revolves around your customer . Your overall organization's business processes are designed to enhance your relationships with customers and their customer experience. Furthermore, your organizational systems are built to continually gain insight into your customers so that you that you can constantly improve your business strategies with more informed decision making. Everything about your company is arranged to retain, foster and extend the life cycle of your most valuable asset – your customers. **" (Anonymous)**

CRM stands for Customer Relationship Management. It is a strategy used to learn more about customers' needs and behaviours in order to develop stronger relationships with them. There are many technological components to CRM, but thinking about CRM in primarily technological terms is a mistake. The more useful way to think about CRM is as a process that will help bring together lots of pieces of information about customers, sales, marketing effectiveness, responsiveness and market trends.**(CRM works)**

Customer relationship management (CRM) is a set of strategies, processes, and associated technology enablers designed to improve the interactions and engagement of customers. It involves not only the use of these systems, but also corporate cultural transformation and ongoing programs with the appropriate organizational framework. Sales force automation (SFA), customer service and support, and enterprise marketing management are among the main CRM areas. (**TEC.)**

CRM, or Customer Relationship Management, is a company-wide business strategy designed to reduce costs and increase profitability by solidifying customer loyalty. True CRM brings together information from all data sources within an

organization (and where appropriate, from outside the organization) to give one, holistic view of each customer in real time.(**Unknown)**
Customer Relationship Management (CRM) is a way to identify, acquire, and retain customers, a business' greatest asset. Research has shown that companies that create satisfied, loyal customers have more repeat business, lower customer-acquisition costs, and stronger brand value—all of which translates into better financial performance.(**Siebel)**
The idea of CRM is that it helps businesses use technology and human resources to gain insight into the behaviour of customers and the value of those customers.(**Unknown)**
Customer relationship management (CRM) is a business strategy to select and manage the most valuable customer relationships. CRM requires a customer-centric business philosophy and culture to support effective marketing, sales, and service processes. CRM applications can enable effective customer relationship management, provided that an enterprise has the right leadership, strategy, and culture.(**CRM Guru)**
Key features of CRM tools: CRM includes all business processes in sales, marketing, and service that touch the customer. With CRM software tools, an enterprise might build a database about its customers that describes relationships in sufficient detail so that management, salespeople, people providing service, and even the customer can access information, match customer needs with product plans and offerings, remind customers of service requirements, check payment histories, and so on.(**Unknown)**
Essentially, CRM is about increasing the customer base, retaining those customers longer and cultivating them into customers who buy more products and services.(**CRM Defined)**
Customer relationship management (CRM) is a business strategy that aims to understand, anticipate and manage the needs of an organization's current and potential customers. It is a journey of strategic, process, organizational and technical change whereby a company seeks to better manage its own enterprise around customer behaviors. It entails acquiring and deploying knowledge about one's customers and using this information across the various touch points to balance revenue and profits with maximum customer satisfaction.(**SalesProCRM)**
Customer Relationship Management, or CRM, is broadly defined as the business process of understanding, collecting and managing all of the information in a business environment relating to a customer. The goal of CRM is to more effectively communicate with customers and improve customer relationships over time.(**James Wong, President, Avidian Technologies.)**
A way to identify, acquire, and retain customers, a business' greatest asset. **(Siebel)**
A widely implemented model for managing a company's interactions with customers, clients, and sales prospects.**(Wikepedia)**
An application used to automate sales and marketing functions and to manage sales and service activities in an organization. **(Microsoft)**
A business strategy directed to understand, anticipate and respond to the needs of an enterprise's current and potential customers in order to grow the relationship value. **– (CRM Forecast)**
A strategy used to learn more about customers' needs and behaviors in order to develop stronger relationships with them. **(CIO)**
An information industry term for methodologies, software, and usually Internet capabilities that help an enterprise manage customer relationships in an organized way. **(Marios Alexandrou)**
A comprehensive business model for increasing revenues and profits by focusing on customers. (**Martin Walsh)**
The belief that customers should feel like a VIP every time they communicate with your company. – (**Jennifer Carnie, Customer Systems)**
A management philosophy according to which a company's goals can be best achieved through identification and satisfaction of the customers' stated and unstated needs and wants. –**(Business Dictionary (1 of 2))**
A computerized system for identifying, targeting, acquiring, and retaining the best mix of customers. – (**Business Dictionary (2 of 2)**
The processes, software, and systems that help an enterprise manage its relationships with prospects, customers, distribution channels, call centers, and suppliers. – **(Complete CRM Solution)**
A person you have dealings with on a professional basis. A relationship as how you interact with someone, your view of them, their view of you and how this affects the way you deal with each other. Being in control of your customer relationships, defining them, steering them in the direction you decide. – (**Bluesoft)**
A combination of software and a customized software process to help companies gain a competitive advantage in either sales, marketing or customer service. – (**MondoCRM)**

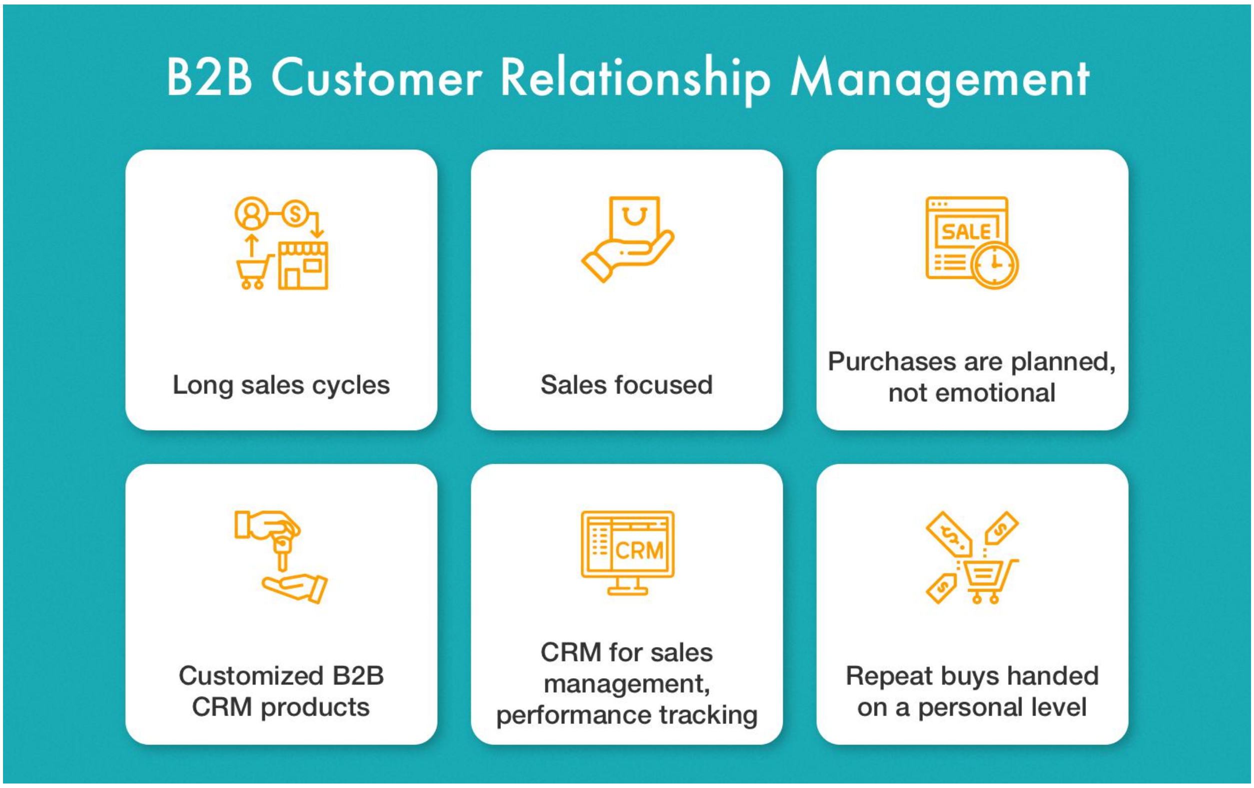
II. UNDERSTANDING B2B

B2B" means "business to business." The term encompasses all companies that create products and services geared toward other businesses. This can include SaaS products, B2B marketing firms and overall business supply companies.
If you own a small business, you likely will have to work with a B2B company at some point in your journey. It's important to understand what B2B is, why it matters to your business and how you can leverage it to better your own business.
Understanding B2B in CRM:
B2B relationship management is complex, and insights are extremely essential in this field. Business to business CRM helps companies to understand their clients' needs. It includes an overall business strategy with sales, marketing, and customer service data. The system identifies all potential touch points during the customer journey.
Generally, when talking about CRM in B2B business, we may refer to any of these things:

- Strategy

- Process
- Software

Still, B2B CRM should primarily be thought of as a way of understanding and fulfilling customers' needs at each stage of the sales cycle.
B2B CRM software is capable of enabling that. These applications collect information from client's communication channels (website, chats, online calls, email, etc.) and analyze it. The data often includes quotes, inquiries, sales reports, and notices of issues faced. These details are kept in a database, usually a cloud one, that can be accessed by company staff.
Diving deep into the sales cycles, we can highlight their main idea – guiding customers through content that increases brand awareness and generates leads. And, finally, ends with sales. Besides, if the sale is done with customer care, it ultimately leads to satisfied customers and repetitive purchases.
Sure, it only sounds easy. When companies are the clients, they are likely to have multiple viewpoints and requirements at each stage. So it may be complex to figure out what they need. And it's the perfect time for CRM software to step it.



Main points of B2B customer relationship management

A blueprint for a healthy B2B customer relationship:
Business-to-Business (B2B) organizations sell to intermediaries in the consumer distribution chain rather than directly to an end consumer (although many B2B companies promote their products to end consumers and also sell directly to them as well). Typically, then, B2B companies have fewer customers and a smaller product line than large B2C organizations.
Examples of B2B organizations include manufacturers; industrial suppliers that provide an input into another firm’s manufacturing process; technology hardware vendors that operate through distributors; insurance companies that sell insurance policies through brokers; and government agencies serving the corporate community. Working through an intermediary is a selling model that shows continuing vitality, despite predictions that the Internet would make this model redundant.
Some B2B companies are now going through that door by taking some of the following steps.

1. Track client behavior at the most granular level, i.e. transactions :
When B2B direct transactions are numbered in the thousands, the potential for revenue lift from additional customer knowledge may be less than it is for B2C, particularly if key B2B customers are already being monitored manually. However, the opportunity to improve customer *profitability* can still be substantial.
Examples of rigorous approaches to understanding customers as individuals include: the services company whose executives are given three customers to call every day to enquire into the state of the relationship; the manufacturing company that tracks the multiplicity of relationships stretching across its customer’s enterprise; and the brokerage company that monitors each one of its investment advisor customers for investment strategy changes. These companies want to understand the full complexity of their customer relationships in near real time.
Consumer products manufacturers have been cooperating with retailers for many years in tracking end-consumer sales. The opportunity to understand customers as individuals also extends to tracking end-customer data and to providing that data to distributor customers, in those businesses that have access to this data. A financial services product manufacturer is currently working on making end-consumer data available to its distributors as an added value service and loyalty inducement.

2. Micro-segment your customer base :

Segmentation is diminishing in effectiveness. Micro-segmentation is now being practiced more widely in B2C organizations looking to find clusters of customers with specific characteristics and behaviors, with whom they can have an informed and very precise dialogue.

B2B organizations often ask, "Who is the customer?" Clearly, there can be more than one level of customer in B2B. A much more important question is, "Who are the best customers?" These may vary from day to day according to changing relationship criteria and shifts in customer behavior. Yet few companies look at their customer base as a varying mix of shifting values. After all, the organization finds it much more convenient to pigeon hole customers in rarely changing segments.

Several B2B organizations are practicing micro-segmentation with their suppliers as well as with customers. A large industrial products manufacturer with as many suppliers as customers identifies changes in supplier transaction behavior for its buying organization. Davis Hicks of QCI North America, a specialist in CRM diagnostics, points to the best B2B companies increasingly "using CRM techniques for supply management as well as sales management, creating an excellent buyer as a by-product ".

3. Know the value of your individual customers :

A growing number of B2B companies, both large and small, are calculating the monthly profit contribution for each customer. The contribution is made available as an input to business rules for micro-segmentation and monitoring transactions. For example, a rule may say, "Note changes in a particular behavior only for customers with profitability over a specified level and an average of more than 5 transactions a month."

However, financial contribution is often calculated at such a high level as to indicate only relative performance, rather than an accurate view of actual performance built up transaction by transaction. Over-analysis is clearly undesirable, but I have seen a number of companies make critical customer-treatment decisions on the basis of some very broad- brush calculations.

What to do with the 50 to 80 percent of customers that are not profitable is one of the most crucial customer questions facing companies today. Judging by what many of us experience personally as individual consumers with our banks, phone companies, retail stores, airlines, hotels, and other service providers, too few of these decisions are being made on a sound basis. Since *potential* value calculations (which more and more organizations are rightly moving to) normally compound misleading current value calculations, should we expect significant treatment improvement in the near future?

4. Differentiate service with selective responses :

The heart of a customer-centric strategy is being able to treat different customers differently. After all, individual needs vary, as does the value of different customers. Providing different levels of service to different types of customers can be an important differentiator as products and services become increasingly commoditized and brand values become increasingly similar.

However, the idea of differentiated service levels is a tricky one, especially in Canada, where there seems to be inherent reluctance to do this. The idea that some more valuable customers get more than basic service seems to go against Canadians' attitudes to preferential treatment. Even where this is established practice, such as on airlines or from relationship managers, there can be an undercurrent of customer resentment.

It is reasonable to expect that graduated attention beyond a universal service level will become the norm for higher levels of usage or value. For instance, a retailer going beyond a certain transaction volume might receive proprietary market data through an on-line self-service facility; a premium insurance customer might receive more rapid claims adjudication and more service features, and a highly profitable industrial customer might receive access to the supplier's internal email system.

5. Measure the results:

Performance measurement is emerging as one of the major management issues of 2003, for both B2C and B2B organizations. (see article, Measuring customer relationships, elsewhere in this issue). Preparing credible business justifications based on expected results has long been a crucial step in implementing customer relationship strategies. Increasingly, clients are now asking for proof –that projected results are materializing.

This puts the spotlight on a number of issues. What are the appropriate performance metrics, where is the supporting data, how can it be accessed quickly and easily, how can results be related to the causes, how detailed should measurement be? Few organizations can truthfully claim to have addressed all of these issues, still less to have resolved them.

Even fewer have successfully applied performance measurement to individual customer decision n, even those who have implemented a balanced scorecard. The tendency is to confuse performance measurement with management reporting – in the aggregate on past trends. Performance measurements are best used as decisioning mechanisms to guide future interactions, customer by customer.

6. Live your customer brand values every day:

Living customer-focused brand values every day is a prerequisite for excellent customer relationships, meaning that customers are quick to see through an organization's actions if they are not consistent with what the organization says. Corporate values, the qualities that give an organization its character and direction, are closely scrutinized by customers, competitors, the media, and government. They should be considered essential to sustaining financial worth. Neglecting values can destroy financial value and the organization itself. At the micro level, a B2B organization needs to be constantly aware of individual customers' daily interactions with the organization so that every one of its interactions reflects the corporate brand values.

Successful customer-focused organizations have externally focused values – it's about the customer, not about the organization. More traditional product-focused organizations tend to have an internal orientation, and adjust with difficulty to an externally oriented culture. A high level of customer complaints and customer churn, and diminishing shares of customers' wallets, are warning signs of an internally focused organization. The warning signs are usually accompanied by increasing customer service costs.

An early decision involves the extent to which the Internet should play a CRM role in reducing costs in a multi-channel distribution business. While it may make economic sense to migrate low-value clients to lower-cost channels, it is only self-deceiving to portray this as a customer centric strategy if it goes against customer requirements.

III. Conclusion

As B2B and CRM become more desirable to customers, it is predictable that the integration of B2B and CRM will be a continuous trend. With the aid of Internet applications, this integration can reduce the cost, increase revenue, reduce lead-time, and improve customer loyalty and retention. The further development and improvement of CRM will in turn benefit the B2B system and make it more competitive in maintaining and managing the customer relationship. Meanwhile, B2B provides a good environment for CRM to play its important role. Although the integration of CRM and B2B has many advantages, companies should conduct a feasibility study when considering a CRM-B2B model. Technologies, operations, costs, and benefits are all issues that should be addressed in the feasibility study.

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