

CUSTOMER RELATIONSHIP MANAGEMENT

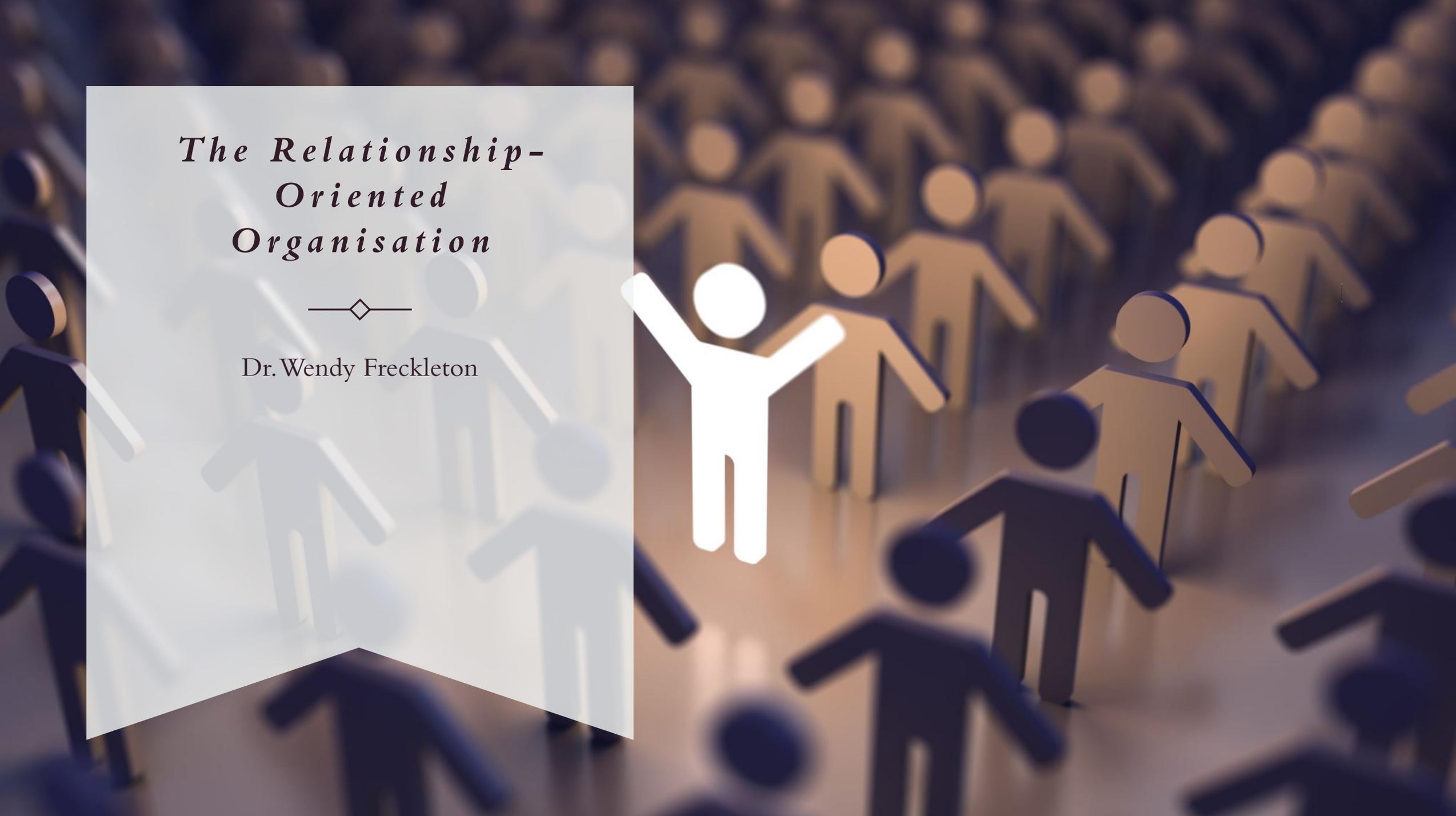


Chapter 4

*The Relationship-
Oriented
Organisation*



Dr. Wendy Freckleton





The Challenge and Leadership

- Transforming the organisation from a product orientation to a customer or relationship orientation entails demanding changes.
- Processes have to be fine-tuned to meet customer demand.
- The corporate culture will have to change as the customer-oriented mission outlines values, ambitions, habits, and essential characteristics of the organisation that is different from those it had before.
- Leadership is one of the most important drivers of CRM's success and failure.



Mission

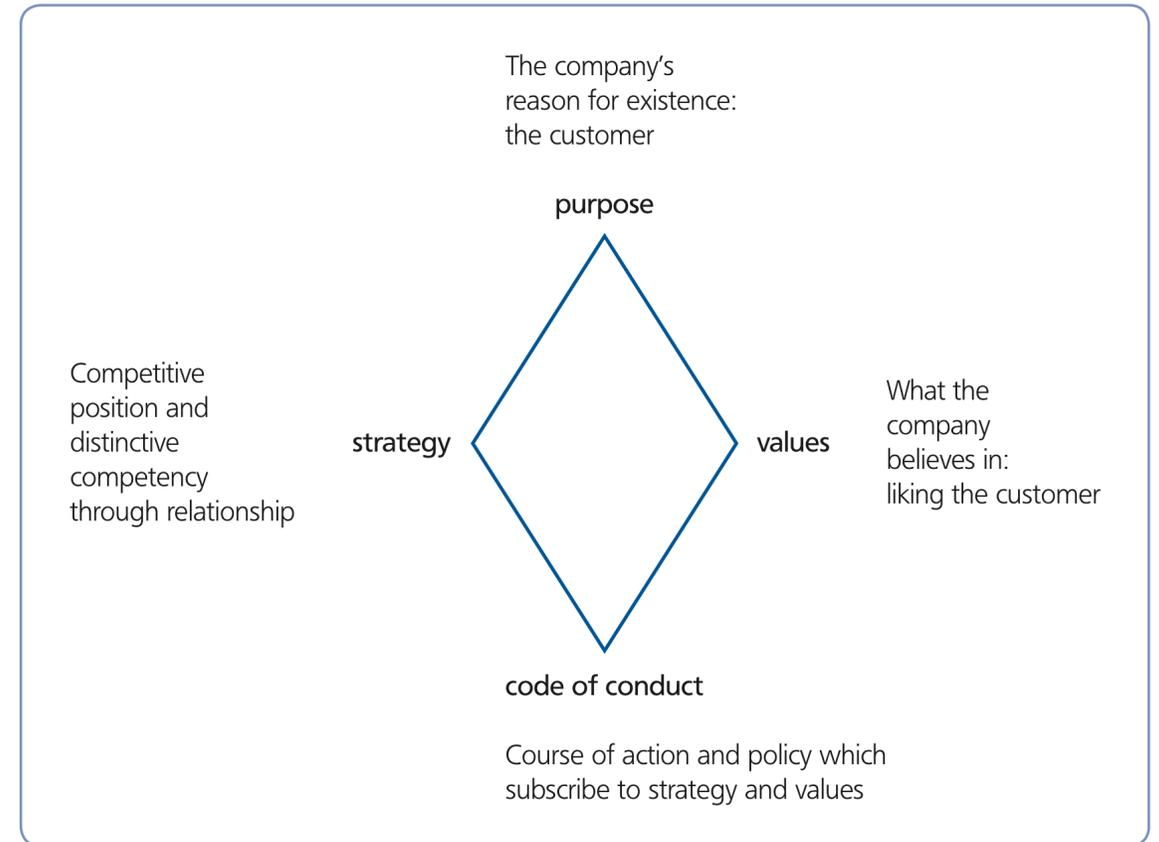


The starting point for a relationship-oriented organisation is the cultivation and optimisation of commitment between the customer and supplier during their long-term interactions.

- The foundation for these future plans is the concept of trust.
- Commitment increases along with customer satisfaction, which occurs when expectations are met or exceeded
- Commitment is influenced by the attractiveness of the relationship.
- 'Switching' costs play a role.



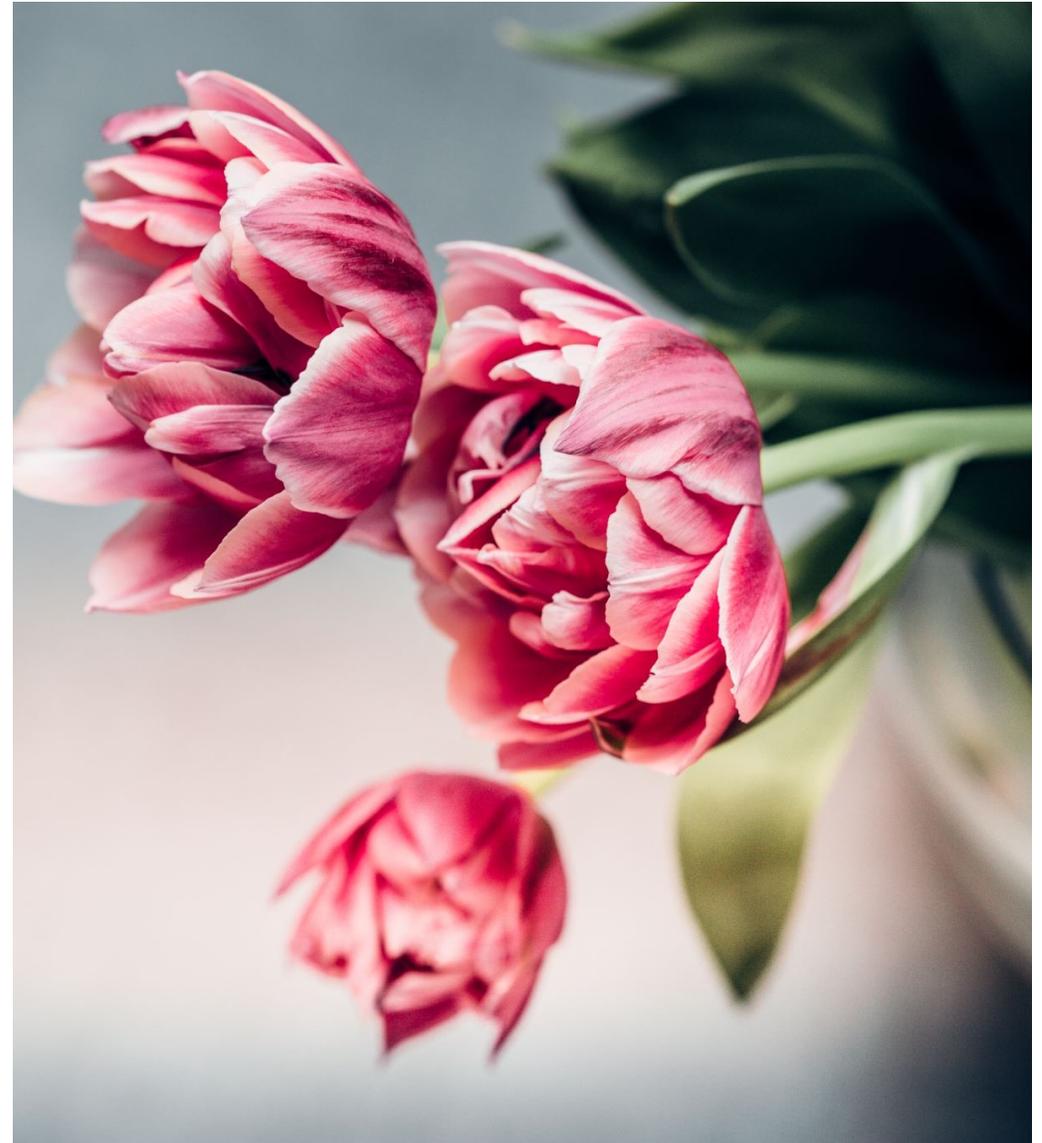
ASHRIDGE MISSION MODEL



Culture



One of the most vital aspects in a relationship-oriented organisation involves the culture. The culture consists of the beliefs, norms and values which are adhered to by the people within an organisation and which have repercussions on their behaviour.



The Relationship-oriented Culture



- People dare to show their true selves.
- People with 'well-developed right brain hemispheres' are deployed.
- Overtures are made in the proper manner.
- People come across as sincere.



Culture



Interest

- Employees who subscribe to the norms and values which apply within the company may become emotionally involved in the organisation and are prepared to make extra efforts in the interest of the relationships.

Creating a corporate culture

- Corporate culture influences actions and the company's relationship orientation.

Structure



Organising around customer contacts

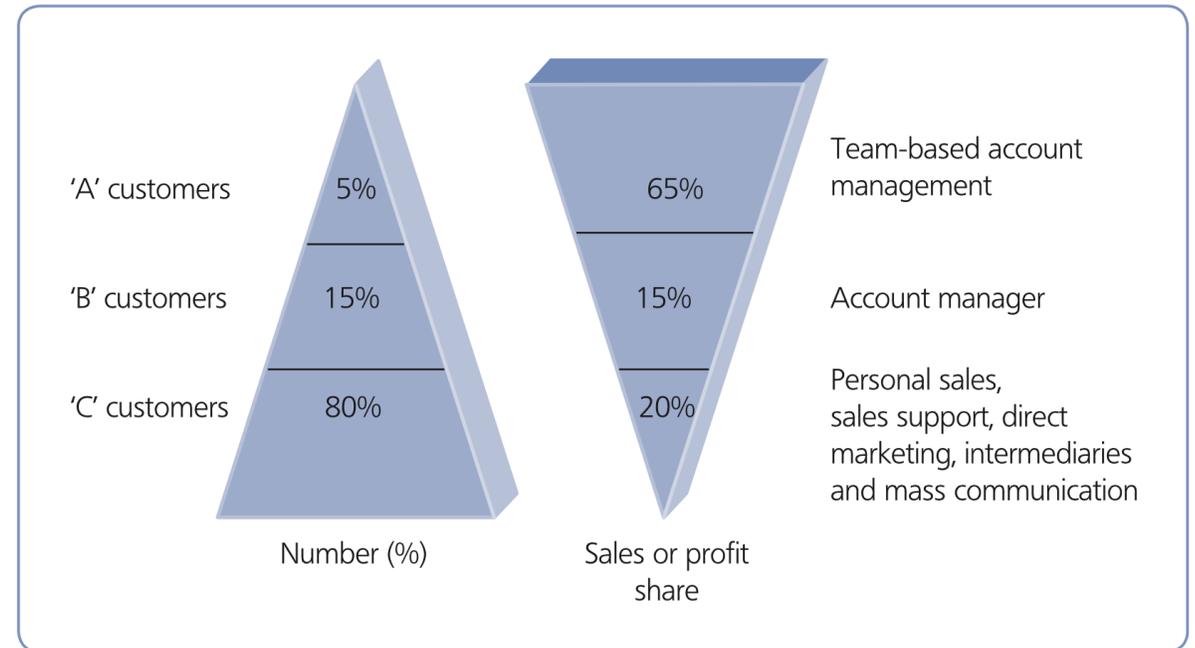
- Creating the space necessary to cultivate relationships with customers requires company activities to be organised around customer contacts.
 - The potential for interacting with the customer and supplying customisation will increase.
 - In a relationship-oriented organisation, it is desirable for activities which ensue from the management of a relationship to be classified in succession under an organisational unit which bears responsibility for the relationship. Herein lies what is known as 'customer ownership'.



Organisational Forms



- Customer management can be organised in a variety of ways. In many consumer markets, this is even 'outsourced' to retailers who are responsible for the sale and delivery of products. Direct contact with the supplier is minimised.
- Organisations which take customer management into their own hands often find the customer pyramid useful. The pyramid makes a distinction between larger and smaller customers.



Developing Account Management Team



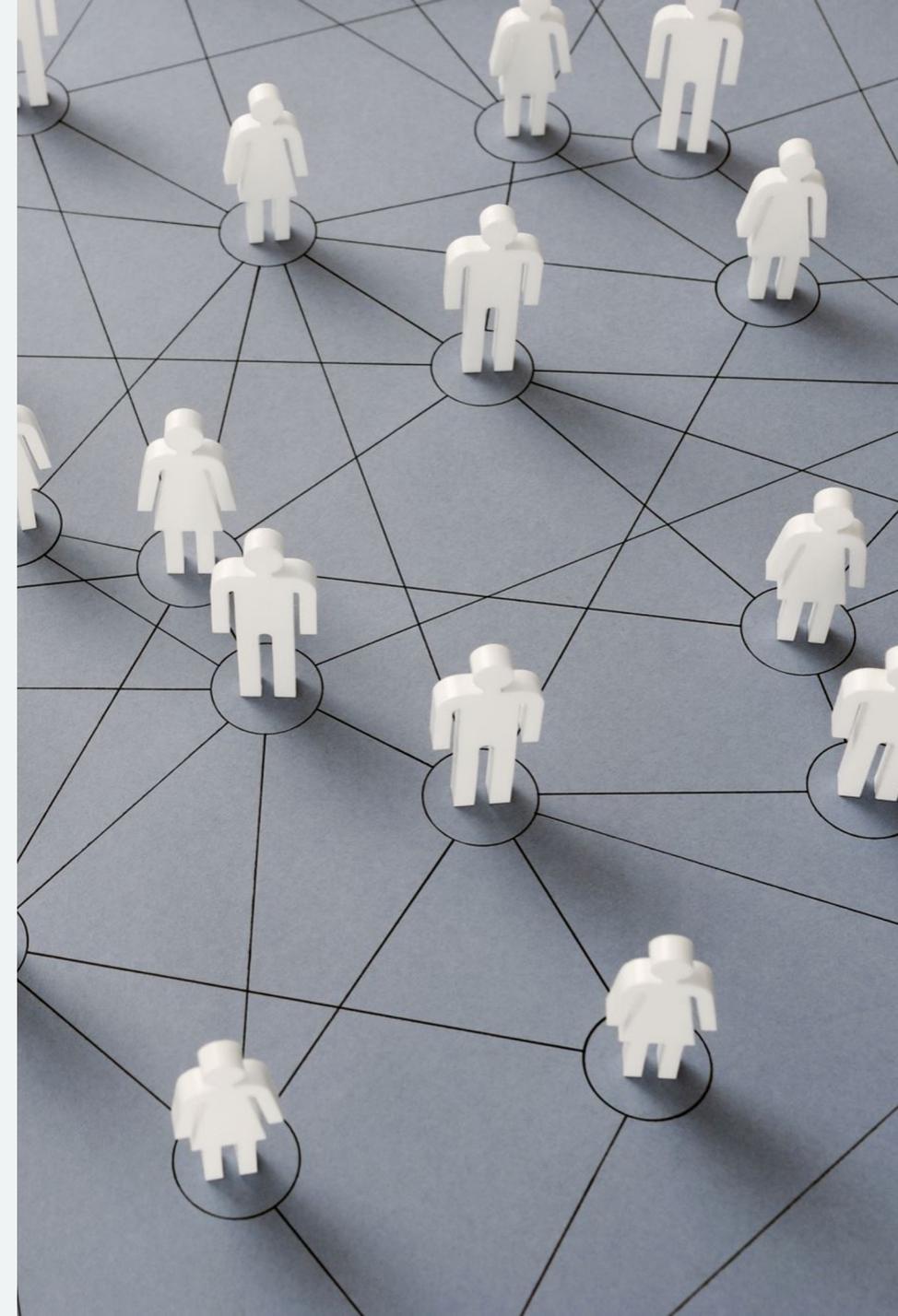
- In putting together the account team, it is also advisable to consider individual team members' qualities.
- The individuals collectively form a team that has the competency to develop the relevant relationship with the 'A' customer to ensure that it is a long-term, mutually profitable one. There must be sufficient qualities present within the team to ensure
 - The relations within one's own organisation as well as those with the customer;
 - The acquisition of new orders;
 - The negotiation of the deal;
 - Entrepreneurship;
 - Control over the quality of delivery;
 - Management of the project.



People



It is people who develop relationships, not the IT applications. People with social skills are indispensable in relationship-oriented organisations. Anyone who needs to maintain contact with customers, even if only now and again, will have to be sufficiently competent in this area. This involves the agents in the call centre, the representatives and the service staff, as well as the people in the administration department. All of these individuals need to be capable of communicating with customers on product information, invoices, purchases, complaints, etc., and must be able to get a proper feel for the relationship.



Social Competency

Important aspects of social competency are:

- The capacity for empathy;
- The ability to create congruence;
- The ability to use an unconditionally positive approach to the other person.



Communication and Information

The quality of the communication between the parties is influenced by the structure and division of labour. If duties and positions are organised on the basis of contact with customers, there is a better chance of conducting a meaningful dialogue with them. The areas common to both parties seem relatively large. However, if the front-office employee is exclusively responsible for creating invoices, then this would not be the case to such a great extent.

Important questions to ask:

- Are we capable of conducting a dialogue with one another?
- Do people have the social skills to ‘carry on a good conversation’ content-wise, or will it end at a well-intended attempt to tempt (a boost to sales)?
- Are we sharing the information that we need to cultivate relationships— internally and externally?
- Does the service employee communicate the information they have just gleaned during customer contact to the customer manager for future reference?



Systems



Even organisations with a relationship-oriented mission and culture, a customer-oriented method of organising and people with social skills communicating expert information can fail during the development of relationships. A great deal depends on how these employees are steered.

An organisation in which, for example, account managers are assessed primarily on the basis of the quarterly turnover they achieve will encounter problems in developing long-term, mutually profitable relationships. The account manager is driven by 'the system' to exhibit sales-oriented behaviour; they will focus on products and customers with whom sales success may be achieved in a relatively short period of time and with relatively little effort. Their interest in customers who have just made a purchase will be low, while these are precisely the types of customers who urgently need attention.





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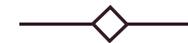
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QUESTIONS



THANK YOU!

