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CRM AS A FUNCTION OF A TARGETED MARKETING

Customer relationship management (CRM) is basically the function of building long standing relations with the customer since it's cheaper to retain a current customer than to find a new one. CRM uses a lot of different methods that companies use to interact with customers. The methods include employee training and special purpose CRM software.

From the outside, customers interacting with a company perceive the business as a single entity, despite often interacting with a number of employees in different roles and departments. CRM is a combination of policies, processes, and strategies implemented by an organization to unify its customer interactions and provide a means to track customer information. It involves the use of technology in attracting new and profitable customers, while forming tighter bonds with existing ones.

CRM includes many aspects which relate directly to one another:

- Front office operations - Direct interaction with customers, e.g. face to face meetings, phone calls, e-mail, online services etc.
- Back office operations - Operations that ultimately affect the activities of the front office (e.g., billing, maintenance, planning, marketing, advertising, finance, manufacturing, etc.)
- Business relationships - Interaction with other companies and partners, such as suppliers/vendors and retail outlets/distributors, industry networks (lobbying groups, trade associations). This external network supports front and back office activities.
- Analysis - Key CRM data can be analyzed in order to plan target-marketing campaigns, conceive business strategies, and judge the success of CRM activities (e.g., market share, number and types of customers, revenue, profitability).

The objectives of a CRM strategy must consider a company's specific situation and its customers' needs and expectations. Information gained through CRM initiatives can support the development of marketing strategy by developing the organization's knowledge in areas such as identifying customer segments,

improving customer retention, improving product offerings (by better understanding customer needs), and by identifying the organization's most profitable customers.

CRM strategies can vary in size, complexity, and scope. Some companies consider a CRM strategy only to focus on the management of a team of salespeople. However, other CRM strategies can cover customer interaction across the entire organization. Many commercial CRM software packages provide features that serve the sales, marketing, event management, project management, and finance industries.

One of the primary functions of CRM software is to collect information about customers. When gathering data as part of a CRM solution, a company must consider the desire for customer privacy and data security, as well as the legislative and cultural norms. Some customers prefer assurances that their data will not be shared with third parties without their prior consent and that safeguards are in place to prevent illegal access by third parties.

So, as we can understand, CRM is a very important part of a targeted marketing due to its independence from the company's budget. Collecting the customers' information and using it to maximize profits can be provided in each company. And since there are a lot of aspects, the company could choose the very aspect it needs.