The Success of CRM

Mohammed Abdelmotaal Abdelhadi*

Researcher, EII, CSR, Oman, p.o.box244, Sumail, 620, Oman

Abstract

Thinking about international business, means thinking about the different factors including social factors for each country, technological factor, economical factors, environmental factors and political factors as well. The following article deals with the CRM strategy. It handles the STEEP analysis approach and linkage to COCACOLA Company. It is a try to analyze the effectiveness of CRM strategy to generate the competitive advantage by using a comparison between the company and its competitors. It also gives the recommendation for such situation and how to implement it and the results in this case. The recommendation includes further leverages for the specific CRM approach chosen in the same case.

Keywords: CRM; STEEP; Competitive advantage

Introduction

According to [1], the core and focused of CRM is to build and develop a strong relationship with customers. These relationships help both businesses and customers to prosper. It is important to understand customers through some features and needs and individual personalities. CRM is not just for building relationships with customers. It is also related to the system of how to build such relationships which help to manage relations with stakeholders whatever they are internal or external stakeholders. The stakeholders of CRM are customers, employees, leaderships, partners, suppliers, media, investors and advisors. The relationships between all of these parties have to be communicated and easy to reach by all sides. The process of how the information be exchanged must be cleared and the communication process must be identified [2].

STEEP Analysis

According to [2], Political factors are these factors which are related to the governmental policies and laws and even managerial directions directed by many different countries and regional economic entities. It plays a fundamental base in organizing the international trade as tariff and technical criteria sand quotas, for example, European Union has regulation which can assure the preferential trade transactions to the country members. The political stability is considered an important side of international business trade cause of that the military occupation may lead to the stop of the trade operation. For COCA COLA Company, It is also subjected to the fines by the occupational safety organization, food and drug administration and the laws of health whatever in the country or even by international federations. The political factor can affect COCACOLA if there is a change in law and regulation of accountant criteria r even if there is a change in tax requirements. The political factor can create some constrains for moving capitals through borders so it can affect the ability of COCACOLA company to create some strategic trade alliances effectively with local bottlers companies and enhancing its network of distribution [3].

According to [1], Economic factors are another pillar which can affect the international business. The economic growth ratio can affect the volume of demand on goods and services in international markets. There are some increasing of the economic growth in some countries and decreasing in others, for example, in 2010-2012 the debit crisis slow down the growth of economy in some European countries while other countries had economic boom. Concerning COCACOLA Company, as an international company, during the recession period in 2001, the

US government took some actions for the economy turning by 2002. COCACOLA noted this change so it took some soft loans in 2001 to enhance its plan in 2002. It used the loan for research and development. Nowadays COCACOLA wants to have a similar opportunity [4].

According to [5], Technological factor plays an important role for the multinational businesses prosperity. Providing technological infrastructure and technical potentials and even telecommunication and technical training are considered the basic elements for the success operation nowadays. Moreover the levels of technological development in specific country can determine the technical understanding scale among its population so it may be easy to create business and maintaining technical operations in many countries which has high technology features rather than low technology countries. There were many technological factors which affected the sales of COCACOLA well. The first factor is its advertising efficiency to advertise through new social media channels. Another factor is the new designs produced by the company and using plastic cans because it is easy to get rid of it. Using new tools and equipment is another factor which helped to increase the production volume of COCACOLA comparing few last years. COCACOLA has six factories (CCE) in UK which use new and modern technologies to assure the quality and the delivery on time. These factories have the ability to produce cans quickly [1].

According to [3], Social or demographic factors as religion and culture can affect the quality and functional features. It can affect the demand volume in international market as well. These differentials are due to the relationship between culture and meanings, things and circumstances in special time. There are many social factors which affected COCACOLA as multinational Company. Most of people show an increasing interest in healthy lifestyle so it affected the sales of COCACOLA badly. That's why some people prefer to drink COCACOLA light. People aged from 37 to 55 are worried about their nutrition's so they prefer to avoid such kind of drinks and the

*Corresponding author: Mohammed Abdelmotaal Abdelhadi, Researcher, EII, CSR, Oman, p.o.box244, Sumail, 620, Oman, Tel: 0096892170314, FAX: 0096825351734; E-mail: mohdabdo75ad@hotmail.com

percentage is increasing. The spread of such culture can affect the sales of COCACOLA badly [6].

According to [4], Environmental factor is an essential factor in business nowadays. All people are worried about the influence of environment on our earth. The environmental legislations are increased globally and all products have to apply to these legislations. The awareness of the importance of this issue is increased rapidly as well. More over employees are increasingly care about the environmental influence and work to protect local communities. Minimizing the environmental impact is a main aim for COCACOLA. They set annual targets for improving it. They use unique kind of water depending upon sustainable resources. They recycle water and develop the sustainable technology to provide it. They try to limit carbon emission by improving the energy efficiency and shifting to green energy resources. Coca-Cola adopted ISO 14001 in most of their factories. They try to increase the recycling materials to achieve the target and decrease the impact of environmental change [5].

COCACOLA Company

According to [5], COCA COLA is a multinational organization which specialized on soft drinks in more over 200 countries all over the world. It is considered one of the most famous brands on the four corners of the globe. With thus reputation, it has to be able to communicate effectively with all customers to continue enhancing its performance. Coca-Cola uses special software of customer relations to help it to promote the customer relation in a best way and use many different CRM tools in many different countries in the world [5].

According to [2], for analyzing the CRM process, we have to determine the stakeholders which can identify the strategy of the organization. These stakeholders are varied and the responsibility is shared among them. The first stakeholder is the management leadership. It is very important for the company to get the management leadership for CRM because it is responsible for determining the priorities and customizing the materials for its strategy. They are also responsible for assuring that they have the fund for it [3].

According to [3], anotherstakeholder is the employee who is responsible for communication in the organization. They have to keep communication with all charged entities in the organization in all phases. The vision of the company must be shared with these representatives because they are responsible for formulating this vision and make sure that all parties understand it. They are not responsible for driving the vision but to show and clear the extend of how this strategy of CRM can support the company [7].

According to [4], Staff and users are considered the most important stakeholders of CRM. They are the main success indicator in this case. The adoption of employees and users of the product is the main indicator about success. It doesn't matter how many records of the data base or even how the diagram shows but it is a great success if people already use the system. The value of CRM exceeds the fact that people use the system you showed them. When they start using the information the company can start gaining the value. The efficiency of the best CRM system can be getting by asking people who used the system about their ideas and their fear. The responsibility is to help them to understand the benefits and the different levels of it because some can benefit more whatever others cannot. The indication about success starts when employees discuss more about technical details [4].

According to [4], the board of the company can be considered the other stakeholders of CRM. They are responsible for funding the system. This will be a part of the company for a long term not just one piece of program. It is the environment which can support the strategy and vision. Applying CRM will require money and time and it requires the board to agree with the system. The vision and the strategy have to be cleared by identifying its goals and objectives [1].

According to [2], COCA COLA Company declared that the customer relationship management is about how to manage the reaction between customer and how to link it to the sales expectation. It is defined that this process needs to a technology to manage the activities of sales, marketing, technical support and the customer services. The aim is to find new customers and keep the old customers they already have. Another aim is to reduce the cost of marketing and customer service. They considered that marketing is the relationship which se customers as entities and assure the keeping of customers through supporting the relationship with them. They give the impression that COCACOLA Company and customers are partners and they can understand the customer needs and can customize the individual services [5].

According to [3], Coca-Cola Company uses a mixed marketing process to face the customer needs. The responsibility of marketing manager is to shape every change to be used in this mixed marketing process which can face each customer segmentation. It used the most spread mixed marketing process which is 4Ps, product, price, promotions and place [6].

According to [1], COCACOLA Company is the largest beverage company all over the world. It sells its products in more over 200 countries. There are about one billion customers for its product every day. It is a critical issue to keep its financial resources. It used an old system and finally found that it is inefficient. This system caused highly cost and wasn't easy to be used. COCACOLA needs more than business administration system so it is decided to use SAP program for business management. It uses SAP to Handel financial matter in the company [2].

According to [5], the strategy of COCACOLA performances is the local system and integrating between bottlers companies and satisfying customers. It integrated all stakeholders in its system. The delivery to the customer is an essential issue. The distributer service department can record information about the customer and get orders from sales managers so it can respond easily to the customers and make it more efficiently. It analysis the customers data to offer best products which satisfy customer needs [7].

Marketing and Branding

According to [1], marketing communication program is defined as any activity which can attract the audience for a service or goods, these activities could be direct or indirect. For beverages and food marketing, the marketing communication must not neglect the importance of healthy life styles and enhancing nutrition systems. Using such a kind of CRM in COCACOLA Company enhanced its process in customer service. They have different marketing communication system in many different countries. They not only offer customer services through the response of emails but also by recording and analyzing. COCACOLA always focuses on customer satisfaction with a good infrastructure to manage customer relations and planning the resources of the company and hence to maintain the system of CRM to achieve its goals [3].

According to [2], the role of branding soft drinks is very important. Most of soft drinks companies put brand because of the severe competition and in order to face the decreasing of demands. The activity of companies depends largely up on the strength of its strategy

and branding their products. Most popular brands are COCACOLA and PEPSI. They invested about 1.5 billion dollars in branding its products in 2013. The activities of branding COCACOLA are varied. COCACOLA took many steps to retain its customers and keep its current customers. It created a page on Facebook which is famous now and popular among its customers. The page enables the company to get feedback reports from customers and provide internet solutions too. It advertises on Facebook and gain more customers by using this social website. This kind of communication and branding can help the company to be close to the customers. It established its page in 2008 and by 2009 there were about 3.4 followers for this page. It enabled COCACOLA for the customer building process [5].

According to [5], consumer building in soft drinks industry depends up on keeping the values of the product in the customers' mind. COCACOLA used this page, Facebook page, to get information from its customer's walls to provide promotions. It established many other ways to keep in touch with its customers by creating the internet orders. Its innovation was a new vendor machine which is called a freestyle machine with about 100 combinations. It was the first time to collect about 100 combinations in just a machine. It can customize the customer needs. This machine is linked to SAP system to collect its customer's details and recording it in customer relationship management system. It determines if the machine needs to be filled or not to refill it again [4].

Comparison between COCACOLA Company and PEPSI Company

According to [2], It goes without saying that COCACOLA and PAPSI have a long time experience of customer relationship management. They were fighting for about a century. PEPSI Company has been established since 1893. It was a bit later after COCACOLA. Its marketing strategy depended upon that it is a drink for health and help absorbing food to relief stomach [8-10]. Its brand called BRAD Drink then branded as PEPSI later. COCACOLA has been established since 1885. It launched its advertising campaign before PEPSI Company. PEPSI Company subjected to bankruptcy after First World War due to the increasing of sugar price. PEPSI Company tried to promote its status by enhancing its communication program but COCACOLA didn't waste time to that. COCACOLA started its outside operations out of the US [7].

In 1975, Pepsi made a competition of taste. The participants were blind people and it won the competition. At this time there was a big decline for Coca-Cola Company. Nowadays, the advertisements and the branding building of Coca-Cola depends largely upon the concept of happiness to drink Coca-Cola and laughing at other products, Pepsi. This situation gave the advantage to Pepsi so it gained the taste competition and gained the brand competition as well [5].

According to Eckerson [1] as a kind of marketing communication, COCACOLA Company and PEPSI Company always seek to develop their customer relationship management system. They use almost similar strategy and tools to satisfy their customers. Both of them use internet website to enhance some marketing concepts. Both websites aim to collect some demographic data about customers. It is considered the tool to find out specific customers who use their products. Pepsi Company has the advantage than Coca-Cola in marketing communication program because the data is classified based upon age, sex, race and the countries [11,12].

Pepsi customer building system is better than Coca-Cola because the customer has to valid his or her name, sex, age, country and hobbies and the kind of product they use. By using a kind of analyzing, it is easy to know some important demographic data about customers. This customer relationship management system provides links for emails so customers can communicate the company easily and present his complain [1].

PEPSI uses the concept of order management which can help decision makers to increase or decrease the demand on their products. This process can help PAPSI Company market their products for some specific customers based upon the personal details collected from these targeted market. PEPSI website can offer coupon promotion for its product whatever COCACOLA doesn't provide this service [5].

Recommendations

There are many recommendations for COCACOLA Company which can enhance their CRM strategy. There is a need to reach the end user and try to keep in his mind about the value ha can get from product so there is a need to create more healthy products. There is a need to walk to HR department to establish a new process to develop their employees. The core of developing program is steep in employees' mind the new objective of the company to be aware that COCACOLA products are healthier than before and to show them that they use healthy materials. Employees turn is to reflect this impression to customer if we can consider that the employees are marketers for the company [5].

There is a need to be away from text message; COCACOLA Company has to be close to customer. It is a multinational company so it is essential to touch the sympathy strip according to the case of each company or according to the case of each region or country [4].

Coca-Cola Company has to depend upon external resources who can know more about the human resource activities in each country of operation. It can help to set an ideal process for different countries and promote the performance of operations in different countries to set the priority of different parts of operations [7].

There is a need to know more about different culture and to create different communication channels according to different countries not just translating language in these channels. I think this issue related to the culture and the increasing of awareness about the danger of using plastic. It is very important to declare that it uses a healthy plastic category [5].

Indeed there is a different in taste between the product from country to another and from one kind to another. There is a difference in taste between glass product and can product. Coca-Cola has to show and clear the fact of that because many customers feel that there is no transparency in this issue [1].

Like most of company, COCACOLA has to write a warning on its products about the danger and effect of using high calorie product and to mention if it is proper for all ages and health circumstances or not. These solutions can feel the customer comfort by using such a product [5].

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