"Customer Relationship Management Strategy for Customer Retention and Acquisition"

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ABSTRACT

In an extremely competitive market, companies require to maintain positive relationship with their customer. A good Customer Relationship Management (CRM) program that helps company in satisfying the customer, the research study would explore different methods and techniques for establishing effective CRM to satisfy the customers. The objective of the study was to check the effectiveness of customer relationship management (CRM) in retaining and satisfying customers.

Customer relationship management has substantial effect on the customer satisfaction and both variables have positive relation. Company makes its CRM as strong and reliable so that customer will be more satisfied and retain with the company. The study resolved that CRM is playing a chief role in growing the market share, it increases productivity, superior employee's morale in the mean while it improves the in-depth customer knowledge and also higher customer satisfaction to improved customer loyalty company will also have the clear information that what are their customers, what are their requirements, and what will make them more satisfied.

Customer is assumed to be the king forever in all marketplaces. Customer acquisition and retention have nowadays become the mantra for every marketer. This article brings out the viable sources for acquiring potential customers and highlights the different strategies for retaining them. Today, the theme behind customer, acquisition and retention is Customer Relationship Management. The article focuses on the various methods adopted by organizations for maintaining customer relationships.

KEYWORDS: Customer Acquisition, Customer Relationship Management (CRM), Customer Retention, CRM Strategy.

INTRODUCTION

Companies focus on customer service for mutual value creation and sharing through interdependence. Customer Relationship Management (CRM) is a "Management process of acquiring customers by understanding their needs, retaining customers by satisfying their

requirements more than their expectations and attracting new customers, through customer-centric strategic marketing methods." CRM is the concept used by companies to acquire and retain the customers by managing customer relationships. In the last decade, many enterprises have been successful since they were more responsive to the customer needs than their rivals. They had implemented the CRM strategy to build long-term customer relationship. Companies have to effectively manage customer relationship, to remain competitive and to carve a niche in the global market. Marketers have shifted their focus integrating the three elements- People, service, and marketing.

OBJECTIVE OF THE STUDY

The objectives of the study are:

- To recognize the concept of customer relationship management.
- To focus the approaches of customer acquisition.
- To find the effective ways to retain the customers.
- To suggest the customer relationship management strategy for customer acquisition and retention.

RESEARCH METHODOLOGY

The present study is descriptive in nature. The source of data for the study is based on secondary data collected from various research journals, magazines, relevant books, daily newspapers and websites.

CUSTOMER ACQUISITION AND RETENTION

Acquiring and retaining customers have become major challenges for all organizations. However, there has always been the dispute about which of these strategies is more important; is it acquisition or retention? In real, acquisition and retention are not supplementary processes, but are complementary. Both these processes focus on the way organizations manage their customers.

Customer Acquisition

Customer acquisition is an entire subset of management that includes various techniques that can be put into play for managing prospective customers and inquiries that are generated through the marketing campaign. There are many reasons of need of the customer acquisition in an organization. Perhaps the most obvious reason of the need of customer acquisition is to increase the bottom line. Customer acquisition can also help to increase brand awareness. New customers do more than just add to the bottom line, they do so exponentially while also helping to grow and expand the business.

Customer acquisition is the major objective of all organizations. Different organizations provide services in order to increase their customer database. Customer acquisition strategies focus on making the buyers, prospective customers in the future. The sources for acquisition of customers may be through enquiries, suspects, former customers, competitor's customer referrals, existing buyers, competitor's former customer, etc.

Acquisition Sources

Every organization concentrates on getting more and more customers for their products and services by utilizing different strategies. Some of the major sources on which organizations focus their attention are: suspects, enquiries, lost customers, former customers, competitor's customers, competitors enquiries, competitors lost customers, referrals, existing buyers, etc. Suspects ate the most important segment, who have the real potential to become prospective customers. Proper responses to the enquiries, following a focused approach will result in customer acquisition. Identifying and rectifying the reason for lapses will help to recover lost customers.

Approaches to Acquisition

Every organization tries to attract as many customers as they can for their products or Services. Organizations follow acquisition strategies like focused approach, win-win strategy, integrated communication, Customer Interaction Management (CIN), and consumer behavior application strategies.

- **Focused Approach** Organizations are more focused towards people who can be categorized as knowers and preferers, to convert them into prospective customers. The former is that group which knows only about the existence of product without any preference, while the latter has some preference, but not acted on it.
- **Win-Win Strategy** The organization should provide a win-win platform applicable to the prospective customers and for itself. Both the customer and organization should aim at achieving the target with reduced cost of service.
- **Integrated Communication** An organization should have open and interactive communication with the prospective customers. Communication boosts the confidence of customers and they become prospective clients.
- **Customer Interaction Management** Lead role in building customer relationships is played by interaction. Customer Interaction Management (CIM) constitutes the customer relationship technologies with additions of technology-based interactive solutions. The CIM stands for intensive interaction between customers and the organization, which is supported by technology enabled mechanisms such as:
    1. Online Interaction Tools- Interactive websites, e-mail, web communities, chat rooms, etc.

2. Off-line Interaction Tools- Telephones, fax, face-to-face interaction, interactive television network, etc.

Customer interaction management requires customer database, profiling of the customer database and internal system of audit. Electronic data interchange helps to establish CIM for transmitting information in a B2B environment and B2C environment.

- **Consumer Behavior Approach** Companies also undertake research on consumer behavior to identify the behavioral patterns of customers. The likes and dislikes of the customers are identified, and the organizations can focus their attention 0n providing more value-added services to attract customers and influence their behavior to convert he into loyal customers of the organization.

- **Extended Problem-solving Approach** At times, customers may be in a situation where they are in a state of "Fear, Uncertainty, Doubt" (FUD) during their buying process. They are in the stage of extended problem-solving, regarding the value of the product, and their fears, doubts or uncertainty may only add to their problem. Companies have to make sure that a customer's "FUD" is minimized to ensure that he remains loyal

- **Decision Process** A buyer's purchase decision process has more influence over the acquisition process of a customer. The factors governing decision process should be analyzed and studied; this will help in the acquisition process of a customer.

- **Acquisition of Non-customers** Marketers have realized that there is more value for their money by focusing on the non-customer segment. Planning to tackle non-customers is a crucial aspect where a number of questions are to be answered. Depending on the composition of the market segment, the sensitivity of the customers can be tactfully dealt.

Factors in Acquisition

Existing customers are the real agents of advertising who bring in new customers. Their views are highly rated by the prospective customers. It is essential to manage the existing customers, by giving rewards and incentives. In the customer acquisition process, the prospective buyer begins with his enquiry about services of a company and interacts with the organization for gathering information. In the process, he becomes a permanent customer.

The process of acquisition runs through various stages of enquiry, interaction, exchange, coordination, and adoption, wherein, in the enquiry stage, the prospective customer collects all information regarding the product and organization, and then interacts with the organization, to see if the above information are correct. After this, he passes to the next stage of exchange to settle the terms of exchange, mode of delivery and other things related to exchange. Coordinated efforts lead the customer to adoption of the product or service.

Acquisition of customers is not an independent process. It is influenced by many factors such as type of product, buying patterns, type of customers, and environmental forces. Products may be convenience goods or specialty goods, which affects each stage of the acquisition process. Convenience products may be bought in the enquiry stage itself, while specialty products like refrigerator, computer, etc., involves all the stages of acquisition.

Even the buying patterns of the customers decide the customer acquisition. Buying may be rational or emotional. A rational buyer is more systematic than an emotional buyer. The acquisition of an organizational buyer is more complex depending on the organization's policy, while an individual customer can be attracted more easily. Attracting a customer also has to deal with the behavior and lifestyle of the customer. Environmental forces play a role in determining the market conditions, operations of competing forces, supply, and demand forces, purchasing power, etc.

Customer Retention

Customer retention isn't just about holding customers, rather it refers to the ability of an organisation to keep customers over a period of time. Higher retention rates are needed because that means that customers tend to return back time and time again. Retaining customers will be a far more cost-effective strategy than acquiring new customers.

Statistics show that it is anywhere from 5 to 25 times less expensive, in fact, to retain customers over acquiring new ones. Plus, it's easier to create a relationship with an existing customer. Long-term customers tend to spend large amount of money when you keep them aboard. If the organization wants to grow the bottom line, then customer retention and customer acquisition both are important, as one leads to the other. Both of these approaches share a symbiotic relationship. They require each other to survive, and they work together to do so. The biggest issue the companies faces regarding customer acquisition and retention is that they have to create and maintain a strategy for keeping these concepts alive.

The application of a strategy can be a key challenge in the day to day of business. The company would either need to oversee the tasks itself, designate someone in the team to do it, or hire someone to take care of the customer acquisition and retention. All of those ideas cost the company in resources, obviously. They mean a sacrifice in time as well as in money.

Customer retention is the process of holding customers in the customer inventory for an endless period by meeting the requirements and surpassing the expectations of those customers. Retaining customers is more important than attracting new customers, because the cost of servicing existing customers is less than the cost of providing services to new customers. Customer retention allows a long-term relationship of mutual profit, both to the organization and to the customer concerned.

Loyal Customers Remain Longer

Customer retention is all about customer loyalty. The customer focuses on an emotional and committed relationship with the organization. Customer retention is the approach of converting casual customers into committed loyal customers. It is the loyal customers who remain for a long period with a particular organization for different reasons like product quality, availability, service facility, price, convenience, customer friendly environment, and so on. Though there are numerous factors contributing towards loyalty, two basic questions arise:

- How do customers turn loyal?
- What benefit arise out of loyal customers?

Customer retention is closely interlinked with customer loyalty. Loyalty is generally calculated in terms of longevity of the patronage of customers. During the customer retention process, a "customer by chance" becomes a "customer with loyalty". A loyal customer who is retained turns his focus of relationship from an ordinary transactional relationship to an emotionally built and committed relationship with the organization, which benefits the organization in the long run. Customer loyalty plays a significant role in retention, since loyalty may also arise from a reluctant customer or even a non-customer, which may be a spurious or artificial or shared loyalty. So, loyalty-based retention is a welcome.

How to Retain Customers

Retained customers are the real assets of an organization and its growth who help in spreading the goodwill of the organization. This supports in acquiring new customers to increase customer inventory. Hence, all organizations try to retain their existing customers for the exponential growth.

Customer retention allows minimizing customer acquisition cost. Nowadays, organizations are concentrating more on customer retention, than acquisition. Retention strategies includes of corporate performance evaluation, employee retention strategies, competitive benchmarking, preventive strategies, customer complaints handling, customer satisfaction strategy, and relationship marketing.

- **Internal Marketing Plan**
    It is a means of bringing the activities of the organizational employees and its impact on the eventual customer, to the front, and focus attention on those actions required to improve the performance of internal customer chain. The delivery of customer satisfaction encourages and improves cross-functional working to sustain heightened service quality for internal as well as external customers.

- **Employee Retention**

  It is more obvious that companies, in order to retain loyal customers, focus on employee retention. It is believed that employees with high morale, integrity and job satisfaction will produce quality products, which will in turn contribute to retaining the loyal customers.

- **Competitive Benchmarking**

  Retention is targeted at the customers. Hence, it would be appropriate to ask the customers to rate the services provided by the company. Based on the components identified, the relative importance to the company with that of the competitors is measured. This helps to identify the services from the customer point of view.

- **Complaints Management**

  Complaints are good sources of learning where organizations can improve. Complaints are viewed as opportunities given by customers for the organization towards value-added performance. An organization must have the tendency to act upon complaints as soon as it is received and offer corrective measures. Careful handling is required to deal with unexpressed or unregistered complaints, since it leads customer attention. Companies have come up with online complaint management systems such as automatic response system, call centers, answer centers, etc.

- **Continuous Delivery Systems**

  A strategy used by some companies is to create relationships by turning discrete service delivery into continuous delivery services. Bus and train services offer season tickets valid for a particular period, this helps to retain customers and they do not have to make day-to-day choices on their mode of travel.

- **Retention through Satisfaction**

  A satisfied customer tends to remain longer with the organization. Satisfaction is the state of mind that occurs when the customer feels that his expected requirement is fulfilled by what is offered by the organization. Organizations have to keep on building up their ability to continuously satisfy their target customers in order to retain customers. Customer care programs, which exceed customers' expectations, will lead to higher rates of retention.

- **Organizational Performance**

  Retention strategies require an organization to be continuously learning from customers' preferences, competitor's strategies, technological advantages, social, cultural changes, lifestyle, spending and buying patterns, and so on. An organization having the characteristics of continuous learning can easily adapt itself to meet the customer's need, and thereby can increase customer retention.

- **Relationship Marketing**

Relationship marketing approach considers customers as insiders of the business and aims at building long-term and never-ending relationships with them. Retaining customers is a challenge to every organization. Intensive competition has led to frequent brand switching Relationship marketing has emerged as a new approach enabling marketers with new tools and techniques to reach, acquire, retain and expand their customer base. Companies also often use strategies of continuous delivery, incentives, etc., to maintain the customer relationship. Companies are trying to offer more personalized services with a view to maintaining their relationship with customers.

- **Data Mining**

  Some Telecom Companies collect information from customers and use this information to seek better understanding of their needs. Data mining refers to the analysis of data to generate useful and meaningful information. This information can then be used for initiating marketing actions like special promotions and loyalty programs. Data mining helps to execute customer strategy in an organization with the ultimate goal of reducing costs and earning profits. Primary objectives of data mining are to attract new customers and retain existing ones. Banks, credit card companies, telecom companies, and retail chains are major believers in data mining. Data mining helps to identify the prospective customers from the database and to make contacts. Data mining is of help even in retaining customers. Not only are existing customers retained, but also better customers are developed, and declining or lost customers are won back. Problems are identified and customer defections are analyzed.

CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Customer relationship management is used to define the method of formation and maintaining relationship with business consumers. CRM is a hostile procedure of recognizing, attracting, differentiating, and retaining customers. CRM integrate firm's entire supply chain to generate customer value at each and every step, either through improved benefits or dropped costs. Its outcome in higher profits through enhanced business from a firm's customer base. CRM is the seamless harmonization between sales, customer service, marketing, field's support, and other customer touching functions.

CRM is a process by which interactions between the company and customers are managed. These interactions can be with past, existing, or potential future customers, but anyone who has interacted with the company is going to be in the CRM system. Due to CRM companies knows their customers, understand their unique requirements and tailor their service or product offering to their requirements in a sustainable competitive manner that can yield significant incremental shareable value.

For instance, automated e-mails and texts are a part of CRM. Appointment scheduling is another component of CRM. Not only is communication between customers and the company a major

portion of CRM, but perhaps the biggest factor is that the various departments in areas such as marketing, sales, and service have direct access to the contacts' information. Each department can observe and monitor communications to yield the best results.

Concepts of CRM

The main key concept of CRM is segregated into four separate types, namely, Analytical CRM, Operational CRM, Strategic CRM, and Collaborative CRM.

• **Strategic CRM:** One branch of CRM is to regard it as an enterprise-wide strategy in which the main focus is on the customer. It is also supposed that, within an organisation, it is a main managerial task to champion and device this focus as a CRM strategy, including placing stress on the systematic analysis and use of customer data as a platform for marketing and management.

• **Analytical CRM:** The customer knowledge data base designed from the systematic collection and storing of customer information is received as an asset to the company. Through an analysis of the data in this data base it is possible to improve marketing efficiency in different ways. It is important that the ICT development has made it possible to both gather and analyze customer data in a much more systematic and efficient way than was previously the case before the computer revolution.

• **Operational CRM:** Operational CRM means that an ICT based support is given for front office activities, including sales, service, and support. Such support is intended to use both in call/contact centres and by the sales staff in their customer contacts data.

• **Collaborative CRM:** The development of ICT has created new possibilities for interacting with the customers. In addition to personal contacts, telephone contacts and mails, now communication is possible through web sites, e-mail, self-service telephone contacts, and SMS. Through this development, the use of various communication medium in a channel management tactic has become a branch of CRM.

CRM STRATEGY

A CRM strategy is an organization-wide plan that involves the adherence to CRM best practices and the use of CRM software to boost the customer relationships. It's important to set up a CRM strategy with clear objectives because it will help to understand how the CRM functions within the company, what tasks are required of those who use it daily, and what metrics can use to measure CRM success.

Although a CRM strategy may require some time and money initially in implementing but a CRM solution will help to understand the customers better and create more growth opportunities. A CRM strategy aids the company in identifying customer segments that want to churn. This

allows to put the sales, marketing, and other customer-facing teams on top gear so that they win customers before to lose them. Aside from lowering the customer churn rate, a CRM strategy has many other benefits.

PROS AND CONS OF IMPLEMENTING A CRM STRATEGY

Implementing a company-wide CRM strategy has many advantages and the downsides? There are none, except that failing to have CRM software and a strategy could negatively impact the business.

Pros of Implementing a CRM Strategy

- A CRM strategy maintains all customer interactions in one single place. This enhances the customers' experience, makes the buying process easier, and enables personalized service for every client.
- Well-executed CRM strategies foster cooperation among customer-interacting teams. If the marketing, sales, support, IT, and finance teams worked in isolation, the company's CRM strategy brings them together to achieve organizational goals.
- CRMs eliminate plenty of manual efforts, allowing teams to use their time better. The company can now halt data entering into numerous excel sheets, writing on post-it notes, and so on.
- Adopted CRM strategies lessens delays in interacting with customers. Think live chat. Automated replies are a time-saver and give the company's brand a quality outlook.
- CRM systems guide every decision that affects the customer, due to data.
- Using a CRM strategy gives a clearer view of the company's sales pipeline and enables to know the stage of customers in the marketing funnel.
- CRM adoption improves the organization's ability to have better sales forecasts.

Downsides of Not Implementing a CRM Strategy

- Without a CRM tactic, businesses have to hassle by manually managing customer information on excel sheets.
- The company could lose data that aren't entered into sheets. CRMs automate data entry.
- The company will have to purchase multiple tools for live chat, email marketing, SMS, sales, and so on without a CRM. But CRMs like Engage Bay are an all-in-one marketing tool that reduces the operational cost.
- Deals become simpler without a CRM strategy. A post-it note does not cut it anymore.

CRM STRATEGY FOR CUSTOMER RETENTION AND ACQUISITION

There are some CRM strategies when it comes to aiding in the company's customer retention and customer acquisition strategy as:

- **Create Loyalty Programs**

  CRM software can be used for a long list of things, but perhaps one of the most crucial to the customer retention strategy would be the creation of a loyalty program. A loyalty program is a specific part of a marketing strategy that is designed to keep customers engaged and shopping at the company's business. Retailers see major retention benefits from the creation and implementation of a loyalty program. might just shock you. For instance, in fact, the statistics research exhibit that of different companies with strong loyalty programs report that their revenues are growing 2.5 times faster than competitors, and members who are part of some of the strongest loyalty programs are over 75% more likely to choose that brand versus the competition. As part of customer retention, 65% of businesses report, loyalty programs as a method to attract new customers is being used. Over 20% of businesses are using loyalty programs to re-engage customers. Whether the company looking solely at customer retention or acquisition – or even both – a loyalty program is a great way to go. CRM software can be used to dissect the company's demographic. Once the company create a list of the most profitable customer using CRM, then the company can let those customers know about rewards and incentives, so they come back time and time again.

- **Define the Target of the Company**

  If the company have tried to shift through data to create analytics of its own, then the company have probably seen for itself just how difficult the task can be. For one, it takes an immense amount of time, and then if the company want to save the time, the company had need to hire someone. CRM can take out the stress and help to get to know the company's best audience. CRM can automatically and seamlessly take all the data from the sales team and help to define the target audience. Instead of relying on predictions, the company can trust solid data. Then, the company can adjust as needed in areas of sales and marketing. When the company can approach the right audience, it is going to save time and find that to grow the bottom line faster. If the company want to get the most from customer acquisition, then the company have got to be able to define the target audience and might find that CRM is just what the company need to get the job done without sacrificing time and resources.

- **Use CRM to Assess Performance**

  If the company is finding the performance of the marketing campaigns to be an area of concern, then might be happy to know that the company can actually use CRM to assess the performance of the marketing campaigns and even the sales team. CRM software typically features dashboards where the company can see real time analytics based on data from various sources, including the marketing campaigns. The company can keep an eye on the areas of key metrics with CRM. These key areas can be monitored to make changes as needed to ensure the overall success of the company's campaigns and the sales teams. It can be useful to offer the sales team incentives based on key metrics. Altogether, those strategies

can help boost the performance in marketing and sales, and when the company do this, then the company is going to start seeing a higher bottom line.

- **Find Out the Answers to Pre-Sales Questions**

  CRM is a delightful tool for interact to customers. It is to be done such that the customers feel personal and helps them feel important, but it must be done as automation part so that you do not have to sacrifice time or resources to create the relationship. With CRM, the sales team can quickly identify the ways in which a customer might use a product or a service. These thoughts can be addressed and then incorporated into your organization's e-mail or messages. It's a smart way to keep in touch and interact with customers during the customer life cycle. If the company have a subset of customers in the purchasing process, then this data can help to get closer to making the deal. CRM provides customer acquisition and retention tool, which is automated, easy, and effective at constructing relationships while also executing automation. Customers want to build relationships, and by doing so, the company can not only boost its acquisition, but the company can also ensure a greater level of customer retention.

- **Touch Base with Last Chance Customers**

  There are many methods to kill customer retention, and somethings really can not be aided. Eight out of ten customers will leave if they have a poor customer experience, so obviously providing the best customer service is imperative. One of the ways the company can do this is through CRM, which continuously works to build relationships with the customers. If the company see that customers are leaving, the company will need to do a few things to try to stop them from doing so. The first thing is to look for trends and find the reasons of customer's leaving. The company should look its CRM data to find clues. Lower engagement can show the company that customers are getting ready to leave, and when the company see trends such as this, then the company know the areas to take action. The action the company take should probably also hinge upon the data which has collected with CRM. The company can use high engagement action to counteract low engagement and try to prevent the last chance customers from leaving.

- **Give Customers a World-Class Experience**

  Customers likes concierge experiences, no matter whether they are interested in the product or service. If the company can go the extra mile, then it can likely secure the customer and count on them being a part of the retention. Eight out of ten customer say that friendly service and knowledgeable help are among the top factors of having a great customer experience. Thus, the company can provide a truly concierge style experience for the customers, aside from staying in constant contact with them. The good news is that the company won't have to spend much time doing it, and that it will be effective. With CRM, the company can stay in touch with the customers with automation at its side. Automation is friend, the company can send e-mails customized with the customer's name, send text

messages wishing them happy birthday, and everything in between. When the company can put into play strategies like these, the customers will be above and beyond happy with the brand.

- **Added Personalized Touches Increase Acquisition and Retention**

Personalization plays a great part of customer satisfaction. No customer desires to feel like they are just another number. They want to feel wanted and meaningful to the company's brand. That's where CRM comes into play. It's so simple to use CRM to formulate customized e-mails with customers' names created right into them. CRM makes it so easy to do it, too, and the company will be surprised at how well the customer acquisition and retention goes when the company have put this strategy into play. Consumers want to feel special, and by customizing profiles, messages, and more for them, then the company is guaranteeing their satisfaction. CRM makes this easy and cost-effective to do. Not only that, but the company can also create customized message per demographic, which is a great way to target specific parts of its audience. Not only can the company use a customer's name, but can also use content relating to products and services this demographic was interested in. Personalized recommendations can also be a wonderful way to excite the customers. There is no limit for using CRM for customer acquisition and retention.

- **Build a Better Customer Relationship**

If the company is serious about selling a product or service, then it needs to get serious about building relationships with the customers and prospects. Statistics show that 90% of customers would pay more for a better-quality customer experience. CRM gives the company the tools which it needs to do it. The company can build those relationships with the customers that yield better customer service. The company can build one-on-one relationships with customers without the need for asking them for the same information over and over again each time when come in contact. CRM is not just best for the direct communication component of relationship building. In fact, CRM can be vital for building up sales because the sales team can now follow every step along the way. Statistics states that 74% of businesses use CRM to enhance customer relationships, and that a whopping 65% of sales teams who use CRM to meet their sales targets. By building a better relationship with the customers the company can reach its goals.

- **Look at the Customer Journey All in One Place**

To really understand the actions of the customers and to grasp the full scope of the customer retention, the company really need to be able to see the full customer journey. Without CRM software up and running, seeing the customer journey could be pretty messy. In fact, there's virtually no other way to clearly see the customer journey if the company aren't using CRM. CRM can map the whole customer's voyage from the initial contact to engagement to conversion and beyond. CRM will be useful for mapping the customer journey and working up your future customers. Along the way, CRM can help the company identify its strengths

and weaknesses so that the company can make revisions to its marketing campaign and thus get the most from customer retention. Growing customer retention should be the priority of the company. In fact, statistics show that a 2% increase in customer retention is the same for-profit margins as cutting costs by 10%.

- **Company Create Own Offers and Grow its Prospects**

  CRM software can be used to create the company very own offers, discounts, deals, and promotions, and then it can even use CRM to help promote its promotions. For instance, social media promotions have proven greatly effective in aiding companies grow their bottom lines. Even if the company don't get the sale right then, it could potentially acquire a future customer or retain an old one. Buy one get one sale, free offers, and everything in between can be used as a way to lure new and old customers back, and CRM plays an important role here because it can help to automate and manage the promotions every step of the way. The company don't have to worry about spending money on an employee to do the work, nor do the company have to spend the time on it by itself. Instead, the company can sit back and let CRM's automation carry out the promotions on the company's behalf while the company reap the rewards.

- **Put A Service Level Agreement in Place**

  A service level agreement has been shown to increase customer retention time after time. Through a service level agreement (SLA), the company set up a commitment between itself and the customer. Areas like quality, responsibilities on both sides, and availability are laid out in plain terms with the intent of growing transparency and addressing concerns before going forward doing business together. When many think of a contract, we get a negative connotation in terms of customer retention, but the truth is that SLAs are good for business. Customers like transparency, and they like to know that their every concern is being addressed. One of the biggest problems business faces is creating a SLA and getting it distributed evenly to customers every single time. This is an area in which CRM can absolutely help. By CRM automation, the company can have new customers e-mailed SLAs without missing a beat. The customers can see their SLAs without having to wait on the company or anyone else to forward them, and they can even sign online. Then, you receive the SLA, and thanks to cloud storage offered by CRM, the company can digitally save its documents without worrying.

- **Gauge What the Customers Want with CRM**

  One of the most amazing things about CRM is that the company can use it to capture the pulse of what its customers want. The company can do it simply by asking its customers for their feedback. This can be achieved through the CRM software through a variety of tools, including polls, questionnaires, surveys, and more. By simply asking questions, the company can get a clear picture of what its customers want, what they like, what they don't like, and what they think in general. If something is going in the wrong direction, these tools can help

to get back on track. Sales, marketing, and service can all take advantage of this kind of information to perfect the services and products to yield higher customer acquisition and customer retention. When the company use CRM, it can better gauge what the customers want with just a few tools at its fingertips.

- **Segment the Company Data with CRM**

  CRM is amazing for gathering data and helping the company put it to use, but one of the best ways it established this is by segmentation. If the company are trying to increase the customer retention or customer acquisition, then segmentation is its friend. Marketing segmentation is a method by which a market is segmented based on factors such as demographic, behavior, and geographic location. The main difference here is that CRM can achieve segmentation quickly. It allows the company to understand the various groups in its audience, and then the company can create profiles or buyer personals. When this is done, the company can then deliver personalized messages, build better relationships, send better e-mails, and more. If the company want to better retain the customers it has while also attracting new ones, then CRM based marketing segmentation should be a tool in its toolbox. Once the company have those personas in place, then the company know what kind of customers it should be looking for, and therefore personas can be used to find other customers just like them.

- **Track All of the Company's Communication**

  CRM is wonderful because it tracks, documents, and analyzes virtually every interaction the company have with its customers. The company's e-mails, phone calls, meetings, and more are tracked so that it can look back and see what interactions the company have had while also allowing other team members to jump right in and pick up where the company left off or collaborate   seamlessly.
  CRM tracking means greater close rates and better upsell chances. So, if the company are looking to beef up its customer acquisition or customer retention, then make sure that the company are using CRM to track its communications so that it always knows what's going on.

- **Add New Services and Products**

  The data and insights the company receive from CRM can be used as a way to add new services and products based on direct feedback from customers and prospects. With CRM software in place, the company can identify where new services and products can strategically be placed to offer customers exactly what they want as it grows the bottom line. It's a breeze to add products and/or services catalog. But that's not the biggest upside a CRM solution can offer the company. Using the CRM tools, the company can add products and services from its catalog to an opportunity identified through various variables from the customer data, maximizing customer engagement and increasing sales in the process.

- **Lower the Company's Overall Costs**

  CRM is wonderful because when the company use it, it can actually decrease the overall costs because the company don't have to pay extra employees or contractors to assist. Then, the company can use this savings to put more into your customer acquisition efforts. From here, the company can enjoy greater revenues. For that purpose, the company should opt for cloud-based CRM, as it helps to minimizing software acquisition costs, as well as reducing the complexities in implementing software update and add-ons. CRM might seem like just one simple software that the company might be hesitant to put into place for various reasons, but if the company do choose to use CRM, then can expect to see potentially lower overall costs as a result of its investment.

CONCLUSION

Customer acquisition and retention are the utmost sophisticated processes in any business. Various strategies are followed by the Companies to acquire and retain customers with them. An integrated approach with the organizational goals will help to minimize the cost and time in acquiring and retaining customers. In modern competitive marketing world opens the door for those companies, who satisfy the customer with both quality and value for their products. Companies can succeed only with the help of healthy customer acquisition and retention practices.

This study shows that CRM has significant effect on the customer satisfaction and both variables have positive relation. Company makes its CRM as strong and reliable the customer will be more satisfied and retain with the company. The increase in the satisfaction level will allow the customer to come again and again to use the company's products and that will increase sales level of company and will result in the increase in organizational profit. The number of the loyal customer will increase.

CRM play role, in increasing the satisfaction level of the customers and it also increase the profitability by reducing the cost of approaching the customers, and simultaneously increase their size of customers and on the other hand increase profits and it helps in attaining the competitive advantage. CRM react as, to reach the right customer with right message at the right time through the right channel.

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