



شبكة المعلومات الجامعية
التوثيق الإلكتروني والميكروفيلم

بسم الله الرحمن الرحيم



MONA MAGHRABY



شبكة المعلومات الجامعية
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شبكة المعلومات الجامعية التوثيق الإلكتروني والميكروفيلم



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التوثيق الإلكتروني والميكروفيلم

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MONA MAGHRABY



The Impact of Applying customized CRM Model on SCM Applications:

An Empirical Study on Logistics Service providers

"أثر تطبيق نموذج لإدارة علاقات العملاء على برامج إدارة سلاسل الإمداد : دراسة ميدانية على مقدمي الخدمات اللوجستية"

**By
Nada Ahmed Mohsen Elbarkouky**

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Supervised by

Prof. Dr. Sayed El-Khouly

Professor of Operations and Management

"Main Supervisor"

Dr. Bassam El-Ahmady

Associate Professor

"Co-supervisor"

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By

Nada Ahmed Mohsen Elbarkouky

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Summary

This research Talks about CRM applications in the context of logistics services' providers. It elaborates the importance of CRM in these enterprises, and pins the areas of drawbacks in their CRM. The research shades the light on the importance of framing the business process of the enterprises implementing CRM, indicating that the business process re-engineering (BPR) comes to be a credit for organizations in order to gain benefits from their CRM. BPR enhances the process from the organization's side, and also ensures that CRM is typically matching the business requirements.

On the other hand, the research encompassed the link between the CRM (the sales side), together with the supply chain/operational side (order management side). Over and above, the research worked on identifying a link to involve the operations of reverse logistics, keeping an eye on capturing the cost of reverse logistics operations in the context of the CRM. The research took this approach to ensure customer fascination and most of all create a better customer profiling whether it's a forward (order placement) approach, or a backward approach (order return).

Through the findings the researcher was able to build a model that can handle the typical CRM cycle, handle the integration between the customer's data, and also handle the reverse logistics operations accompanied with the customer to ensure better results and optimize logistics cost.

Abstract

The purpose of this research is to gain a better understanding of CRM in the context of Logistics organizations, and define a more accurate CRM scope that overcomes common CRM challenges. Moreover, the research studies the performance of CRM applications in order to clear the gaps that faces logistics organization with their CRM, this part shall be covered through the first research question, "Are logistics organizations benefiting from their implemented CRM?" .The Research moved forward with exploring the integration between supply chain management (SCM) and CRM, through the second research question "Are logistics organization integrating their CRM with their SCM applications?" Finally, the research sheds the light on how logistics organizations are managing their reverse logistics operations, and this is covered via the third research question "How are logistics organizations managing their reverse logistics operations in the context of their CRM?"

The research discovers the areas that has lack in standard CRM applications as well as the integration between CRM and SCM applications, in the area of order management, to ensure full control over the customers demand from one side, and the order management from an operational perspective. Finally, the research realized there's a lack in covering reverse logistics operations and collecting cost attributed to customers returns, this is why the research introduces a model that handles CRM operations, overcoming the common challenges, linked with order management operations in the supply chain, and also considering the reverse logistics operations aiming to increase customer satisfaction, and contribute to lower logistics cost.

Keywords

Customer fascination, supply chain management, logistics cost, integration, business process re-engineering, reverse logistics.

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Chapter 1: Introduction

1.1 Background

Customer relationship management (CRM) comes to be a dominant business application that serves business enterprises to conduct a long-term relationship with its customers. Moreover, CRM strategies are formed from the idea of the way companies engage with customer interactions and build relationships with them Garg & Garg, (2013). CRM includes collecting customer's data and analyzing the history of customer interactions to provide better services and build better relationships with customers to ultimately increase sales and revenue. When companies think why they need to set a CRM, it is because without implementing a proper CRM strategy, customer information will be disorganized and it will be difficult to keep track of all the touch points and interactions companies have created with specific customers. This leads to a time consuming sales cycle and an overall sub-standard customer experience Harris, Harris, Carlson, and Carlson (2015). Grimonpont (2016), indicated that robust customer relationships are built on the consistent and customized experience your organization provides, no matter where the customer is in the sales cycle. This means that every team in your organization, from the marketing team, the sales team, and the

sales support team, must provide a consistent experience when interacting with the customer.

Trautmann et al. (2017) indicated that when a company is at its start and managing all customer information on spreadsheets, this may be applicable but not recommended, as the time spent entering data can be better spent attracting customers and striking deals. This becomes significantly more complex as your business grows and your customer base expands. Then comes the role of the CRM applications.

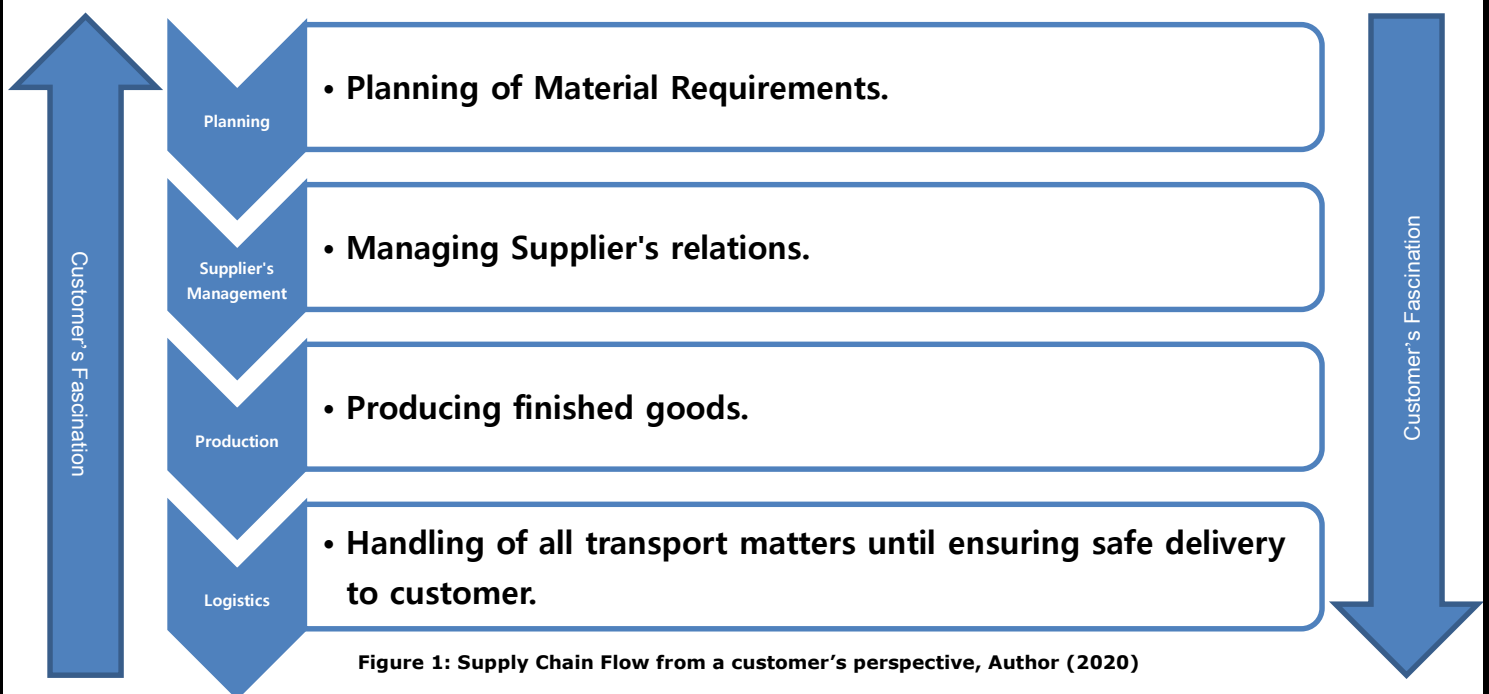
garg & Al-Mudimigh, (2011) indicated that CRM is based on the belief that developing a relationship with customers is the best way to make them loyal and that loyal customers are more profitable than non-loyal customers. It has been argued that a company can achieve a significant increase in profits from only a small improvement in the rate of retention of customers. The strategy is to develop improved customer satisfaction, often with CRM approaches and tactics.

On the other hand, supply chain management (SCM) is defined as the effort spent in planning, producing, and delivering a product from the supplier side to the customer's side. In order to best fulfill customer's demand, SCM crosses by multiple stakeholders all through the chain which requires a rigid integration all through the different parties of the chain.

SCM has been growing to prominence over the past years CHRISTOPHER, (2017) It has been clear that 13.5 % of logistics conferences included the

terms "supply chain" in their agenda, in the recent years, the percentage increased to 22.4 %, (Cacciolatti, Molinero 2013) indicated that the term is now used to describe executive roles in companies and that SCM has become a "hot topic" and has been broken down to multiple jobs/tasks involving production, distribution, marketing, customer service or transport without having a report on SCM or SCM-related issues.

As depicted in the figure1 below, and drilling down into the supply chain process in a simplified approach, SCM process can be broken down into 4 major pillars, starting with the planning of the needs of raw material required, then the needed suppliers that can fulfill the required materials, to the production of the finished good, ending at the logistics cycle



The above figure is a representation of the supply chain flow, considering that across the flow there's a major target for fascinating customers, which comes forward when there's a placed customer order and backward when there's a reverse cycle/ a customer return request.

As discussed in the above section, this indicates that companies will have to pay attention to reverse logistics operations in order to be able to delight customer until orders are delivered, and vice versa, when there are customer's return. For this reason reverse logistics is defined as, the operation of handling customer's return orders. Hufford, (2021) stated that as per the National Retail Federation, returns cost US retailers more than \$260 billion, 2016. Given the impressive effect on organization's balances, supply chain drew a massive attention to be paid on the financial implications of reverse logistics operations. This fiscal approach incorporates both the value of the returned items and the cost of logistics operations dedicated to the returned items. (Morgan, et al. 2018).

1.2 Types of CRM:

MUSEMA, (2018) indicated that CRM is certainly not another a new idea however it is now becoming more pragmatic because of late advances in undertaking programming innovation. An outgrowth of Sales force automation (SFA) tools indicated that CRM is regularly alluded to in the academic writings as a coordinated showcasing of customer's profiles. In the light of this, four

significant sorts of CRM were recognized and emerged: Strategic CRM, operational CRM, analytical CRM and collaborative CRM.

Strategic CRM

Strategic CRM is a kind of CRM in which the customer starts things out in the eyes of the business. It gathers, isolates, and applies data about customers what's more, market patterns to think of better offers for the customer. The business knows the buying conduct of the customer where for example a cheerful customer buys more regularly than other customers. This implies that any business not considering key chances coming from CRM is exposed to losing piece of the overall industry.

Operational CRM

Operational CRM is situated towards customer driven business measures, for example; promoting, selling, and administrations. It incorporates deals process automation, and administration of the deal until the deal is closed

Analytical CRM

Analytical CRM depends on catching, deciphering, isolating, putting away, adjusting, preparing, and detailing customer related information. It contains Theoretical financial figures, internal business-wide information, such as sales information (items, volume, and buying history), account information (buying history, FICO ratings) and showcasing information. Analytical CRM is an illustration of explanatory CRM. It gives point by point examination and