



REVISTA INCLUSIONES

CIENCIA EN LOS NUEVOS TIEMPOS

Revista de Humanidades y Ciencias Sociales

Volumen 7 . Número Especial

Julio / Septiembre

2020

ISSN 0719-4706

CUERPO DIRECTIVO

Directores

Dr. Juan Guillermo Mansilla Sepúlveda

Universidad Católica de Temuco, Chile

Dr. Francisco Ganga Contreras

Universidad de Tarapacá, Chile

Editor

Drdo. Juan Guillermo Estay Sepúlveda

Editorial Cuadernos de Sofía, Chile

Editor Científico

Dr. Luiz Alberto David Araujo

Pontificia Universidade Católica de Sao Paulo, Brasil

Editor Europa del Este

Dr. Aleksandar Ivanov Katrandzhiev

Universidad Suroeste "Neofit Rilski", Bulgaria

Cuerpo Asistente

Traductora: Inglés

Lic. Pauline Corthorn Escudero

Editorial Cuadernos de Sofía, Chile

Portada

Lic. Graciela Pantigoso de Los Santos

Editorial Cuadernos de Sofía, Chile

COMITÉ EDITORIAL

Dr. Jaime Bassa Mercado

Universidad de Valparaíso, Chile

Dra. Heloísa Bellotto

Universidad de Sao Paulo, Brasil

Dra. Nidia Burgos

Universidad Nacional del Sur, Argentina

Mg. María Eugenia Campos

Universidad Nacional Autónoma de México, México

Dr. Francisco José Francisco Carrera

Universidad de Valladolid, España

Dr. Pablo Guadarrama González

Universidad Central de Las Villas, Cuba

Mg. Amelia Herrera Lavanchy

Universidad de La Serena, Chile

Dr. Claudio Llanos Reyes

Pontificia Universidad Católica de Valparaíso, Chile

Dr. Werner Mackenbach

Universidad de Potsdam, Alemania

Universidad de Costa Rica, Costa Rica

Mg. Rocío del Pilar Martínez Marín

Universidad de Santander, Colombia

Ph. D. Natalia Milanese

Universidad de Houston, Estados Unidos

Ph. D. Maritza Montero

Universidad Central de Venezuela, Venezuela

Dra. Eleonora Pencheva

Universidad Suroeste Neofit Rilski, Bulgaria

Dra. Rosa María Regueiro Ferreira

Universidad de La Coruña, España

Dr. Andrés Saavedra Barahona

Universidad San Clemente de Ojrid de Sofía, Bulgaria

Dr. Efraín Sánchez Cabra

Academia Colombiana de Historia, Colombia

Dra. Mirka Seitz

Universidad del Salvador, Argentina

Ph. D. Stefan Todorov Kapralov

South West University, Bulgaria

COMITÉ CIENTÍFICO INTERNACIONAL

Comité Científico Internacional de Honor

Dr. Adolfo A. Abadía

Universidad ICESI, Colombia

Dr. Carlos Antonio Aguirre Rojas

Universidad Nacional Autónoma de México, México

Dr. Martino Contu

Universidad de Sassari, Italia

Dr. Luiz Alberto David Araujo

Pontificia Universidad Católica de Sao Paulo, Brasil

Dra. Patricia Brogna

Universidad Nacional Autónoma de México, México

REVISTA INCLUSIONES

REVISTA DE HUMANIDADES
Y CIENCIAS SOCIALES

Dr. Horacio Capel Sáez

Universidad de Barcelona, España

Dr. Javier Carreón Guillén

Universidad Nacional Autónoma de México, México

Dr. Lancelot Cowie

Universidad West Indies, Trinidad y Tobago

Dra. Isabel Cruz Ovalle de Amenabar

Universidad de Los Andes, Chile

Dr. Rodolfo Cruz Vadillo

*Universidad Popular Autónoma del Estado de Puebla,
México*

Dr. Adolfo Omar Cueto

Universidad Nacional de Cuyo, Argentina

Dr. Miguel Ángel de Marco

Universidad de Buenos Aires, Argentina

Dra. Emma de Ramón Acevedo

Universidad de Chile, Chile

Dr. Gerardo Echeita Sarrionandía

Universidad Autónoma de Madrid, España

Dr. Antonio Hermosa Andújar

Universidad de Sevilla, España

Dra. Patricia Galeana

Universidad Nacional Autónoma de México, México

Dra. Manuela Garau

Centro Studi Sea, Italia

Dr. Carlo Ginzburg Ginzburg

*Scuola Normale Superiore de Pisa, Italia
Universidad de California Los Ángeles, Estados Unidos*

Dr. Francisco Luis Girardo Gutiérrez

Instituto Tecnológico Metropolitano, Colombia

José Manuel González Freire

Universidad de Colima, México

Dra. Antonia Heredia Herrera

Universidad Internacional de Andalucía, España

Dr. Eduardo Gomes Onofre

Universidade Estadual da Paraíba, Brasil

CUADERNOS DE SOFÍA EDITORIAL

+ Dr. Miguel León-Portilla

Universidad Nacional Autónoma de México, México

Dr. Miguel Ángel Mateo Saura

*Instituto de Estudios Albacetenses "Don Juan Manuel",
España*

Dr. Carlos Tulio da Silva Medeiros

Diálogos em MERCOSUR, Brasil

+ Dr. Álvaro Márquez-Fernández

Universidad del Zulia, Venezuela

Dr. Oscar Ortega Arango

Universidad Autónoma de Yucatán, México

Dr. Antonio-Carlos Pereira Menaut

Universidad Santiago de Compostela, España

Dr. José Sergio Puig Espinosa

Dilemas Contemporáneos, México

Dra. Francesca Randazzo

*Universidad Nacional Autónoma de Honduras,
Honduras*

Dra. Yolando Ricardo

Universidad de La Habana, Cuba

Dr. Manuel Alves da Rocha

Universidade Católica de Angola Angola

Mg. Arnaldo Rodríguez Espinoza

Universidad Estatal a Distancia, Costa Rica

Dr. Miguel Rojas Mix

*Coordinador la Cumbre de Rectores Universidades
Estatales América Latina y el Caribe*

Dr. Luis Alberto Romero

CONICET / Universidad de Buenos Aires, Argentina

Dra. Maura de la Caridad Salabarría Roig

Dilemas Contemporáneos, México

Dr. Adalberto Santana Hernández

Universidad Nacional Autónoma de México, México

Dr. Juan Antonio Seda

Universidad de Buenos Aires, Argentina

Dr. Saulo Cesar Paulino e Silva

Universidad de Sao Paulo, Brasil

Dr. Miguel Ángel Verdugo Alonso
Universidad de Salamanca, España

Dr. Josep Vives Rego
Universidad de Barcelona, España

Dr. Eugenio Raúl Zaffaroni
Universidad de Buenos Aires, Argentina

Dra. Blanca Estela Zardel Jacobo
Universidad Nacional Autónoma de México, México

Comité Científico Internacional

Dra. Elian Araujo
Universidad de Mackenzie, Brasil

Mg. Romyana Atanasova Popova
Universidad Suroeste Neofit Rilski, Bulgaria

Dra. Ana Bénard da Costa
Instituto Universitario de Lisboa, Portugal
Centro de Estudios Africanos, Portugal

Dra. Noemí Brenta
Universidad de Buenos Aires, Argentina

Ph. D. Juan R. Coca
Universidad de Valladolid, España

Dr. Antonio Colomer Vialdel
Universidad Politécnica de Valencia, España

Dr. Christian Daniel Cwik
Universidad de Colonia, Alemania

Dr. Eric de Léséulec
INS HEA, Francia

Dr. Andrés Di Masso Tarditti
Universidad de Barcelona, España

Ph. D. Mauricio Dimant
Universidad Hebrea de Jerusalem, Israel

Dr. Jorge Enrique Elías Caro
Universidad de Magdalena, Colombia

Ph. D. Valentin Kitanov
Universidad Suroeste Neofit Rilski, Bulgaria

Mg. Luis Oporto Ordóñez
Universidad Mayor San Andrés, Bolivia

Dr. Gino Ríos Patio
Universidad de San Martín de Porres, Perú

Dra. María Laura Salinas
Universidad Nacional del Nordeste, Argentina

Dra. Jaqueline Vassallo
Universidad Nacional de Córdoba, Argentina

Dra. Maja Zawierzeniec
Universidad Wszechnica Polska, Polonia

Editorial Cuadernos de Sofía
Santiago – Chile
Representante Legal
Juan Guillermo Estay Sepúlveda Editorial

Indización, Repositorios y Bases de Datos Académicas

Revista Inclusiones, se encuentra indizada en:





REX



UNIVERSITY OF SASKATCHEWAN



Universidad de Concepción



BIBLIOTECA UNIVERSIDAD DE CONCEPCIÓN

APPLICATION OF CRM-SYSTEMS IN THE WORK OF RETAIL FRANCHISE NETWORKS

Ph. D. (C) Elena Aleksandrovna Smirnova

V.I. Vernadsky Crimean Federal University, Russia

ORCID: 0000-0002-2219-7751

varwavska@mail.ru

Dr. Elena Ivanovna Kuznetsova

Moscow University Ministry of internal Affairs of the Russian Federation, Russia

ORCID: 0000-0001-6831-0935

elenkuz90@mail.ru

Dr. Dmitry Vladimirovich Dianov

Moscow University Ministry of internal Affairs of the Russian Federation, Russia

ORCID: 0000-0003-2971-2266

skad71@mail.ru

Ph. D. (C) Oleg Mikhailovich Tolmachev

Bauman Moscow State Technical University, Russia

ORCID: 0000-0003-3354-7806

oltom@bmstu.ru

Fecha de Recepción: 04 de abril de 2020 – **Fecha Revisión:** 21 de mayo de 2020

Fecha de Aceptación: 30 de junio de 2020 – **Fecha de Publicación:** 01 de julio de 2020

Abstract

In this article, CRM-systems as a tool for increasing the efficiency of a company's interaction with clients are characterized. The essence of CRM-systems and the role of their implementation at an enterprise are determined. The main functions and benefits of using CRM are defined. Based on an expert survey, the authors of the article consider the essence of the concepts of CRM-system and CRM-strategy and define the main directions of the CRM-strategy in relationship management of franchisor and franchisee in a retail franchise network, as well as the main goals of using CRM-systems in retail franchise networks. The authors present the correlation between the use of new technologies and opportunities to improve relationship management in retail franchise networks. The specialized software for the CRM-system functioning, the main stages of the CRM-strategy implementation in a retail franchise network's activity, and the main advantages and disadvantages of the CRM-systems use in a retail franchise network's activity are defined.

Keywords

Relationship management – CRM – CRM-system – Retail franchise network – Franchisor

Para Citar este Artículo:

Smirnova, Elena Aleksandrovna; Kuznetsova, Elena Ivanovna; Dianov, Dmitry Vladimirovich y Tolmachev, Oleg Mikhailovich. Application of crm-systems in the work of retail franchise networks. Revista Inclusiones Vol: 7 num Especial (2020): 590-601.

Licencia Creative Commons Attribution Non-Comercial 3.0 Unported
(CC BY-NC 3.0)

Licencia Internacional



PH. D. (C) ELENA ALEKSANDROVNA SMIRNOVA / DR. ELENA IVANOVNA KUZNETSOVA
DR. DMITRY VLADIMIROVICH DIANOV / PH. D. (C) OLEG MIKHAILOVICH TOLMACHEV

Introduction

Dynamic changes occurring in the Russian economy have significantly complicated competitive conditions for business entities of various organizational and legal forms and types of economic activities. The issue of ensuring the competitiveness of a retail franchise network (RFN) for its effective functioning and further development is of great importance.

Franchising is one of the most modern models of organization and implementation of business activities because running a business based on franchising solves several pressing problems of small businesses, the main of which are lack of funds, time, personnel, as well as uncertainty and insecurity in their own business and so on. The experience of application of various models of business organization has shown that the spread of franchising to any sphere of entrepreneurial activity contributes to rapid adaptation of business to any economic situation in a country¹.

The popularity of franchising is explained by the fact that it creates favorable conditions for the expansion of sales networks in both domestic and foreign markets, as well as makes it possible to increase the number of representative offices in a short period and at low cost. For the country where franchise business is developing, it means attracting foreign direct investments, which meet the need of enterprises for resources and allow them to improve the quality characteristics of their products and to increase the competitiveness of the country².

According to M.S. Shakhova³, franchising should be considered as a method of selling goods and services, the application of which is almost unlimited. In such circumstances, the author of the work considers franchising to be a preferential business with many advantages resulting from the acquisition of the right to the temporary use of the franchisor's intangible assets. The author points out the legal aspects of franchising and considers the latter as a certain format, a set of rights and obligations — a package that the franchisor sells to the owner of the franchise. Shakhova characterizes the franchise as a proven business system, which should be duplicated by a franchisee.

Summing up the mentioned views of scholars on the economic and legal content of franchising, there are grounds for the recognition of franchising as a model of doing business with strict adherence to the principles of the business partnership, the use of which allows the entrepreneur to expand at the expense of its franchisee partners, solving the problem of lack of funds for the opening of new facilities, which is relevant for small businesses.

¹ V. A. Avdeev, "The Legal Legislation and the Law Enforcement Technique in the Conditions of Development of Information Systems", *Journal of Advanced Research in Law and Economics* Vol: 10 num 1 (2019) y O. M. Dzhnadilov y M. G. Azhibayev, "Problems of Countering Criminal Offenses in Information and Communication Networks", *Journal of Advanced Research in Law and Economics* Vol: 10 num 1 (2019): 134-143.

² N. Khamitkhan; E. Bakhyt y A. Karshalova, "Developing Internet Banking within the Context of Building A Bank's Competitive Advantage", *Journal of Advanced Research in Law and Economics* Vol: 9 num 4 (2018): 1286-1291; D. V. Fedyunin, "The Scenario Approach to Establishing GR Communications in Higher Education Institutions", *Journal of Advanced Research in Law and Economics* Vol: 9 num 2 (2018) y V. B. Frolova, "Digital Economy in the Management System of Tourism Enterprises", *Journal of Environmental Management and Tourism* Vol: 10 num 6 (2019): 1345-1350.

³ M. S. Shakhova, *Franchising v Rossii: sostoyanie i perspektivy: monografiya* (Moscow: Ekonomicheskii fakultet MGU: Ankil, 2013).

Important advantages of business partnership in the form of franchising are the avoidance of problems with national economic and tax legislation in case of business entry into the market of goods, works, and services of other countries, as well as minimization of transactional and operational costs during the expansion of business to search and select a place/premises, lease negotiations, financing, recruitment and training of personnel⁴.

Getting a competitive advantage for RFN is possible only if a more efficient and complete business system is created containing a future development strategy, a balanced system of goals, an efficient organizational structure, a proven business process, and effective tools to ensure competitiveness. This is only possible with the use of innovative tools for development and relationship management in the work of RFN. One of such tools is the use of CRM-systems.

In a broad sense, CRM is a term that covers the concepts used by companies to manage customer relationships, including the collection, storage, and analysis of information about consumers, suppliers, and partners, as well as information about the relationship with them⁵. In narrower interpretation, CRM is applied software for organisations intended for automation of strategies of interaction with customers (clients), in particular, for increase in a sales level, optimisation of marketing and improvement of client service by preservation of the information on clients and history of relations with them, establishment and improvement of business procedures, and subsequent analysis of results⁶. CRM-system is a system of customer relationship management, which is an automated software product. With its help, the necessary internal and external current information is saved with the purpose of further analysis and search for the best way to meet the needs of consumers⁷. CRM-system is the tool of conducting business that will give the chance to receive, store, reproduce, distribute, and correct the information on counteragents for effective planning and further development of the enterprise⁸. In general, as the majority of the automated information systems, CRM is intended to quickly process a considerable quantity of information flows and operatively create reports as a reaction to changes of the environment of functioning⁹. From the point of view of the principal scheme, CRM-system is a cycle of information processes¹⁰.

⁴ R. P. Dant y M. Grunhagen, "International franchising research: Some thoughts on the what, where, when, and how", *Journal of Marketing Channels* Vol: 21 num 3 (2014).

⁵ K. Anderson y K. Kerr, *Menedzhment, orientirovannyi na potrebitelya: CRM-tehnologii kak osnova novykh otnoshenii s klientom* (Moscow: Grand-Fair, 2013) y A. Payne y P. Frow, *Strategic customer management: integrating CRM and relationship marketing*. (Cambridge: Cambridge University Press. 2011).

⁶ A. Yu. Zalozhnev & E. L. Shuremov, *Informatsionnye tekhnologii marketinga. Upravlenie vzaimootnosheniyami s klientami* (Moscow: Izdatelskii dom «Bukhgalteriya i banki», 2009); J. Dyché, *The CRM Handbook: A Business Guide to Customer Relationship Management* (Boston: Addison Wesley, 2002) y S. G. Pyatko, "On the issue of elaboration of methodical support for the pilot training according to the CRM program", *Revista Espacios.Education* Vol: 38 num 25 (2017).

⁷ A. Payne y P. Frow; "A Strategic Framework for Customer Relationship Management", *Journal of Marketing* num 69 (2005): 155-166.

⁸ T. U. H. Nguyen; J. S. Sherif, M. Newby, "Strategies for Successful CRM Implementation", *Information Management & Computer Security* num 15 (2007): 102–115.

⁹ G. Shanks; I. Jaglenska y M. Jayaganesh, "A Framework for Understanding Customer Relationship Management Systems Benefits", *Communications of AIS* 25 num 26 (2009): 263-287.

¹⁰ A. M. Zamil, "Customer Relationship Management: A Strategy to Sustain the Organization's Name and Products in the Customers' Minds", *European Journal of Social Sciences* Vol: 22 num 3 (2011): 451-459.

The question of implementing CRM-systems at the current stage of development of relationships with customers is receiving more and more attention. According to D. Becker and T. Boling, the main task of using CRM-systems is to motivate customers to work with a company. In this case, they recommend working with regular customers, as focus on one-time sales makes the business unstable.¹¹

For the better understanding of CRM-system advantages in enterprise activity, S.I. Zyryanov¹² gives a comparison of business model with and without CRM-system (Table 1).

CRM-system	
Present	Absent
Flexibility and adaptation to market needs	Slow adaptation to market needs
Optimization of costs for marketing activities	Growth of costs for marketing activities
Quick access to information	Slow access to information

Table 1
Comparison of business model with and without CRM-system²⁰

According to researchers¹³, the CRM-system should be based on several principles for correct and effective functioning:

1. Identification. Identification of who is the consumer of the company will allow understanding the purchasing model of each client.
2. Interactivity. Offering assistance to consumers in automatic mode, pre-prepared blocks of goods, data, and services that may be of value to a particular customer.
3. Differentiation. It is necessary to find an individual approach to each customer, addressing their value systems and needs.
4. Tracking. To understand the customers better, it is necessary to record all transactions of each client.
5. Personalization. Creation of modules of goods, information blocks, and service components, from which it is possible to create goods and services adapted to the needs of individual consumers.

As O.V. Slugin¹⁴ pointed out, a prerequisite for successful business development is the understanding of customers and the ability to determine the most profitable, i.e. the most economically advantageous customers. Accordingly, A.A. Kryukova¹⁵ cites the formula for

¹¹ J. U. Becker, "The Impact of Technological and Organizational Implementation of CRM on Customer Acquisition, Maintenance, and Retention", *International Journal of research in Marketing* num 26 (2009): 207-215 y T. Bohling, "CRM Implementation: Effectiveness Issue and Insights", *Journal of Service Research* Vol: 9 num 20 (2006): 184-194.

¹² S. I. Zyryanov, "CRM-sistemy kak element prodvizheniya i rasshireniya malogo i srednego biznesa", *Ekonomika: vchera, segodnya, zavtra* Vol: 8 num 11A (2018): 180-190 y L. Ryals y S. Knox, "Cross-functional issues in the Implementation of Relationship Marketing Through Customer Relationship Management", *European management Journal* Vol: 19 num 5 (2001): 534-542.

¹³ L. Ryals y S. Knox, "Cross-functional issues in the Implementation of Relationship Marketing Through Customer Relationship Management", *European management Journal* Vol: 19 num 5 (2001): 534-542.

¹⁴ O. V. Slugin & E. A. Bobkova, "Formirovanie konkurentosposobnosti malyykh predpriyatii na osnove klientoorientirovannogo podkhoda s pomoshchyu CRM-sistem", *Ekonomika i predprinimatelstvo* num 10 (2016): 294-296.

¹⁵ A. A. Kryukova, *Klientoorientirovannyye sistemy (CRM). Konspekt lektsii*. (Samara: FGOBU VPO PGUTI, 2012).

success of CRM-strategy: $R=N*V*L$, where R is income, N is the number of clients, V is the value of clients (= profitability), and L is the loyalty of clients. When any of the indicators on the right side of the formula are increased, the total income of the company increases. An important fact is that when the loyalty of the client increases, their sensitivity to the price decreases.

Today the number of enterprises in the world that use CRM-systems in their activities is increasing. It is caused by that the automated systems on relations management with clients offer several serious advantages that cause the topicality of their use¹⁶.

According to studies¹⁷, the statistics of CRM-class programs look as follows: their application provides the growth of sales on the average by 15%, the increase in the level of on-time fulfillment of orders up to 90% and above, as well as reduction of sales, marketing activities, and after-sales service costs by 10-30%.

The distribution of CRM-systems at Russian enterprises is inseparably connected with tendencies of development of the information technologies market. The increased attention of Russian top-managers to CRM is explained by the fact that embodiment of this philosophy gives the chance to the companies to raise the level of keeping clients by greater satisfaction of their requirements and creation of loyalty to the company, increasing profitability of clients and improving the efficiency of attracting new clients¹⁸.

As the conducted analysis has shown, the essence of the concept of CRM-system and its classification features is opened in numerous studies. Advantages of management of relations with clients by means of CRM-systems are proved. Possible errors at the implementation of CRM-systems in practice are examined. However, insufficient attention is given to separate practical aspects of CRM application in the activity of the enterprises of various spheres of economic management, in particular, the question of franchisor-franchisee relationship management in RFN demands research.

The objective of the article is to disclose the essence of CRM and identify the main benefits of using CRM-systems in the activities of RFN.

The hypothesis of the study: it is reasonable to use CRM-system for strategic relationship management in RFN and creation of competitive advantages of the whole franchise network — the application software designed to implement (automate) CRM-strategy, which allows optimizing all business processes of the franchise network.

According to the results of the study, it can be concluded that the objective set in the study was achieved.

¹⁶ M. Zineldain, "Quality and customer Relationship Management (CRM) as Competitive Strategy in the Swedish Banking Industry", *The TQM Magazine* Vol: 17 num 4 (2005): 329-344.

¹⁷ J. I. Chen y K. Popovich, "Understanding Customer Relationship Management (CRM) People, Process and Technology", *Business Process Management Journal* Vol: 9 num 5 (2003): 672-688.

¹⁸ E. V. Sviridova, "Analiz mirovogo rynka CRM-sistem, perspektivy ego razvitiya, trendy na Rossiiskom rynke", *Vestnik Astrakhanskogo gosudarstvennogo tekhnicheskogo universiteta* num 3 (2017): 70-78.

Methods

In the research, the following research methods were applied:

- analysis of scientific literature on the problem of CRM-systems application in the work of RFN;

- expert survey to determine the main directions of implementation of CRM-strategy of relationship management of franchisor and franchisee in RFN, the main objectives of the use of CRM-systems in RFN, the correlation between the use of new technologies and opportunities to improve relationship management in the franchise network, specialized software for the CRM-system, stages of implementation of CRM-strategy in RFN activities, as well as the advantages and disadvantages of using CRM-systems in the activities of RFN.

The expert online-survey was attended by 50 experts, middle and senior managers of RFN.

Results

CRM can be presented as a database which, besides the address information about the client, contains the chronology of contacts with the client. However, CRM are information systems that contain not only the functions of customer relationship management but also a strategy for customer orientation. The essence of this strategy, according to one of the interviewed experts, is to "combine all sources of information about the client and feedback on marketing activities, sales volumes, and market trends to build close relationships with customers". Thus, CRM-strategy in RFN is a modern business strategy, the purpose of which is to improve the efficiency of franchise network by building and maintaining long-term partnerships between franchisors and franchisees and increase the level of the franchisee satisfaction with the results of cooperation.

Based on the expert survey, it was determined that the main directions of implementation of CRM-strategy of franchisor-franchisee relationship management in RFN are as follows (Table 2).

Nº	Directions for implementing CRM-strategy for managing franchisor-franchisee relationship in RFN	%*
1	partnership building	90%
2	brand and RFN loyalty building	85%
3	increased demand for goods and services	80%
4	financial and economic indicators growth	80%
5	internal RFN organization according to CRM-strategy	75%
6	staff training and development	75%
7	organizational culture development	70%
8	RFN market share growth	70%

Note: based on the expert survey; * — the percentage of expert references

Table 2

Main directions of implementation of CRM-strategy of franchisor-franchisee relationship management in RFN

The goal of implementing a CRM-system in franchise networks is to effectively attract new, identify and retain the most valuable existing franchisees, effectively cooperate with

them, prevent their exit from the network, reduce costs, increase productivity, and as a result, increase sales and profits of each retail facility and RFN in general.

The main goals of using CRM-systems in RFN are as follows (Table 3).

№	Main goals	Goals characteristics	%*
1	operational	collection, processing, and classification of the fullest possible information about the franchisee, control over the implementation and compliance of the franchise agreement, prompt access to information in the process of cooperation with the franchisee during the sale of goods and services, and planning and control of relations with the franchisee	90%
2	analytical	analysis of sales, procurement and warehouse balances, assortment and price analysis, analysis of the competitive environment, general analysis of financial and economic indicators characterizing the activities of both franchisee and franchisor, evaluation of marketing efficiency, and obtaining new knowledge, conclusions, and recommendations	85%
3	strategic	constant interaction with the franchisee by means of telephone and mobile communication, website, e-mail, collective interaction system, call-center, etc. The franchisor constantly interacts with the franchisee, as a result of which the franchisee can influence the development of product and service strategy to improve service	80%

Note: based on the expert survey; * — the percentage of expert references

Table 3

The main goals of using CRM-systems in RFN

Active development of modern technical means and technologies CRM allows offering the franchisor a new type of relationship with the franchisee and building a franchise network, based on the wishes and needs of the franchisee (Table 4).

№	Modern technical means	Opportunities to improve relationship management in RFN	%*
1	Means of mobile communication, WAP, SMS, MMS	Each franchise network entity can access all the necessary information at any time. The specialists of the company-franchisor are always available to the franchisee	90%
2	New means of data protection	it is possible to offer the franchisee confidential information that relates only to them	85%
3	Authorization, authentication, and audit means	individual work with each franchisee	80%
4	Increased reliability of software systems, network and computer equipment operation	possibility to organize 24-hour system operability	75%
5	Multilevel distribution systems	means to support all franchises on the network simultaneously	70%
6	Integration means development	possibility to link CRM-systems with other systems, for example with ERP systems (Enterprise resource planning)	70%

Note: based on the expert survey; * — the percentage of expert references

Table 4

The relationship between the use of the latest technologies and opportunities to improve relationship management in the franchise network

Discussion

Modern CRM-products can collect and systematize all the necessary information, analyze and forecast data based on this information, as well as to facilitate contacts between the franchisor and the franchisee. With the help of CRM-products, many customer service processes are automated, and all the accumulated information about the client serves the purpose of further sales and marketing service.

Studies of the international digital company "Marketing Gamers" showed that the most popular CRM-systems presented in the Russian market are: AmoCRM, ZohoCRM, Bitrix24, Salesforce Sales Cloud, BaseCRM¹⁹.

The main task of implementing a CRM-system in the activities of RFN, according to the majority of experts surveyed (85%), is the creation of clear and transparent processes of interaction with the franchisee, improving the efficiency of sales and marketing, the formation of franchisee loyalty, and control the consistency of functions of all network employees.

It is reasonable to use the following categories of tools representing specialized software for the full functioning of CRM-system in franchise networks (Table 5).

№	Specialized software	Features and characteristics
1	CM (Contact Management) — contact management module	This category of instruments automates the period from the first contacts to the signing of the franchise agreement in the relationship with a potential franchisee.
2	CSS (Customer Service and Support) — franchisee service and support	Includes a database of contacts with the franchisee; tracking of the passage of orders; means of control of franchisee service; and a database of typical problems associated with the use of goods (services) and their solutions. Tools of this group are designed to provide franchisees with various services, after-sales service, etc.
3	SFA (Sales Force Automation) — sales automation	It is intended for the establishment of contractual relations with the franchisee, for primary and secondary sales. It allows forecasting and analyzing the dynamics of sales volume and assortment structure of goods, drawing up reports, calculating profits and losses, automatically preparing commercial offers, and saving the history of all offers, orders, and accounts. With the help of SFA tools, one can obtain and analyze information about franchisees, contacts with suppliers of goods, and data about competitors.
4	EMA (Enterprise Marketing Automation) — marketing automation	These tools allow to automate marketing operations, to simplify information processes, to carry out advertising of goods and services of the franchiser, and to carry out the marketing analysis of demand for separate goods.

Table 5
Specialized software for CRM-system operation

Thus, at the initial stage of the implementation, the CRM-system can include some components from the list, and in due course, additional functionality is added, if necessary.

¹⁹ T. Wheatcroft, "Leveraging Employee Expense Data to Drive Sales Revenue: How the Integration of T&E and CRM Solutions Can Be Used to Improve Sales Team Efficiencies", *Journal of Corporate Accounting and Finance*. Vol. 29(2018): 127-132.

All business processes of the franchise network, primarily those related to the management of the sale of goods, marketing, logistics, training, service, and support of the franchisee, should be organized within a CRM-strategy and fully integrated with the life cycle of the relationship with the franchisee.

The implementation of CRM-strategy in RFN activities should consist of the following stages:

- Formation of the franchisor's mission in relation to the franchisee;
- Formation of CRM-strategy goals tree;
- Formation of an information database "franchisor-franchisee";
- Description and modelling of basic business processes to search for potential franchisees and work with existing ones;
- Selection of information platform of CRM-system;
- Adjustment of previous stages of the model of CRM-system implementation depending on the capabilities of the information system;
- Modeling of business processes depending on the type of CRM-system;
- Formation of templates for managing relations with the franchisee in the information system;
- Formation of personnel training concept and algorithms;
- Project development and implementation of CRM-system of relationship management between franchisor and franchisee in the franchise network.

According to one of the experts participating in the survey, "the use of CRM-systems in relationship management in RFN allows having a joint repository of information, synchronizing management of multiple channels of interaction, actively responding to requests and changes, constantly analyzing the collected data, and quickly making appropriate management decisions.

In modern entrepreneurship, any franchise that wants to capture additional market share must work with customers as efficiently and effectively as possible.

According to interviewed experts (80%), one of the key advantages of the CRM-strategy is personalization — the process of adapting products, offered services, sales technology, and marketing policy of the company to the needs of a particular client. Personalization, as indicated by the interviewed experts, is one of the strongest characteristics of franchise strategy in terms of economic benefits. CRM allows tracking customer preferences, observing the positive or negative dynamics of franchise sales, using digital technology of Big Data, and then developing additional products and services, effectively bringing them to market. By analyzing consumer preferences, it is possible to predict their behavior and, based on this knowledge, offer customers what they want to buy.

The second most important key advantage of CRM (75% of respondents) is the ability to scale and expand the business. In other words, the concept of CRM allows receiving the maximum benefit from already available resources — the markets, possibilities, and client relations. Besides, according to experts (65 % of respondents), CRM allows making correct forecasting of sales and growth of the company due to what the franchisor can make the perspective plan of the development.

However, as the experts noted, there are also certain drawbacks of application of CRM-systems which, first of all, are connected with the high cost of the CRM-project (licences, implementation, training, and technical support); insignificant practical experience of implementation; long-term payback of the project; complexity of the process of implementation; possibility of an erroneous estimation of economic efficiency of the implementation of CRM-systems; excessive re-engineering of business processes; absence in some CRM-systems of the possibility of the implementation of additional modules for modernization.

Conclusion

CRM-systems are one of the most promising segments of the market of software and management information systems. CRM-systems are perceived as one of the most perspective strategic tools to modernize the management process in the organization. Despite the discussion of the efficiency of such systems, they have proven themselves in the Russian markets as one of the most promising areas of management system improvement and innovative solution in the implementation of the customer-oriented strategy of the company.

Any CRM-system, first, should effectively solve the business problems of the company. It is possible to receive a real benefit for business only when clearly to understand the principles of its functioning. At the same time, it is possible to guarantee the success of the project only in the case when a deep understanding of business processes is supplemented with knowledge of possibilities of the system and gives the chance to offer the best decision in each case. The use of modern CRM allows the franchisor to collect, systematize all the necessary information, as well as make analysis and forecasts using this information. It also contributes to effective relationship management in RFN. However, it should be noted that the acquisition of modern information systems and even their successful implementation do not guarantee the franchisor the effective implementation of CRM technology. CRM-system helps a franchisor to make management decisions, automate business processes, and analyze activities. Successful CRM-strategy must begin with a business philosophy that builds the activities of the entire franchise network depending on the needs of the consumer. Only in this case, CRM technology can be used effectively — as a necessary means of process automation, which turns the strategy to the result and gives a competitive advantage in the market. The research results confirmed the hypothesis that for strategic relationship management in RFN and the creation of competitive advantages of the entire franchise network, it is appropriate to use a CRM-system — application software designed to implement (automate) CRM-strategy, which allows optimizing all business processes of the franchise network.

References

Anderson, K. y Kerr, K. Menedzhment, orientirovannyi na potrebitelya: CRM-tekhnologii kak osnova novykh otnoshenii s klientom. Moscow: Grand-Fair. 2013.

Avdeev, V. A. "The Legal Legislation and the Law Enforcement Technique in the Conditions of Development of Information Systems". Journal of Advanced Research in Law and Economics Vol: 10 num 1 (2019).

Becker, J. U. „The Impact of Technological and Organizational Implementation of CRM on Customer Acquisition, Maintenance, and Retention". International Journal of research in Marketing num 26 (2009): 207-215.

Bohling, T. "CRM Implementation: Effectiveness Issue and Insights". Journal of Service Research Vol: 9 num 20 (2006): 184-194.

Chalmeta, R. "Methodology for Customer Relationship Management". The Journal of systems and Software num 79 (2006): 105-1024.

Chen, J. I. y Popovich, K. „Understanding Customer Relationship Management (CRM) People, Process and Technology". Business Process Management Journal Vol: 9 num 5 (2003): 672-688.

Dant, R. P. y Grunhagen, M. "International franchising research: Some thoughts on the what, where, when, and how". Journal of Marketing Channels Vol: 21 num 3 (2014).

Dyché, J. The CRM Handbook: A Business Guide to Customer Relationship Management. Boston: Addison Wesley. 2002.

Dzhanadilov, O. M. y Azhibayev, M. G. "Problems of Countering Criminal Offenses in Information and Communication Networks". Journal of Advanced Research in Law and Economics Vol: 10 num 1 (2019): 134-143.

Fedyunin, D. V. "The Scenario Approach to Establishing GR Communications in Higher Education Institutions". Journal of Advanced Research in Law and Economics Vol: 9 num 2 (2018).

Frolova, V. B. "Digital Economy in the Management System of Tourism Enterprises". Journal of Environmental Management and Tourism Vol: 10 num 6 (2019): 1345-1350.

Khamitkhan, N.; Bakhyt, E. y Karshalova, A. "Developing Internet Banking within the Context of Building A Bank's Competitive Advantage". Journal of Advanced Research in Law and Economics Vol: 9 num 4 (2018): 1286-1291.

Kryukova, A. A. Klientoorientirovannye sistemy (CRM). Konspekt lektzii. Samara: FGOBU VPO PGUTI. 2012.

Nguyen, T. U. H.; Sherif, J. S. y Newby, M. "Strategies for Successful CRM Implementation". Information Management & Computer Security num 15 (2007): 102–115.

Payne, A. y Frow, P. "A Strategic Framework for Customer Relationship Management". Journal of Marketing num 69 (2005): 155-166.

Payne, A. y Frow, P. Strategic customer management: integrating CRM and relationship marketing. Cambridge: Cambridge University Press. 2013.

Pyatko, S. G. "On the issue of elaboration of methodical support for the pilot training according to the CRM program". Revista Espacios Vol: 38 num 25 (2017).

Ryals, L. y Knox, S. "Cross-functional issues in the Implementation of Relationship Marketing Through Customer Relationship Management". European management Journal Vol: 19 num 5 (2001): 534-542.

Shakhova, M. S. Franchaizing v Rossii: sostoyanie i perspektivy: monografiya. Moscow: Ekonomicheskii fakultet MGU: Ankil. 2013.

Shanks, G.; Jaglelska, I. y Jayaganesh, M. "A Framework for Understanding Customer Relationship Management Systems Benefits". Communications of AIS 25 num 26 (2009): 263-287.

Slugin, O. V. y Bobkova, E. A. "Formirovanie konkurentosposobnosti malykh predpriyatii na osnove klientoorientirovannogo podkhoda s pomoshchyu CRM-sistem". Ekonomika i predprinimatelstvo num 10 (2016): 294-296.

Sviridova, E. V. "Analiz mirovogo rynka CRM-sistem, perspektivy ego razvitiya, trendy na Rossiiskom rynke". Vestnik Astrakhanskogo gosudarstvennogo tekhnicheskogo universiteta num 3 (2017): 70-78.

Wheatcroft, T. "Leveraging Employee Expense Data to Drive Sales Revenue: How the Integration of T&E and CRM Solutions Can Be Used to Improve Sales Team Efficiencies". Journal of Corporate Accounting and Finance num 29 (2018): 127-132.

Zalozhnev, A. Yu. y Shuremov, E. L. Informatsionnye tekhnologii marketinga. Upravlenie vzaimootnosheniyami s klientami. Moscow: Izdatelskii dom «Bukhgalteriya i banki». 2009.

Zamil, A. M. "Customer Relationship Management: A Strategy to Sustain the Organization's Name and Products in the Customers' Minds". European Journal of Social Sciences Vol: 22 num 3 (2011): 451-459.

Zineldain, M. "Quality and customer Relationship Management (CRM) as Competitive Strategy in the Swedish Banking Industry". The TQM Magazine Vol: 17 num 4 (2005): 329-344.

Zyryanov, S. I. "CRM-sistemy kak element prodvizheniya i rasshireniya malogo i srednego biznesa". Ekonomika: vchera, segodnya, zavtra Vol: 8 num 11A (2018): 180-190.

CUADERNOS DE SOFÍA EDITORIAL

Las opiniones, análisis y conclusiones del autor son de su responsabilidad y no necesariamente reflejan el pensamiento de **Revista Inclusiones**.

La reproducción parcial y/o total de este artículo
Puede hacerse sin permiso de **Revista Inclusiones**, citando la fuente.