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PROSPECTS FOR DEVELOPMENT OF ELECTRONIC CUSTOMER RELATIONSHIP MANAGEMENT SYSTEMS IN FINANCIAL SECTOR OF REPUBLIC OF BULGARIA

Управление взаимоотношениями с клиентами на финансовых предприятиях имеет стратегическое значение для их успеха. В последние годы сектор осознает важность Интернета как единой платформы для осуществления бизнеса, что приводит к созданию электронных систем управления взаимоотношениями с клиентами (e-CRM систем). В целях их популяризации предприятия могут воспользоваться новыми технологиями, стандартами и тенденциями развития e-CRM систем.

Relevance. In recent years e-CRM systems have significant application in financial sector of Bulgaria. Survey conducted among 24 companies in the industry shows that 71% of them have an active e-CRM system and 21% say it is yet to be deployed soon. However, the building of the system is a major and expensive initiative that in its classic version is difficult to be applied in smaller financial organizations. They can take advantage of new technologies, standards and trends in the e-CRM systems that enable all e-CRM functionality to be available at a much lower price.

Goals of the study. This study aims to describe new prospects in development of e-CRM systems and to show their application in financial sector.

Main part. Generally the trends in e-CRM systems which can be applied to organizations in the sector are:

Mobile CRM. Financial organization implements various mobile applications available to users. Customers can connect to the corporate website through their mobile phones and tablets and conduct transactions wherever they are at any given moment. In turn banks and insurance companies use SMS notification to: traffic deposit accounts, maturity, payment of instalments on loans etc.

- **Outsourcing of e-CRM**. It is relevant for those organizations where marketed software solutions are not possible because of its low degree of flexibility and the company has insufficient funds to maintain the IT department to develop its own e-CRM system. The study shows that the outsourcing of e-CRM is applied in four of the surveyed organizations (17%), which is less than the applications development by the company.

- **Vertical CRM**. The system is modified according to different needs of organizations from various sectors. It is applicable to the banks and the insurance companies. Key system capabilities in the banking are: multichannel customer service; Internet banking; teller; wealth management. Capabilities in the insurance

industry are: claims management (P&C, life); distribution management (sales via agents/PRM); group policy management (health); eCommerce/eBilling[1].

• **Cloud CRM.** Much of the software for customer relationship management is now available in the form of Cloud CRM and delivered as a web service, available through a browser. This removes the requirement for purchasing of expensive hardware and hiring of IT specialists for installation and maintenance of the system. Cloud technologies as a form of online business applications, meet the computing needs of companies as they continue to keep user data on its servers. The insurance enterprises can use Integrated Information System for Assessment, Management and Risk control[2]. The application allows issuing electronic insurance policies for "Liability insurance" through a single interface for connectivity to all insurance companies. It can be used as a desktop computer in the office of agent and a mobile data terminal at the client. The new system completely changed the face of the insurance market and offers high-tech approaches for sales and service to the customers. Meanwhile, brokers need no initial investment, resources and money.

Since the beginning of 2011 it has been a possibility to use a core banking system in the form of a cloud service. It is developed by the software vendor Temenos, which includes its core banking system TEMENOS T24 (T24) in the platform of Microsoft - Windows Azure. It is a public cloud, and using SQL Azure[3].The application TEMENOS ARC is implemented in the system. It provides a front office functionality about: multi-channel banking; operational CRM; analytical CRM; workflow processing.

CRM as a service. Software as a Service (SaaS) is part of Cloud Computing. It is the most developed one in the customer relationship management. One of the most popular applications for the financial industry is Oracle CRM on Demand Financial Services Edition – Insurance Solution. It is the first SaaS CRM solution designed specifically for insurance professionals. It enables insurance agents and brokers for better leverage their clients' profile and portfolio information to identify cross-sell and up-sell opportunities and improve customer retention[4].

• **Social CRM.** Social CRM builds on traditional e-CRM systems, enabling the organization to monitor conversations on social networks for keywords related to their products or services to improve customer service. Social CRM can be used effectively in the financial sector.

In the banks, social CRM gives human face to the institution, personalized

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[1] <http://www.oracle.com/us/products/applications/siebel/051285.pdf>

[2] **Нейков,** М. Приложение на Cloud computing в застраховането.// *Информационните технологии – стратегически приоритет в икономиката на знанието: Международна научна конференция*. – Свищов, 2011, с. 72.

[3] **Парушева**, С. Приложимост и проблеми на облачните услуги в банковия сектор. //*Информационните технологии – стратегически приоритет в икономиката на знанието: Международна научна конференция*. – Свищов, 2011, с. 181.

[4] <http://www.oracle.com/us/products/applications/crmondemand/industry-solutions/insurance/crmod-insur-distmgmtsolution-401363.pdf> 13.01.2012 г.

communication with customers. The user deems the bank as a friend and partner, which can be trusted. It collects, processes, and analyzes a wide range of information that is constantly increasing. It allows more accurate assessment of the work of each employee and his contribution to the enterprise[5].

In the insurance companies, Social CRM can be integrated with their claims management systems. Using this plug-in information can be gathered about the claimant using social media channels. Insurance company can give an option to the insured to voluntarily join certain communities that might guide the customer on benefits of health lifestyle (for life insurance), safe driving, links to agencies that can do initial property verifications etc[6].

Conclusion. To promote e-CRM in the financial sector entities may be offered variants of the system, reflected to the latest trends in IT. Mobile CRM provides flexibility in the workplace, and the vertical CRM is flexible according to industry which put in place. Outsourcing of CRM delivers a unique system according to the needs of the organization without it is committed to its development. SaaS and Cloud CRM enables the use all CRM functionality without purchasing software application. Social CRM provides a seamless connection between the company and its clients. Easy installation, low initial investment and their high profitability make them available for the smallest organizations in the sector.

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5.http://www.oracle.com.

6.http://www.temenos.com.

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