



CRM application in agricultural management in the Mekong delta

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Abstract

CRM is a new management tool for business entities in Vietnam, for businesses in agriculture, different from services. This is a new tool with very few businesses. Industry is known. Therefore, this article will present CRM application in industrial management in the largest agricultural production area in Vietnam, which is the Mekong Delta.

Keywords: CRM, agricultural management, Mekong Delta delta

1. Introduction

Today, establishing a good relationship with customers is especially important to the success of each company. So they always have their own strategies to retain customers from product quality, marketing, after-sales services and to manage a large number of customers requiring them to use software support to not miss a customer as well as better care for them. In the era of information technology development, the demand for management software applications is increasing. CRM software has been used by many companies. With the ability to improve conversion rates, increase sales, collect data and especially manage customer relationships help improve their satisfaction. CRM software is considered as an effective assistant of all fields today.

Technology revolution 4.0 is strongly impacting on many areas of life, especially the agricultural sector as it is facing competition following the trend of globalization. Besides the achievements that agricultural sector has achieved in the past, there are still some limitations. From the reality of the agricultural management field of the Mekong Delta, the current customer management has not been properly concerned. The Mekong Delta does not yet have a systematic CRM strategy. In fact, our research team has selected the topic "CRM application in industrial management in the Mekong Delta" to improve the use of CRM in business administration.

2. CRM Theoretical Framework

CRM can simply be understood that businesses that manage interactions with customers to form business relationships. CRM is a business strategy to optimize profits, revenue and customer satisfaction (definition of Gartner (2005)). If CRM is understood as a business strategy, CRM is a collection of activities, strategic action to select, establish, maintain and develop good and long-term relationships between businesses and customers on the basis of adapting processes to create benefits of customers and businesses According to a survey by TDWI (<http://tdwi.org>), the most wanted customers on CRM are:

- Improve service quality (> 90%)

- Maintaining old customers (> 90%)
- Increasing customer life time (84%)
- Looking for more customers (83%)
- Identify and treat the right group of customers with the greatest value (78%)

According to Microsoft's survey, what customers want from CRM is

- Improve service quality with real-time data about customers (76%)
- Organize data from multiple sources in a single repository (68%)
- Ability to do more with fewer resources (67%)

If an administrator sets the above goals for his business, it is clear that the starting point should be from the understanding of the customer and the market he or she is participating in. CRM will be a tool for administrators to build that knowledge. However, CRM is not an immediate tool to meet that, but will need a certain amount of time for businesses to build. Therefore, the strategy of CRM should be a long-term strategy of the business. CRM is aimed at consumers who are consumer goods and services in general. Customers have the ability to choose different products and suppliers. Relationships in business are company activities with partners or with customers performing cross-border transactions. The interactive process many times helps the seller understand customer requirements, assess potential customers. Help increase sales opportunities, thereby forming a stronger business relationship. Management is a company activity that interacts with intentional customers. These interactions are built into large modules to help capture customers' needs and needs. Customers are at the center of all activities of the company are built towards that subject.

CRM has a very important role for the production and business activities of the enterprise, whether it is a manufacturing company or a service, it can not fail to mention the role of CRM operations. Customer relationship management helps businesses understand more about customers such as tastes, age, needs, feedback. All of that

help companies in their business and production orientations when dealing with the needs of customers. Customer relationship management helps businesses know their current customers and potential customers in the future. The word can be compared with competitors and know their competitors in the market. CRM helps businesses know the ability to search, select, build and develop customer systems over time? From there we can assess the level of business development in the market and have improved policies in accordance with the subsequent periods. In addition, CRM also tells businesses how their after-sales services are and how can they handle their complaints.

The biggest benefit of CRM software is to build better relationships with existing customers and through it

- Increase sales revenue by choosing the right time, predicting customer demand for predetermined trends.
- Determine the needs of customers more effectively thanks to the understanding of the requirements of each customer group.
- Can convince customers to buy related products because the brand is known by their relatives and we can offer many alternative products or improved products.
- Determine which customers can bring profits to the company.

CRM is an enterprise strategy to create and maintain long-term profitable customer relationships. Successful CRM initiatives start with the principle that businesses align their activities to the needs of their customers. Only then can CRM software technology be used as a useful tool of processes that require turning strategies into business results.

A CRM system applies software intervention to help manage customer information data as well as monitor employees' work in the enterprise. Depending on the needs of different businesses, the requirements of CRM process have changed. But overall, the CRM strategy of most businesses revolves around customers according to the following 5 tasks:

- a. Sales consulting (CRM Sales). The first but also very important step in the CRM process is to deploy Sales activities including: Mailing, Calling, Quoting, scheduling appointments, signing contracts, payment transactions, debt reporting.
- b. Communications (CRM Marketing). To understand what CRM Marketing is, we need to delve into the advantages of using CRM to manage customers, which is to optimize marketing activities. Marketing using CRM helps enterprises save time in categorizing customers, taking care of customers in groups, promoting buyers through Automation Marketing tools such as Email marketing or SMS marketing.
- c. After-sales service (CRM Services). Taking care of customers who have bought to promote users to buy products, extend services by activities such as discounting, giving gifts, sending letters on occasion of birthday.
- d. Customer Analysis (CRM Analysis). Analyzing customers is to get a proper approach for Sales and Services optimization. CRM helps businesses classify customer file details by: Demand, Interest, Geographic location.
- e. Combination of departments and partners (CRM

Collaborative). If, in normal businesses, each part is a separate part that makes the flow of information sometimes not smooth and delayed. For CRM, all departments are closely linked and all employees are connected to share data visual information quickly. Since then, the service of customer care has been more effective.

2. CRM application in agricultural management in the Mekong Delta

2.1 Overview of the agricultural sector in the Mekong Delta

The Mekong Delta is known as the largest agricultural production area in the country with a variety of agricultural products. In particular, rice, fruit and aquaculture are three advantageous products of the region.

- Rice: is the largest rice producing region in developing countries continuously increasing productivity in terms of output and quality. It can be said that the most outstanding achievements of the region's economic growth after 30 years of renovation have been greatly imprinted from rice. The region's rice products ensure domestic consumption demand and national reserves, but also have the task of ensuring regional and world food security.
- Fruits: Fruit trees grow fast in both quantity and quality. The fruits are mainly grown such as mango, orange, pomelo, longan, rambutan, deep-rooted and concentrated in some provinces. Currently, in the region, a number of concentrated commodity production areas have been established in association with market demand, some branded varieties such as Hoa Loc mango, Nam Roi pomelo, Da Xanh pomelo and Lo Ren breast milk have been applied. According to GAP standards, many fruits of the region such as Sanh orange, mango, tangerine, durian, rambutan and longan have gradually penetrated into difficult markets such as America, Japan and Korea. These are initial achievements of the process of agricultural restructuring, value-added and sustainable development.
- Fisheries: The Mekong Delta has a long coastline, which is contiguous to both the East Sea and the West Sea. This is the biggest aquaculture and fishing area in the country, accounting for about 70% of the farming area, accounting for nearly 60% of the production of seafood quantity in the whole country. Pangasius and shrimp of the agricultural region have become national flagship products. The area of raising pangasius and shrimp farming is maintained at a stable level and provides a good source of production, thereby helping to develop the agricultural sector.

2.2. Restrictions in the production of rice, fruits and seafood

Although the agricultural sector has achieved great achievements, there are some limitations as follows:

- Rice: small, fragmented cultivation, lack of close links in collective economic models produced by chains, large fields, links between businesses and farmers (customers) weak or through intermediaries from which the number of enterprises participating in the production chain is still low, leading to no brand in the market are common and long-standing limitations,

leading to many other limitations.

- **Fruits:** although the fruits of the Mekong Delta in recent years have gained many commercial achievements, there are still common limitations such as rice, which are: small, self-produced farmers play, lack of sustainable linking models into the value chain. Therefore, although farmers sell at a low price, consumers have to buy from traders and wholesale markets at a high price. In some other countries, they have their own branded, famous and exclusive fruit companies while the whole Mekong Delta region does not have a firm that has any strong fruit brands in the world. The next issue of the Mekong Delta fruit is that there is no specialized area for large-scale fruit production. Very few software business applications for fruit cultivation, if any, are in highly effective use. Also, there are very few enterprises that apply software in managing their business, customership and partnership relations.
- **Seafood:** Pangasius often faces difficulties in price, market competitiveness, although this is an almost monopoly product of the Mekong Delta region compared to the whole country. Currently, pangasius has not built a solid brand (including a series of issues: geographical indications, trademarks, certificates of origin, designs); lack of promotion and propaganda strategies, often having problems when being attacked by importing countries. Due to the impact of drought, saline intrusion, pangasius is also affected, causing epidemics, the price is not stable and tends to decrease. Pangasius farming area in Ben Tre has recently been affected by saline intrusion, so the slow growth of pangasius, hemorrhage, eye explosion and edema has led to a decrease in pangasius farming area and a risk of material shortage. On the other hand, being considered the most decisive factor, the source of customer demand has not been determined, so too much production leads to oversupply.

In general, in addition to the achievements, Vietnam's agricultural sector in general or more accurately the Mekong Delta still develops unsustainably; productivity, quality, efficiency are not high; The competitiveness of many products is low. Agricultural production is still fragmented, small-scale, investment in agriculture is still insufficient and technology applications are still slow. Agricultural production also depends heavily on weather; consumer market of agricultural products is unstable. The shortage of high quality human resources with the ability to integrate and the minimum infrastructure base to establish automation systems to connect to the Internet; Not many enterprises have participated in the application of science and technology in agricultural production, especially the application of information technology in agricultural development. Regarding business structure, about 90% of enterprises investing in agriculture are private enterprises; the rest are state-owned enterprises. Notably, in terms of capital for production and business, enterprises operating in the agricultural sector account for only about 8% to 10% of the total capital of the entire business sector. In particular, the capital of enterprises directly producing only accounts for about 1% of the total capital. Labor productivity in agriculture is limited, only about 38% of the average labor productivity in the whole country and that is lower than most countries in the region.

The majority of manpower is low and has not been trained in the advancement of technology and technology. Although rural labor is abundant, industrial awareness is not high, it takes a lot of time to train and propagate. The relationship between rural workers and businesses has not been attached and stable. Incentives on technology investment in agriculture are not strong enough; there are many barriers to the recognition and marketing of agricultural technology products. Mass production is slow and small, so the efficiency is not high. There are many limitations in state management and communication on food safety, affecting production and business activities of enterprises operating in the agricultural sector. There are almost no or very little applications of CRM in agricultural management (smart agriculture). This is one of the reasons agricultural products in Vietnam still have no place to stand on the market compared to those of other countries in the region and the world.

3. Solutions and Recommendations

3.1. Urgent solutions

Facing challenges that affect the sustainable agricultural development in the Mekong Delta, scientists participating in the Science and Technology Program for new rural construction have proposed a number of solutions corresponding to the urgent needs that are to be prioritized soon:

- Review the planning of irrigation infrastructure in the Mekong River Delta to serve the restructuring of the industry, adjust the layout of fields, ensure active irrigation and meet the mechanization of production.
- Perfecting the organization of managing irrigation and environmental protection; apply advanced and water-saving irrigation techniques; developing organization, linking production and consumption of agricultural products in parallel with perfecting mechanisms and policies. Especially, the mechanism and policies on land to encourage the consolidation of land plots, land accumulation, re-planning fields.
- In order to carry out production association organizations firstly, the state needs to disseminate and introduce to people and understand the benefits of using CRM software in their farming field. At the same time, it is necessary to have policies to support and encourage companies producing and trading agricultural products to use CRM in managing raw materials supply or product consumption units. CRM can be applied to manage raw material supply chains by building a software system; for farmers who are signing a type of agricultural product that will grow with the expected number of seeds, area, and planting time. Based on that, the enterprise can provide an observation chart of the development and cultivation situation of that agricultural product to help farmers take better care of agricultural products. In addition, enterprises can control the amount of agricultural products expected to take measures to suit the needs of the company as well as the market.

3.2. Conclusions

In the face of challenges affecting sustainable agricultural development, scientists have proposed some urgent solutions that need to be prioritized soon. Although there is still a limited number of topics and projects within the scope

of time and funding, but the Science and Technology Program for new rural construction has proposed solutions in many areas. relating to sustainable agriculture development; build many models of restructuring agricultural production, economic development, solutions to build irrigation infrastructure, as well as solutions to change production adaptation to climate change in regions, especially is in the Mekong Delta. The application of CRM not only contributes to creating a new management method in agriculture but also brings high economic efficiency. CRM software is considered as a powerful assistant to easily store and access data, customer information, automating the monitoring of the process and productivity of staff, through which maximize sales revenue. Thereby helping to take care of customers better especially in the agricultural sector will contribute to promoting and improving the value of agricultural and aquatic products of the Mekong Delta.

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