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CONSUMER RELATIONSHIP MANAGEMENT CURRENT TRENDS

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ABSTRACT

The starting point for this study is to understand customer relationship management (CRM) as a set of core technology solutions for effective business management. Particular interest for this research is to provide a viable research model for evaluating and testing the potential impact of each CRM component like sales, marketing & service on the three dimensions of sustainability which are economic, environmental & social. Existing sustainability research of society will lead to a better understanding of how the benefits are associated with CRM and how it can increase the positive impact of components on all aspects of sustainability. Therefore, CRM can be seen as a kind of green IT with a focus on digital transformation & sustainable business model innovation. Indeed, this research model could form the basis of a more specific methodology for measuring the impact and benefits of CRM, which, as we argue, is understood both in terms of sustainable business models and innovation.

KEYWORDS: Customer Relationship Management, Sustainable Development, Green IT, Consumer Goods, Customer Knowledge, Management Innovation

INTRODUCTION

In this article, we propose a research model to analyze how customer relationship management (CRM) provides dual benefits to small and medium-sized enterprises (SMEs) in two aspects: customer knowledge management (CKM) and innovation. This combination of interests and strengths is the key to seeing CRM as an important tool for innovative business models that guide small businesses' efforts towards economic, social and environmental sustainability. Traditionally, SMEs have been a cornerstone of the Indian economy, accounting for over 99% of all Indian companies and two-thirds of private sector jobs. The impact of CRM on SMEs is therefore particularly important given the social and economic importance of this sector. Customer knowledge management and innovation are two key drivers of modern enterprises to recruit successful strategies for survival, growth & development, business efficiency, productivity and sustainable competitive advantage. Indeed, knowledge has been identified as the most important strategic resource & a key component of sustainable competitive advantage. Some experts argue that both innovation and competitiveness require knowledge. As a result, the knowledge & innovation are inseparable. In this sense, customer knowledge management through collaborative innovation represents an efficient path to knowledge sharing and successful innovation practice.

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Saarth

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Indeed, customer interaction as a modern anchor for managing customer knowledge and innovation, and as a system how successful organizations learn from customer needs, meet their needs, and increase productivity. The call to consolidate and unify customer collaboration and knowledge of customer needs is what CRM seeks to address as a strategic tool and business philosophy for leading companies.

CRM emerged in the 1970s as a new tool for managing & optimizing sales force automation within companies. Ever since, it has become one of the most popular tools for enterprise information management, not only for sales and marketing purposes, but also for more effective Customer Interaction& customer knowledge management, as well as for the understanding of organizational behavior. Customer relationship management is an integration of processes, human capital and technology seeking for the best possible understanding of a company`s customers. Besides, if we place our focus particularly on customer retention and relationship management, CRM is the most recent international approach available for relationship management. A firm willing to survive and improve its position in the market needs to excel both in its exploitative and exploratory innovation, despite the organizational tensions resulting from both trends. The combination of continuous development and forward-looking exploration is a fundamental principle of a sustainable business model as the foundation of a modern and dynamic business. In this respect, the interest of the current study is clear. It aims to prove that CRM is an effective technology solution that helps businesses utilizes their resources continuously, and to research and innovate in all areas leading to sustainable economic and financial growth. The results of this research theoretical model applied to a specific company reveal the impact of the deployment and use of customer relationship management systems, both in terms of customer knowledge management and innovation.

MATERIALS & METHODS

The initial part of the article identifies both the concepts and generally recognized benefits of CRM, laying the groundwork for future research to measure the impact of CRM on key business metrics. The second part of this article focuses on two important variables of organizations working in both areas. The first is customer knowledge management, a key aspect of the operational process. The relationship between customer knowledge management and CRM should also be considered here, because you can determine the real benefits of implementing CRM in your business. The second key variable considered in our review is innovation, which, along with CRM, is analyzed as a technology that has a direct and valuable impact on the latter. While innovation has proven to be the most important aspect of using CRM as a key tool for building sustainable business models, it can be critical to ensuring long-term sustainability and increasing associated benefits.

Saarth

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CRM: CONCEPT & BENEFITS

Customer relationship management includes a set of software tools specifically designed to manage the three pillars of a company's customer relationship with sales, marketing, and service. Indeed, e-CRM has become the newest paradigm in the world of customer relationship management as today's businesses recognize the need to evolve with their environment to succeed with marketing strategy. From the outset, the main goal of CRM was to attract and retain economically valuable customers while setting aside less profitable ones. Increase in interest in CRM since the 1970s, it is considered to be one of the most important areas of applied science research in the near future. In today's world of ever-increasing online transactions, it is becoming increasingly important for SMEs to collect, analyze and process all the customer data they can collect in order to turn new online shoppers into repeat customers. These issues are highlighted in this study shows that 65% of online customers who make a first-time purchase from a particular website will never buy again. CRM is an invaluable tool for bridging the service gap that prevents Internet-connected companies from making new purchases in the same online store after the first time. CRM enhances a company's ability to coordinate marketing and service strategies as a means to achieve and sustain long-term partnerships. Since the main strategic objectives of each organization include long-term growth and sustainability, meeting customer needs and requirements as well as increasing customer satisfaction are considered the main goals of CRM. In this sense, customer focus is the key to business success in today's market world, and a key principle is that a good CRM strategy can be achieved by increasing customer loyalty.

Implementing and using CRM in small businesses can provide direct benefits both in financial performance and in day-to-day business activities. In other words, improving the overall quality of customer service leads to higher customer satisfaction, which has a positive effect on the profitability of a company, which has the following specific benefits: increased customer loyalty; more effective marketing strategies; improved customer service and support; great efficiency; cut down the money. In terms of customer loyalty, CRM enables companies to centralize and consolidate both transaction history and customer data, thereby identifying the most loyal customers and all key stakeholders to identify the most loyal customers to access and manage this information for effective marketing activities. Personalization of software for consumers can be seen as one of the key factors in increasing customer loyalty. In today's highly competitive market ecosystem, it is clear that SMEs need to diversify their risk of losing key customers.

Marketing will become extra powerful while companies set up CRM because of the fantastically specified consumer statistics collected thru interaction. This statistics permits consumer decision-making prediction, which interprets into extra powerful and personalized advertising and marketing campaigns for a success corporations, with a better effect on their

Saarth

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income and profitability. In fact, consumer statistics can facilitate consumer segmentation & accordingly make advertising and marketing efforts extra powerful; due to the fact grouping clients consistent with their marketplace desires permits corporations to attain goal businesses thru segment-tailor-made advertising and marketing efforts. Customer Service and Support is any other marketplace characteristic difficulty to enhancement thru CRM, encouraging an intensive knowledge of customer desires, and consequently main to higher approaches of assembly them. Actually, CRM can simplify a company's far flung tactics of order reception, update, and placement. On the alternative hand, CRM permits it to hold an ongoing check in of assignment investment, comprising materials, expenses, and time consumption. Finally, it offers get entry to a customer support settlement database. All of those more advantageous abilities are included to hold clients precisely wherein they belong: on the centre of the company's strategy.

CRM is a part of a broader, records-mining set of control software program gear and solutions. Therefore, it allows records evaluation with a purpose to locate detailed, market-applicable data for extra a hit decision-making processes. Besides, integrating all data in a unmarried database lets in all the company's stakeholders to discard deceptive records, in addition to have a regular and unified supply of data, a key characteristic to enhance efficiency, lessen any fees associated with records access, evaluation, and exploitation, and for this reason attain higher advertising decisions. CRM accommodates now no longer simplest software program or technology, however additionally strategic knowledge, which makes it a international answer for extra correct records evaluation and higher enterprise decisions.

CRM & CUSTOMER KNOWLEDGE MANAGEMENT

Customer knowledge management, which is critical to small businesses, relies on two specific strategic resources: customer knowledge management (CKM) and customer orientation (CO). Experts argue that innovation orientation (IO) in general serves as an important and highly effective intermediary between CO and CKM. Since both customer collaboration and focus on innovation have a clear impact on CKM and a company's marketing performance, we view it as a key factor for improving business performance by improving customer knowledge. CKM is also an important strategic resource with significant positive impact on marketing operations, even surpassing its focus on innovation. This demonstrates the importance of implementing a coordinated strategy to extend the accumulated knowledge of our customers.

CKM is therefore a combination of organizational tools, practices, and soft skills focused on how to create, accumulate and transfer customer related knowledge. Because the SMEs' usual lack of human capital restrains their internal drive of knowledge, CKM becomes a strategic resource in order to create customer value. Experts consider the accumulation of

Saarth

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both general knowledge and CKM one of the basic factors improving competitive advantage in this type of firms. Thus, the relationship between CKM and innovation has outlined quite a new area of study, offering a great opportunity to develop and elaborate these concepts and their impact, both on business excellence, and more notably on the increase of SME competitive advantage. Some studies have been conducted regarding the impact of CKM on business and projects.

Current trends in globalization require leading companies to take on new competitive challenges, highlighting the need to focus on customer relationship management, especially customer satisfaction, as a key way to survive and maximize profits. These modern challenges have led leading companies to adopt a new customer-centric orientation upon which so-called relationship marketing is based, which includes the evolution of traditional marketing from transaction-oriented to a modern, relationship-oriented field. Relational marketing focuses on marketing efforts that develop and strengthen long-term customer relationships through continuous improvement of customer service, which has a significant impact on customer satisfaction. Leading organizations rely on CRM software systems to track and analyze customer information because information technology (IT) can significantly improve customer relationships. Personalization is central to a customer-centric marketing strategy and can be achieved by deploying and adapting CRM to customer needs and characteristics. CRM seeks to expand customer knowledge and use it effectively to drive consumer shopping experiences, revenue growth, and profitability. CRM is also seen as a privilege management approach for identifying, attracting, further developing and maintaining successful customer relationships that ultimately aim to increase profitable customer loyalty. Successful companies have discovered how to effectively manage their marketing efforts by prioritizing high-income customers over inactive or irrelevant ones, making customer-centric strategies indispensable. CRM enables companies to deploy this strategy by managing individual customer relationships through customer databases and interactive mass customization techniques. Given that sufficient and continuously updated customer knowledge is critical to an effective CRM system, CRM has certainly established a strong connection with the field of customer knowledge management.

CRM & INNOVATION

Innovation is defined as a set of ideas, practices, or objects perceived as groundbreaking by either an individual or a group of people. Innovation capabilities refer to an organization's application of technology in the means of developing pioneering systems, policies, software, products, processes, devices, or services. Such capabilities also integrate a company's ability to assimilate and utilize external data to obtain success oriented knowledge and business information. SMEs can improve their CKM through two main variables: customer orientation (CO hereafter) and innovation orientation (IO hereafter). An integrated

Saarth

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and balanced approach to CKM and CO practices is absolutely critical for a successful CRM deployment, both variables being essential resources for the company. When consistently integrated and treated as a global strategy, these three resources (CKM, CO and IO) may definitely improve the SMEs' capabilities, such as their innovation skills, as well as improve their results, e.g. in marketing terms, while retaining their competitive advantages.

IO as an organizational resource that is equally helpful in enhancing and maintaining competitive advantage. The innovation process is an essential element of the innovation system. Innovation helps improve efficiencies by encouraging businesses to create, evaluate and develop new and useful products, services and practices, thereby creating and maintaining value for internal and external stakeholders and generating new revenue streams. Organizational innovation is particularly important for SMEs, especially small businesses. To capitalize on existing market opportunities, the latter must meet ever-changing customer needs, which requires certain innovative capabilities as a key factor in achieving competitive advantage. In an era of continuous change, where products, processes and services are constantly evolving to adapt market value to customer needs and market demands, manufacturers and service providers need to enhance their innovation capabilities to sustain competitive advantage. Indeed, today's highly unpredictable, changing customer needs can only be met by successful companies through product and service innovation. Hence, CRM facilitates a firm's gathering, analysis, and exploitation of knowledge related to customer needs and preferences, enjoying as it does wide recognition for boosting innovation and ensuring long-term competitive advantage. CRM is described as comprising five different dimensions (information sharing, customer involvement, long-term partnership, joint problem solving, and technology based CRM), and their related innovation capabilities: product innovation, process innovation, administrative innovation, marketing innovation, and service innovation. Process innovation refers to any shifts in production processes pioneering more productive systems for good manufacturing or service provision.

CONCLUSIONS

In this study, a research model was conceived and developed to empirically test the impact of the three pillars of CRM (Sales, Marketing, Service) on customer knowledge management and innovation, as well as companies' digital transformation efforts and sustainable innovation. Businesses, especially small and medium-sized enterprises (SMEs), want to increase their data processing capacity by implementing efficient and success-oriented technologies and solutions. CRM is one of the modern information systems (IS) that can be used to provide valuable business data to business decision makers (BDMs), especially with regard to the three areas related to CRM: sales, marketing, and service. Therefore, the purpose of the research model in this article is to create a set of plausible hypotheses and frameworks that can be applied to future empirical studies to test the effects

Saarth

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of CRM components on the three dimensions of resilience. Once these hypotheses are confirmed, subsequent testing of this model can help understand the process by which the benefits associated with CRM provide positive and strengthened correlations between each component of CRM and each aspect of sustainability. From this perspective, CRM should be seen as a specific type of green IT for the digital transformation of business models and sustainable innovation.

Despite the general academic and business contributions of this study, some limitations should also be recognized. First, the exploratory model described on this page is a generic and basic model that must be supplemented with specific metrics to validate the model in a specific sector and business environment. Second, this study understands CRM as a combination of its three main components (sales, marketing, and service), but does not consider some of the potentially adjacent or ancillary second-tier elements. Third, each CRM component is treated in a standardized way so that detailed comparisons can be made, so differences between each CRM vendor and manufacturer are not taken into account. Finally, with respect to future research directions, this model can be translated into more specific methodologies suitable for specific sectors and/or corporate standards to test and empirically evaluate the impact of each CRM strategy on company operations.

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