

A Contemporary Approach to Customer Relationship Management

Research Article

Dr. Tansif ur Rehman*, Syed Adeel Ali Bukhari, Ghulam Dastgir

University Of Karachi, Pakistan.

Abstract

The respective research identifies different aspects of customer relationship management (CRM) activities that could benefit organizations by building a positive image. It eventually leads to increased customers' level of satisfaction with organizations. In the contemporary era, it is significant for firms to implement CRM to build good relations with the customers and make them loyal to the organization. This study aims to build up a knowledge base about CRM and identify the emerging concepts and efficacy of CRM with various dimensions. This research explains CRM activities and shows how this could benefit both the parties' organizations and customers. This chapter is formed by a systematic review method. The information from the literature review was coded and combined under the related topics. After classification and combining, the themes were classified according to their level of relationship.

Keywords: Customer Relationship Management; Paradigms; Personalized Marketing; Relationship Marketing Theory; Strategic Capabilities.

Introduction

Relationship marketing theory is the predecessor of modern CRM [23, 34]. The Theory of relationship marketing claims that it is about creating and developing profitable and long-term relations with current and potential clients and stakeholders [38]. Relationships exist when customers have interactions with organizations [12]. There are two aspects that theories of relationship marketing consider when identifying customer retailer financial relationship. First, relationship marketing must be viable not only to the customer but also to the organization. Second, relationships with the customers will enhance retailers' significance in the long run [8, 26].

Contribution Of The Research

This study will contribute to the subject matter by amplifying a managerial viewpoint by identifying customer relationship management concepts. Secondly, it will provide a framework for different strategies of CRM by identifying various vital elements of CRM. Finally, it will contribute to the limited literature on CRM, which might help organizations improve CRM strategies more ef-

fectively.

Research Methodology

This research was formed by a systematic review method [19]. In this method, the research objectives are determined, and an extensive literature review is done on the subject. The research findings are classified according to the subject's content [29]. Classified information is included in the study by organizing it as headings [28]. The flow of the study is formed by evaluating classified information and titles [32]. Thus, integrity is ensured by evaluating the researched subject with its contents [41].

As a result, this method was adopted, and these procedures were followed respectively. The information and data obtained from the literature review related to the research objectives were coded. The coded information was combined under the related topics. After classification and combining, the topics were sorted according to their level of relationship.

Definitions Of Customer Relationship Management

*Corresponding Author:

Dr. Tansif ur Rehman,
 University of Karachi, Pakistan.
 Tel: +923002337763
 E-mail: TANSIF@LIVE.COM

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According to [9] and [39], CRM is about providing better opportunities to utilize the information efficiently, i.e., understanding the customers by creating value for them. It entails a handy combination of people, processes, operations, and marketing capabilities made possible through IT and computer applications [15, 24, 11, 40, 43] identifies four other main components that play an essential role in business:

1. People
2. Strategy
3. Process
4. Technology

CRM is an approach that uses information technology to create a long-term relationship with customers resulting in organizational profitability [1, 25, 33]. In comparison, [5, 26, 35, 42] described CRM as the key to building trust among the organization and customers by creating loyalty. [6] stressed that CRM is a process that creates and retains clients. It aims to manage, recognize, and manage present and potential customers' needs and desires.

According to [13] and [17], customer relationship management aims to act as a complete strategy and a method to enhance the customer's relationship to build the organization's worth. CRM plays a vital role in increasing the prospects by using the data to realize the customer's requirements and then implement it to develop a marketing strategy for its customers [16, 18, 22].

CRM: An Emerging Paradigm

[31] believe that CRM has emerged for the developmental change in marketing. In this era, marketing theory shifts from the product-centric approach to the customer-centric approach [3]. Organizations desire to generate personalized offers for their customers and ensure that they provide better customer service than ever before to build good relationships with the customers [27]. Thus, marketing must be devoted to improving customer relationships [36]. While emphasized the value principle as one of the essential components and an essential customer relationship management strategy, to comprehend what this approach is, let us analyze some of its definitions and perspectives.

CRM: A Tool For Relationship Marketing

According to [21] and [33], customer relationship management is frequently used as a 'technology solution' for relationship marketing. It intends to create a long-term relationship with the critical current and potential customers to acquire and retain the business [7, 20]. Many organizations provide various offers, value-added

services, and communications with clients based on data available about their past transactions, background information, and various other factors [10]. Therefore, CRM seems to be the most rewarding approach for retaining existing customers and attracting new customers [30].

CRM: One-To-One (Personalized) Marketing

[20] have outlined one-to-one (personalized) marketing using CRM in four respective steps.

1. Identify the potential customers, i.e., not going after everyone and using the information to build a rich customer database.
2. According to their requirements, differentiated clientele contributes to a company's value and gives more effort to the worthy client.
3. Identify the individual needs of customers and make customized offers to them.
4. Make unique products for individual customers, facilitate interaction through the company's website and other possible means.

CRM: A Multidimensional Integration Process

The process of multidimensional integration is one of the critical processes in CRM. According to [31], it has been viewed as a process to collect customers' information, get profiles, and make customer knowledge in specific marketing campaigns. It is a system that facilitates organizations in identifying and targeting those current and potential customers who may be more profitable [23].

CRM: A Strategic Perspective

[14] have identified that the strategic framework of CRM may define the success or failure of any organization. CRM policy is a wide-ranging and detailed explanation of the span of CRM towards organizational objectives [38]. It is required to keep the customer-oriented approach for the business and continuously develop internal procedures with technology to acquire and retain the customers [34]. CRM is an approach associated with superseding corporate policy. It tries to increase a firm's productivity, revenue, and customer satisfaction by focusing on a customer-centric process [12, 31].

Aim Of Customer Relationship Management

CRM aims to acquire and retain a customer and make them loyal to an organization by developing a mutual relationship among the customers and business [9]. CRM is the latest method to develop a long-term relationship with customers by all means [15]. The objective of CRM is to put together the customer's loyalty to the

Figure 1.

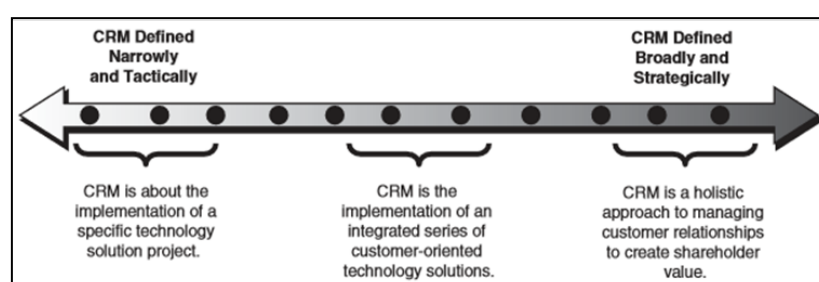
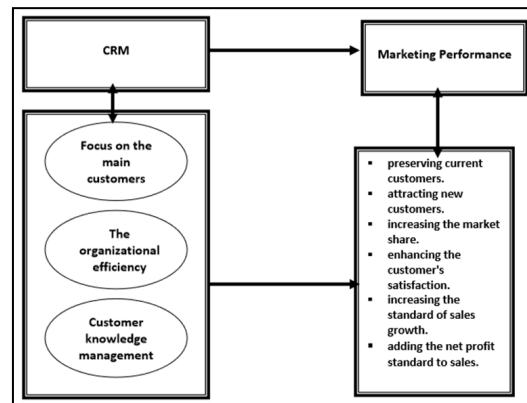


Figure 2.



optimum level [9, 31].

Building Relationships And Customer Devotion

Focusing on, acquiring, and holding the customer is the core task of a business, as a customer is a vital resource for a firm [25, 35, 40]. From this profit-oriented perspective, promoting projects, intending to pull new clients, assemble connections, expand deals from existing clients, and keep up connections into the future ought to be seen as a healthy investment leading to more profitability in the upcoming times [24]. Another way to deal with the customers is to design the strategies intended to develop values of one another within the organization [1, 42]. A profound relationship exists between procedures planned to realize a solitary exchange and intended to expand the clients' relationship [43]. In any case, few services need unique exchanges or transactions, and others involve buyers to get service on a constant premise. Indeed, even where transactions are isolated, there is still an opportunity to make a continuous relationship [5].

Challenges In Customer Relationship Management

Commercial organizations face numerous difficulties in a dynamic business in the contemporary era. In a worldwide economy that has evolved to be dynamically more focused, there is a necessity for capable improvement of services that can rapidly fulfill a demanding customer's needs and maintain long-lasting customer trust [6]. It ought to increase risk management and tackle a broad scope of breakdowns and administrative changes that oblige reporting with more important transparency and standards [13]. It must improve both inward and external advancement while searching for furnished quality at all levels. Meeting these difficulties requires new business and advertising procedures that will generate more output, advance operational proficiency, cut expenses, and expand its general management [22]. Customers continuously seek deals which could benefit them in term of monetary means and time. Organizations need to make a stride further and relate more with their clients to abstain from giving a customer a chance to go for another option [16]. They should progress their relationship with the organization and build trust among the customers by guaranteeing them consistency in quality service [3, 4, 18].

Customer Relationship Management Strategic Capabilities

The organization's essential thing is to concentrate on vital capacities instead of specific procedures [30]. The best organizations initially build up a balanced way to apply CRM strategic capabilities [10]. The four key CRM strategies can be examined as people, process, technology, and knowledge [7, 37].

1. People who have talent and capabilities.
2. A process to work for the maximum satisfaction of customers.
3. Technology to bolster CRM.
4. Knowledge may increase value to the customer information, so they get the learning and understanding expected to extend the relationships.

The CRM strategic capability includes the method, innovation, and procedure to recognize and acquire profit by maintaining relationships with them for the long term [21]. Various researches have established the bonafide and estimation scale for these CRM extents. The exploration abridged that the CRM scale had a high level of dependability and legitimacy [36].

Approaches To Improve Customer Relationship Management Performance

Delivery of quality service is integral to the achievement, growth, and development of a business [27]. An organization may win by conveying continually higher quality management than contenders and surpassing customer expectations [3, 20]. Various researchers like (16,18, 22) have found five considerations a customer uses to evaluate the service quality of a business, which are;

1. Consistency
2. Openness
3. Declaration
4. Empathy
5. Tangibles

Another procedure to effectively utilize CRM is to understand the anticipations of the customers. Researches on customers provide the root to advancing new ideas to focus on the customers' specific requirements [13]. Finding what the clients anticipate is crucial for providing quality service and research to answer customer expectations [6]. Moreover, one can utilize the strategy of customer segmentation [5]. An organization cannot serve a whole market as needs and wants for different customers may not be the same [42]. It must recognize to make divisions of a market that can serve it most productively [23]. A market division comprises

an extensive group within a market business with almost the exact needs, purchasing power, and other characteristics [20].

Future Research Directions

Further research on this topic can be made in the following spheres:

1. Identifying the effect of CRM on the performance of organizations of different sectors, particularly in the service industry.
2. Comparative studies of different organizations to measure performance after the implementation of CRM.
3. Identifying the role of CRM in the decision-making process of an organization.

Conclusion

Customer relationship management is about maintaining a long-term relationship with customers through technology, people, process, and knowledge. CRM can unquestionably enhance favorable circumstances and assist in capably promoting the business. Subsequently, to fulfill the business objectives, each business must have a fully operating CRM framework. Quality service is the only way to retain the customers and provide quality service, and an organization must be fully aware of the needs of its customers, which it can attain through the use of data mining techniques. An organization cannot survive without the customers. The challenge is to manage them effectively and provide them quality service according to their specific needs and requirements. The acquisition and retention of the customers can be made possible through the efficient use of knowledge and people and processes accompanied by technology. The CRM activity is about finding what the clients anticipate crucial for providing quality service and research to fulfill customers' expectations. Organizations should progress their relationship with the customers and build trust via guaranteeing them consistency in quality service as CRM tries to increase a firm's productivity, revenue, and customer satisfaction by focusing on a customer-centric process.

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