

The New Technological Trends in Customer Relationship Management (CRM) to Unveil Opportunities for Developing Countries

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INTRODUCTION

Customer relationship management (CRM) is a management philosophy and strategy that must be applied to all the units of the firm, which is customer focused, requires customers to collect and process information with effective methods of customers to meet their requests, sustains continuous communication and targets long-term customer loyalty based on trust (Yildirim & Panayirci, 2016). CRM systems work to develop new business strategies in the light of the information gathered to create better understanding for the expectations of customers and the information obtained. In this sense, the CRM systems have ability to analyze each customer individually, such as customer profile, habits, anticipations, location and region information, as opposed to general customer definitions, to make new work plans on the basis of analysis of these obtained data. In today's world, globalization increases competitiveness of companies (Hitt, Ireland & Hoskisson, 2016). Therefore, it has become a necessity to implement CRM systems correctly so that organizations can overcome this competitive environment. Furthermore, CRM has several other advantages for businesses to become successful competitors in such a technological world. Some of the benefits of CRM in terms of firms are working customer oriented, the retention of customer loyalty, maximizing long term revenue and profit, maximizing up-selling, cross-selling and bundling, and having more information about customers by segmentation (Goodhue, Wixom & Watson, 2002).

Although CRM might see as a mature subject, it is known that it will continue to grow in the years to come with new technologies, features and innovations. In today's business world it has become imperative to keep abreast of new technological changes and trends for companies while the CRM is proceeding on its way to implement these strategically way. Therefore, this chapter discusses new technological trends in CRM with a special reference to unveil opportunities for developing countries. In this context, a special assessment under which trends will shape CRM for the future is going to expand the existing resources provided by the literature about this subject. Internet of things (IoT) concept is one of these trends which involves interconnected devices, systems and services that rely on the autonomous communication of physical objects within the existing Internet infrastructure (Atzori, Iera, & Morabito, 2010). IoT is a thrilling concept because it brings intelligence of the Internet to physical products (Hoffman & Novak, 2015), thereby making all products more connected and smart (Nguyen & De Cremer, 2016). CRM solutions are now evolving to take customer service to the next level enabling enterprises to bet-

DOI: 10.4018/978-1-7998-3473-1.ch146

ter understand their customers and offer proactive support by leveraging IoT data to create improved, automated customer support environments (Palermo, 2015). Furthermore, artificial intelligence (AI), cloud-based CRM and social CRM are some of the trends that will be discussed in this chapter. Even if CRM systems are implemented in the most appropriate way, it is necessary to prepare it for future technologies ahead of time and adapt to continuous innovations. According to Rivera and Van der Meulen (2014), CRM will be at the heart of digital initiatives in coming years as enterprises look to create more targeted interactions in a multichannel environment. Therefore, the discovery or unveil of the opportunities of such new technological trends for CRM and the use of their advantages will often make it possible for the developing countries to acquire a greater place in today's innovative business world.

BACKGROUND

Elaborated Definition of CRM

Globalization is a concept that leads to the borders of countries to disappear deeply affects firms and puts them into competition environment. In this competitive environment, people want to buy products and services that fulfill their own demand rather than being offered to them. Kumar and Reinartz (2012, p. 5) defined CRM as "... the strategic process of selecting customers that a firm can most profitably serve and shaping the interactions between a company and these customers. The ultimate goal is to optimize the current and future value of the customers for the company...". Better quality and affordable products and services provided to the customer can help companies to have loyal customers, while at the same time providing a competitive advantage to firms. Thus, CRM is a huge competitive advantage that allows organizations to keep their customers in the long term.

Evolution and History of CRM

While some firms assume that CRM starts with the birth of the conception of trade by applying it in different forms according to the times of day, some other firms accept CRM as the birth of call centers. In fact, the recognition of CRM philosophy in the world, the adoption of it, and the fact that it takes a long time to pass on its life is the best indication that this concept is not just a software. Products become more popular than ideas. Since CRM is a philosophy, it is only after such a long time that it has reached the stage of concept maturity. That is the post-implementation phase, and the real contribution of CRM to people's lives will also be in this phase.

The Components of CRM

CRM is a combination of people, processes and technology that seeks to understand a company's customers (Chen & Popovich, 2003). Companies that successfully implement CRM will reach customer loyalty and long run profitability. When all of these interpreted, the most critical component is the people component. CRM systems that automate integrated customer processes lead to changes in how users perform daily business. People who do not fully understand the reasons for change, do not participate in the change, or do not have enough training on change may show resistance. Therefore, human factor plays an important role for CRM implementation. The business process is another important component that companies need to change it according to CRM system. Relationship marketing differs according

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