

Facilitating Customer Relationship Management in Modern Business

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INTRODUCTION

In a highly competitive market, companies need to maintain positive relationship with their customers (Hassan, Nawaz, Lashari, & Zafar, 2015). Customer relationship management (CRM) encompasses the broad perspectives of activities starting with the segmentation of customers in the database and continuing with acquiring new customers and retaining existing customers (Matis & Ilies, 2014). CRM systems are a group of information systems that enable organizations to contact customers and collect, store, and analyze customer data to provide a comprehensive view of their customers (Khodakarami & Chan, 2014). Customer data and information technology (IT) organize the groundwork upon which any successful CRM strategy is established (Tsai, 2011).

CRM becomes one of the most important business strategies in the digital age, thus involving organizational capability of managing business interactions with customers in an effective manner (Kasemsap, 2015a). CRM refers to a firm's activities for establishing and maintaining relationships with its customers (Kalaiganam & Varadarajan, 2012). The merger of CRM systems with social media technology has given way to a new concept of CRM that incorporates a more collaborative and network-focused approach to managing customer relationships (Trainor, Andzulis, Rapp, & Agnihotri, 2014).

CRM is a critical issue in services management (Cheng & Yang, 2013). CRM systems are essential for companies seeking growth and profits in the global marketplace (Heidemann, Klier, Landherr, & Zimmermann, 2013). Keramati et al. (2013)

indicated that the nature of CRM is multidimensional, and it is one of the most complicated innovations in modern organizations. Customer value, customer satisfaction, and brand loyalty have mediated positive effect on CRM performance (Kasemsap, 2014a). This article aims to bridge the gap in the literature on the thorough literature consolidation of CRM. The extensive literature of CRM provides a contribution to practitioners and researchers by describing the multifaceted applications of CRM in order to maximize the business impact of CRM in modern business.

BACKGROUND

Effective CRM has emerged as a strategic imperative for companies in every business (Benmoussa, 2005). CRM has been recognized as a set of methodologies and organizational processes to attract and retain customers through their increased customer satisfaction and customer loyalty (Cousment & van den Poel, 2008). CRM is used to define the process of creation and maintain relationship with customers (Hassan et al., 2015). CRM is defined as the adoption of IT to develop new customers and retain old customers so as to keep the long-term customer relationship, which aims to improve customer relationship and can help increase customer loyalty, customer retention, and customer profitability (Hennig-Thurau, Gwinner, & Gremler, 2002).

The rapid growth of CRM systems raises the opportunity within many firms to effectively utilize the customer data over time to secure competitive advantage in modern business (Eichorn, 2004).

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CRM data is among the most important and comprehensive information available to executives in many organizations (Stein, Smith, & Lancioni, 2013). With the increasing importance of CRM in every industry domain, CRM classification practitioners demand a standardized framework with the streamlined data mining processes capable of delivering the satisfactory result for CRM data with all data mining challenges (Tu & Yang, 2013). CRM leverages information, technology, and people to create and deliver value to the targeted customer at a profit (Salim & Keramati, 2014).

CRM relational information process includes information reciprocity, information capture, information integration, information access, and information use, and expected the process to enable the facilitation of CRM performance (Jayachandran, Sharma, Kaufman, & Raman, 2005). CRM relational information processing is a process in which firms effectively engage in the systematic registration, integration, and analysis of customer information (Hillebrand, Nijholt, & Nijssen, 2011). The key objective of the CRM relational information process is a focus on initiating, maintaining, and retaining the long-term customer relationships (Becker, Greve, & Albers, 2009).

CHARACTERISTICS OF CUSTOMER RELATIONSHIP MANAGEMENT

This article describes the overview of CRM; CRM and technological utilization; and the facilitation of CRM in modern business.

Overview of Customer Relationship Management

Customer relationship management (CRM) has been widely recognized as an important business approach to build the long-term relationships with specific customers (Coltman, Devinney, & Midgley, 2011). CRM is recognized as a manage-

rial tool for guiding sales teams and supporting engineers and other specialists in developing sales prospects, creating appropriate business proposals, dealing with customer objections, and providing post-sales customer support (Agrawal, 2003). Chen and Popovich (2003) defined CRM as a cross-functional, customer-driven, and technology-integrated business process management strategy that maximizes relationships. Kumar and Reinartz (2006) considered CRM as the strategic approach of identifying the firm's customers that can be profitably served.

CRM applications are considered as the closed-loop systems focusing on a set of priorities and time-critical functions at the customer level (Ku, 2010). CRM includes four major dimensions (i.e., customer identification, customer attraction, customer retention, and customer lifetime value) toward developing the sustainable relationships (Ngai, Xiu, & Chau, 2009). Current models of customer lifetime value consider the discounted value of profits that a customer generates over an expected lifetime of relationship with the firm (Singh, Murthi, & Steffes, 2013). Providing free trials for the particular products is an essential way to give feedbacks to the customers toward promoting CRM (Wei, Lee, Chen, & Wu, 2013). Mohammad et al. (2013) stated that promoting CRM improves organizational performance in the tourism-related hotel industry.

CRM not only enhances the flow of information within an organization, makes it easier to store customer data, and increases information accessibility (Hillebrand et al., 2011), but also leads to the greater insights into customer needs, customer behavior, and customer expectations by developing and maintaining the interactive relationships (Spiller, Vlastic, & Yetton, 2007). The development of long-term relationship with customers and turning them into the loyal customers are the important aspects of successful marketing because customers are the crucial assets in modern business (Wang, 2013).

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