CUSTOMER RELATIONSHIP MANAGEMENT: AN OVERVIEW

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ABSTRACT

Preamble

Customer relationship management is the combination of practices, strategies and technologies which are used by modern companies to develop mutually beneficial rapport between the organization and customers. Customers constitute the most important stakeholder groups from business management point of view. Customers are the backbone of contemporary business management. Modern corporate houses have developed the customer relationship management system on the basis of certain norms, guidelines, strategies, tools and technologies in the competitive business environment. They depend on effective customer relationship management which encompasses direct interactions with customers. The present investigation will be carried out in South India to evaluate the customer relations system, process and practices of select corporate houses. An overview of the development of customer relationship management is presented in this article on the basis of qualitative analysis.

KEYWORDS: *Customer Relationship*

INTRODUCTION

CUSTOMER RELATIONSHIP MANAGEMENT IN ANCIENT TIMES

Scholars have traced back the history of customer relationship management to the ancient generation of paleolithic ancestors who had building long-lasting relationships with their customers in an informal way. The ancient sellers had found it difficult to cross oceans and travel across deserts or jungles which had wild animals. They had depended on the strengthening of existing relationships rather than finding new customers. They had also utilized notations, edicts, tablets and accounting methods which were different in places and cultures. The past kingdoms, empires, businesses, governments and countries had practiced customer relationship management by using traditional media and methods.

In the ancient times, people had relied upon the nature to fulfill their basic needs by following agriculture and interpersonal communication contacts. There was absolutely no need to produce commodities and sell them by using certain marketing techniques. The industrial revolution paved the way for production of goods and services and utilization of customer service teams in 1760s. The invention of telephone in 1876s had enabled the service providers and customers to share product information. The invention of telephone switchboard in 1894s added a new dimension to company-customer relations. The emergence of call centers in 1960s had added new dimension to relationships management between the service providers and customers. The advent of email facilitated the first host-based electronic mail programs and development of larger networks for the management of organizational affairs.

CUSTOMER RELATIONSHIP MANAGEMENT IN MODERN TIMES

In 1950s, the businesses had resorted to documentation of all organizational activities by using papers and files. The first rolling index or Rolodex was invented in 1956 to store contact information of business prospects. Automation was adopted by the business and industrial organizations in the late 1950s. Modern organizations had maintained accounting records with the help of computers and reached out to their customers by scheduling on-ground meetings with the participation of sales executives in 1960s.

Customer relationship management was practiced in the 20th century on the basis of certain accounting practices and globally accepted standards in modern organizations. Commercial computers were used for the purpose of the development of data bank on the basis of the introduction of automation. The database marketing had enabled businesses to customize communications to their customers with targeted messages and monitor business relationships in 1970s. CRM was practiced on the basis of customer database and technological applications. Robert Shaw and Bob Kestnbaum had contributed immensely for the designing and development of modern marketing strategy. But, Pat Sullivan and Mike Muhney are known as the founders of organized CRM in the world.

Customer relationship management was strengthened on the basis of new software on account of technological revolution. Customer relationship was undertaken on the basis of advanced software during 1980s. The first contact management software was introduced to the world in 1986s which brought about the digitization of customer information for greater efficiency of modern organizations. The emergence of World Wide Web and MIT App Inventor had widened the practice of customer relationship management across the globe. A new age of Real CRM was heralded in the mid-1990s and made data tracking more sophisticated tool of customer relationship management. The efficiency of CRM system had increased considerably when it was transferred from physical world to software. Organized customer relationship management had originated towards the end of the twentieth century.

CUSTOMER RELATIONSHIP MANAGEMENT IN THE AGE OF GLOBALIZATION

Customer relationship management has evolved for the greater good of modern businesses. In the past, the service providers had primarily depended on face-to-face conversations to understand the customer satisfaction. There was no planned collection of customer data in the absence of technological resources and applications in 1980s. The sales of CRM software had gained significance since it was available in all shapes and sizes. They were beneficial to both — small scale industries and multinationals. The business organizations had also adopted database marketing in 1990s to engage customers by providing special offers and rewards in exchange for services. The rise of cloud technology paved the way for the adoption of modern CRM systems. Customer relationship management was complemented by the new customization endeavor which was adopted to the company's specific challenges in the beginning of 21st century. Corporate houses had adopted open-source CRM solution during this period.

CUSTOMER RELATIONSHIP MANAGEMENT IN 21ST CENTURY

Customer relationship management has grown as a globally integrated approach to the management of valuable customers in order to achieve a sustainable competitive advantage in a global marketplace. It has become a new way of marketing and business in an efficient manner (Goddard et. al, 2008). Modern corporate houses have developed a full-fledged CRM system to cope up with all the business needs and demands of the customers. Customer relationship management was

strengthened on the basis of advanced strategies and approaches designed by the experts in the field in modern organizations.

Customer relationship management practically began with the practice of relationship marketing and evolved to customer relationship management. It has replaced the traditional concepts such as product, price, place and promotion. CRM has substantially contributed to the development of marketing strategies in order to win over the customers in a dynamic market environment (Wahab and Ali, 2010). The process of CRM has been strengthened on the basis of better understanding of marketing environment and dynamics of business management. Modern customers have gained new capacity to capture product and service and service providers have begun grabbing the profit through effective CRM strategies.

Customer relationship management is practiced to align the organization with business strategies and goals in modern organizations. They have made necessary investments to manage the sales and service operations to the satisfaction of customers. There is a great transformation of CRM to enhance operational marketing capabilities, brand position, customer value and business prospects (Freeland, 2010).The social media had come to the fore during the second decade of the 21st century. The new CRM software was actively utilized to create a two-way communication channel between the company and the customer. It was possible to predict market trends and conduct sentiment analysis to measure public opinion, conduct market research, monitor brand and comprehend customer experiences. Integrated efforts are made by the organizations to manage CRM and optimize business prospects in the new environment.

Customer relationship management gained the potential for achieving success in modern organizations in new environment of extensive competition and rapid technological development. It was an embodiment of people, technology and processes which involved successful adoption and implementation of persuasive communication and marketing operations (Rababah et. al, 2011). Customer relationship management has gained new dimensions of business intelligence and database marketing over a period of time. The service providers were motivated to make informed decisions about the delivery of goods and services in accordance with the aspirations of the customers. Organizations also made conscious efforts to promote customer-oriented culture and gain success in the field of business management.

The relationship marketing had evolved to customer relationship management in modern organizations. It was practiced in these organizations in accordance with the changes in marketing environment. CRM had become a deliberate business strategy to capture the new generation of customers in a dynamic market environment which was dominated by the increased numbers of market players, technology support and open market mechanism (Samsudin and Juhary, 2011). Customer relationship management had focused on greater customer satisfaction, brand loyalty, market growth and organizational prosperity in business organizations.

Modern organizations practically utilized data mining to improve customer relationship management since it provided useful information about the customers. Operational CRM was strengthened on the basis of analytical CRM with predictive data mining models (Gupta and Aggarwal, 2012). Corporate executives and marketing executives practically depended on data mining with a good different model. Conscious efforts were made by the service providers to improve the CRM technologies and methodologies in order to develop better communities around their brands in competitive business environment.

Customer relationship management was built upon the customer relationship management resource networks in the business world. The practitioners developed scientific conceptual model on the basis of intersection of certain theories which was influenced by the stakeholders, social networks and technological resources (Braganza et. al,2012). The stakeholder theory, resource-based theory and social network theory had a great impact on the evolution of CRM on the basis of sound resource networks.

Customer relationship management had evolved as a systematic management function in modern organizations on the basis of development of customer data about the needs and demands of the customers (Saarijarvi et. al, 2013). The companies had increasingly shifted their attention from selling products to serving customers by adopting healthy practices and new technologies. The focus was also shifted from the internal to the external use of customer data by the marketing executives.

The brands have evolved from customer relationship management to social customer relationship management since modern customers have become smarter more informed and vocally empowered with easy-to-use social media technologies everywhere. Modern business reality has become more complex than before due to a well built and implemented social CRM program which is backed up by new technologies (Nilsson, 2013). The CRM solution has the ability to transform any given business through constant interaction with the customers on round the clock basis.

Customer relationship management has gained great significance due to the challenging business environment in the world. It is a means of addressing increasing competition, changing economic conditions and promotional dependence through proper use of customer intelligence and relationship development exercises (Baran et. al, 2014). It had received management support in Europe and America in 1990s since it promoted business through better understanding of the needs of customers and adoption of promotional strategies and tools.

Customer relationship management has passed through several stages of development in the world. It had primarily consisted of database marketing and relationship marketing in 1980s. Modern companies utilized the customer intelligence to create a favorable marketing management in 1990s. The businesses had also tailored their marketing and sales efforts to the specific needs of the customers. The rise of the Internet and personal computing changed the nature and scope of CRM substantially. Advanced databases were utilized to enrich the process of CRM in modern organizations (Kevin, 2014). Customer relationship management emerged as a prominent instrument of boosting productivity and marketability of goods and services in a competitive business environment.

Customer relationship management had grown during 1990s – 2012 on the basis of revolutionary technological changes and strategic business management approaches in the world. The information scientists and technocrats have provided innovative methodologies and technologies for the enrichment of CRM practices in various organizations .

(Karunanithy and Kajendra, 2014). CRM has been consolidated in the new millennium both in public and private sector organizations in the world. It has become an all pervasive organizational management function which sustains customer satisfaction and loyalty.

Customer relationship management has gained new strength in the era of social web and social customer. There was a transition from a product-centric to a customer-centric business culture in the world. Traditional CRM was replaced by social CRM based on new marketing and business environment. Modern companies attached great importance to

customer engagement in the decision making and delivery systems in order to win over the customers (Bompolis and Boutsouki, 2014). The CRM philosophy had entered into every facet of business and helped modern organizations to improve customer-related business practices.

Customer relationship management has passed through the stage of relationship management systems to e-CRM and social CRM over a period of time. The social media application has widened the scope of CRM which is both abusiness strategy and information system (Jelonek, 2015). The social CRM systems have effectively enhanced customer relations and created new opportunities for strengthening relationships with customers. Business houses have explored new opportunities for developing connectivity with the customers across the globe on the strength of advanced technologies and tools.

Customer relationship management has evolved as a combination of people, processes and technologies in the new millennium in order to create a competitive advantage by catering to the needs of the customers and retaining the customers through implementation of CRM strategies (Babu, 2016). The efficiency and success of modern organizations were measured in terms of their ability to obtain customer information, produce customer-friendly services, evaluate customer satisfaction and adopt better methods of CRM.

Customer relationship management has passed through different ages in history based on the changing needs and demands of customers. Modern organizations have achieved the capacity to implement 'mass one-to-one relationships' on the basis of technological revolution and software applications (Dirsehan. 2017). The customers have evolved from humans to objects under the changed technological and marketing environments.

Customer relationship management had become a prominent instrument of developing long-term customer relationships in the modern business environment (Arrigo, 2018). It had also incorporated the integration of supply-chain functions in order to achieve a greater efficiency in delivering and improving customer relations. Corporate leaders had accorded importance to increasing customer base, revenue from existing customers, converting competitive customers and maximizing customer satisfaction in the new business environment.

Modern businesses adopted customer relationship management as a prominent instrument of business management to provide the best possible experience for customers. Sophisticated CRM data were also developed to deliver customer centric goods and services. The marketing teams were also created to utilize CRM solution to retain the customers and multiply their support base (Barnhart, 2019). The corporate houses have utilized campaign management, call center management and marketing analytics to develop CRM initiatives in the world.

The dynamics of customer relationships have changed remarkably in the new age of customer driven expectations. Big data, machine learning and Artificial Intelligence are focused in the market research studies (Dorrell, 2020). It is expected that more integrated, contextually-aware and intelligent CRM applications and platforms would brighten the future of business management vis-à-vis effective CRM strategies.

Customer relationship management has been regarded as customer success management in the new business environment. The customers have become the prime movers of business management and gained management support since organizations have shifted their focus toward proactively driving customer success metrics (Hilton et. al, 2020). Series of strategies are adopted by the business organizations to implement the customer success plans and gain adequate revenue in a competitive business world.

CHANGING FACETS OF CUSTOMER RELATIONSHIP MANAGEMENT

Customer relationship management has evolved into a sophisticated system which benefits modern organizations and customers. It is a prominent management function which integrates all departments of a business to ensure increased customer satisfaction, loyalty and retention. It has also transitioned to a digital experience which focuses on fostering the customer relationship throughout their journey with a business organization. The service providers are in a better position to create a personalized customer experience (Edwards, 2020).

Customer relationship management has gained great support from the social media intervention in the new age of digital revolution. The social media had widened the base of CRM and facilitated participatory business management in the new environment. A new branch of social CRM also emerged since social media were integrated into the domain of CRM. The customers gained the ability to import data from other systems to fulfill their needs and demands in a transparent business atmosphere.

Modern organizations have strived for achieving customer-centric goals by utilizing the advanced strategies and software resources. Efforts are made to gain new customer-centric insights for better delivery of services and win over customers who are the driving force of successful business management(Adair, 2021). The global CRM market is predicted to grow in a positive way due to the development of customer intelligence and adoption of systematic strategies of customer relationship management. Customer relationship management has become the mainstay of many businesses and several industries. It has the power to integrate various groups of people and processes through a single platform which provides the benefit of personalized communication to the customers. The development of Cloud based CRM software, improvement in the mobile CRM and addition of social CRM have optimized customer relationship management. Modern corporate houses have shifted their approach from transactional to customer centric which fetches rich dividends professionally and financially.

Customer relationship management has reached its full potential, allowing businesses to maximize their own potentials in the new business environment (Wingard, 2021). New customer databases are developed by the service providers to identify the specific needs of the customers and explore better ways of fulfilling the requirements of the customers in a competitive business world. The process of customer relationship management has been widened in the new millennium with the application of technologies and adoption of multi-faceted strategies which are beyond the customers.

CONCLUSIONS

New digital resources and technologies have brought about commendable transformation in the art of CRM in the business world. Modern organizations are pre-occupied with the integration of information and communication technologies into their customer relationship management (Bachir, 2021). The integrative strategy is primarily intended to satisfy customers' needs and attaining their loyalty to achieve optimum success in business management. Advanced technologies enable the customers gain new digital experience and maintain trustworthy relations with the organizations.

Customer relationship management has become more complex since it integrates all departments of business organization to ensure greater customer satisfaction. Modern CRM represents the application of digital technological resources which provide new digital experience to the present generation of customers. The service providers adopt CRM strategies and tools to foster relationships with customers. The present CRM system mainly focus on uniting sales,

marketing and customer service departments to foster customer relations and facilitate meaningful personalized customer experience.

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