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9. Evolution of CRM: A Pathway Towards Sustainable Business Growth

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Abstract:

Customer Relationship Management (CRM) is a new gem which has evolved for the modern business. It provides a safe and trustworthy platform to gain customer confidence and also helps generate more leads. In the current era, CRM has become a cornerstone of modern business strategy, as it aims to enhance customer satisfaction, along with loyalty, and profitability. Through comprehensive data management and analytics CRM provides a great helping hand to the organization.

The increasing complexity of customer interactions in the digital age encourages, increased use of CRM systems that can generate various communication channels and provide actionable insights. This research paper aims to explore the impact of CRM implementation on customer satisfaction and its different tools to benefit a company, it also aims to provide a deeper understanding of how implication of CRM strategies can be beneficial for both the profitability and sustainability of the organization.

Customer Relationship Management (CRM) has now turned out to be a critical strategy in modern business practices, which aims to encourage and sustain long-term customer relationships. This paper explores the multifaceted dimensions of CRM, focusing on its evolution, advancements, and its magical impact on business performance. Through a comprehensive literature review study and analysis of various case studies, this paper arrives at the key components of CRM systems, including data management, security and customer analytics, personalized marketing and sales automation.

Additionally, the study also focuses on the role of CRM in increasing customer satisfaction, loyalty, and generation of leads. Emphasis is placed on the integration of CRM with emerging technologies such as Artificial Intelligence (AI) and Machine Learning (ML), which again helps organizations to interact with customers in an efficient way. The findings suggest that if CRM can be implemented in an effective way it not only organizes tasks but also provides a competitive edge by enhancing superior customer experiences.

Keywords:

Lead generation, centralized database, market automation, ERP.

9.1 Evolution of CRM: A Pathway Towards Sustainable Business Growth:

9.1.1 Objectives:

Customer Relationship Management (CRM) being one of the crucial parts of the modern business organization, the study of its increasing use and benefits becomes an interesting area of study, with this thought, this paper has come up with the following objectives:

1. To understand how CRM system has developed over time and its contribution towards business growth.
2. To assess and explore the various technologies available in CRM and their effectiveness in enhancing a business enterprise.
3. To spread the awareness of CRM implication among small and medium enterprises.
4. To encourage increased use of CRM technologies.
5. To examine the impact of CRM on key business operations such as sales expansion, customer retention, lead generation, market automation and overall profitability.

9.1.2 Hypothesis:

The following are the hypothesis of the study:

1. Implementation of advanced CRM techniques leads to a significant increase in customer loyalty and retention rates.
2. The use of mobile applications CRM helps to improve field sales performance and customer relationship management.
3. Proper training and employee engagement in CRM usage is extremely important before implementation of CRM, failure of which may lead to ineffectiveness of CRM systems.
4. Businesses that implement CRM technologies generally report higher levels of customer engagement and interaction (Other operations being satisfactory).
5. The overall cost of customer retention and lead generation can be minimized by proper CRM systems that allows efficient targeting and engagement strategies.

9.2 Literature Review:

The term Customer Relationship Management (CRM) came into existence in the early 1990s. The reason behind this was the increasing need to understand the customer's demand and expectations from a product or service. Thus, CRM came into picture to allow businesses to better interact with their customers on a more personal level and gain a competitive edge over others. Another reason behind this was it was becoming difficult to trace the customer's information effectively, as the number rose at an increasing level thus making it more important for larger companies to handle the large data which again required regular update.

Before the introduction of CRM, business relied upon many other terms and systems to support the customer care service, some of which includes, Personal Information Manager (PIM) which was basically used to store the basic information of customers such as names, date of birth, addresses and other information. Gradually, Contact Management System (CMS) was used, followed by Sales Force Automation System (SFA). Sales force automation (SFA) system also helped in developing what is known today as Customer Relationship Management (CRM). The term provides various systematic tools and methods to manage customer relationship in an organized process to ensure maximum profitability.

Earlier the customer relationship management (CRM) foundation was referred to as the 'database marketing' which was done through customer focus groups allowing communication with customers. Later the organizations slightly changed their customer relationship management approach by converting it into a two-way contact. Not only did they collect information for the company's use, information was also sent out to individual customers regarding their requirements. This improved the after sales service, the company showed appreciation by giving gifts, incentives, and other beneficial rewards for customer loyalty. These were one of the many ways for customer relationship management (CRM) to increase sales and maintain an effective improvement of customer services. Finally, customer relationship management (CRM) gained popularity and was introduced as a way to maintain excellent relationships with customers.

Studies according to Payne and Frow (2005) states that, CRM is a strategic approach that aims in maximizing business profits by integrating people, process, and technology to understand a company's customers and potential leads. Whereas recent studies by Nguyen and Mutum (2012) highlight the other aspects of CRM, it shows that effective implementation of CRM can lead to improved customer satisfaction and loyalty which is of utmost importance in this competitive era, it also states that higher customer satisfaction will ultimately bring higher profitability in the organization. However, research by Rahimi and Gunlu (2016) apart from its benefits it also identifies several challenges or shortcomings in CRM implementation, which may cause hindrance for a company, such as data integration issues, resistance to change, and high costs.

9.3 Data Collection and Statistics:

9.3.1 What is Customer Relationship Management (CRM)?

Customer Relationship Management (CRM) can be defined as a process of strategic approach that combines people, processes, and technology to understand, foresee, and manage the interactions and relationships between a business and its current and potential customers. The primary goals of CRM are nothing but to improve customer satisfaction, develop customer loyalty, and increase profitability by fostering better communication, providing personalized services, and streamlining business processes.

Needless to say that this is an era of highly competitive market, and thus it becomes increasingly important for every company to create its own position in the market, which will help him to stand out in the market. Here, Customer Relationship Management (CRM) plays a major role, as it helps in creating a competitive advantage by building a trustable

bond between the customers and the company. It helps in understanding, communicating, delivering, and developing existing relationships with its existing as well as potential customers. in addition to creating and keeping new customers. CRM has gained a lot of popularity these days as it has emerged to be one of the largest management buzzwords. CRM has come with different meanings to different people. CRM, for some, means one to one direct marketing while for others it is a center of support. Some call database marketing as CRM. While for others CRM stands for technology solutions.

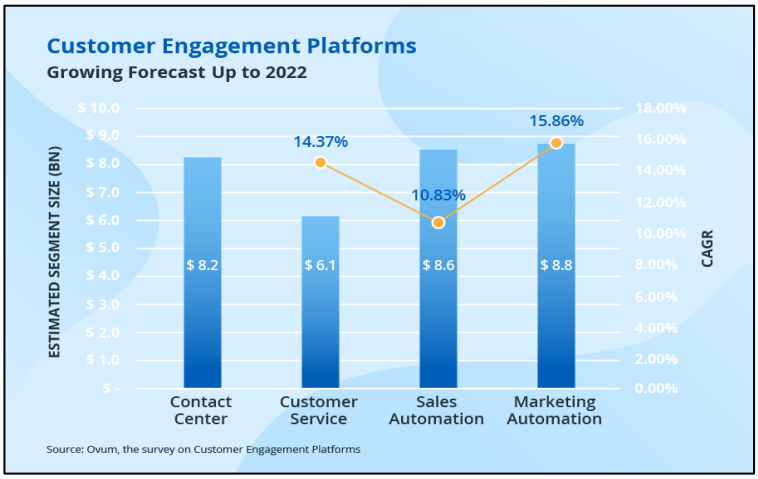
According to Dr. Robert Shaw, the author of the book "Measuring and Valuing Customer Relationships", CRM is "An interactive process of gaining an optimal balance between the organization's investments and the satisfaction of its clients in order to maximize profits".

According to Philip Kotler: Customer Relationship Management (CRM) is "The process of carefully managing detailed information about individual customers and all customer "touch points" to maximize customer loyalty".

9.3.2 Objectives of Customer Relationship Management:

This section will have various views by different authors on CRM objectives and benefits *According to Peppers (1999) he identifies the following objectives.*

- **Customer Differentiation:** different customers show different needs and expectations from a product or service; thus, it is important that organization give equal attention to understand individual customers' needs.
- **Customer Interaction:** Communication is of utmost importance when it comes to interacting with customers, thus organization should keep track of customers behavior and respond to their every need on time.
- **Personalization:** Customers nowadays likes customize product or service; thus, this is very important in any industry to make them feel important and unique.



According to Gronroos (2004) he believes having a continuous relationship with customer can help in building security, trust and a feeling of control.

Gummerson (1994) agrees relationship building is fundamental to an organization in maintaining a positive market share. Gummerson identifies these objectives:

1. **Retention:** Retaining customers is more challenging than making new customers, thus organizations must pay more attention in collecting relevant information on customers such as habits, preferences or e knowing customers' names which can create a lasting relationship in winning them.
2. **Intimacy of profits:** Nowadays Information Technology is gaining a lot of popularity in creating a feeling of intimacy with customers that means getting to "know" who the customers really are. The benefit derives from building a mutual relationship which will result in increased profits for both the customer and the organization.

9.3.3 Analysis Methods:

The research has been conducted using a mixed-methods approach of both quantitative and qualitative data to provide a comprehensive analysis of Customer Relationship Management (CRM) systems. The quantitative method includes various surveys that is conducted on different companies using CRM for customer retention and also companies which do not implement CRM. Data from different popular CRM sites has been studied to draw a reliable result.

The qualitative data collection includes studying various case study results which shows the positive sides of using CRM systems. Various research papers have been reviewed, analysed and compared to draw effective results.

9.4 Findings:

9.4.1 Some Popular CRM Platforms Include:

To generate a stronger salesforce: In order to generate more sales, a comprehensive CRM with a wide range of features for sales, wide range of service, marketing, and more can be obtained to make the organization's network large and effective. Following are some of the popular CRM platforms:

(A) HubSpot CRM: HubSpot CRM is an American developer as well as marketer of software products which deals in inbound marketing, sales, and customer service. It was Founded by Brain Halligan and Dharmesh Shah in the year 2006. It is a popular customer relationship management platform to help business in solving their tricky areas and operations at one place and with ease. It is designed to help businesses manage their sales requirements, assist in marketing management, provides guidance in customer service decisions, and operations. It is free and user-friendly CRM with all sales, marketing, and service tools under one head. Its products and services aim to provide tools for the following:

1. Customer relationship management,
2. Digital marketing,
3. Provides customization and Integration

4. Social media marketing,
5. Content management and market automation,
6. Lead generation,
7. Web analytics and reporting,
8. Search engine optimization,
9. Live chat, and
10. Customer support.

(B) Zoho CRM: Zoho CRM is a global customer relationship management platform that helps businesses manage their major decisions related to sales, marketing, customer support and feedback activities in a unified system. It is affordable and customizable CRM suitable for small to mid-sized businesses. It provides solutions at different levels such as: solutions based on industry, Size, Role etc. it provides different services such as the following:

1. Lead generation and contact management
2. Sales automation
3. Analytics with sales performance
4. Process management and Customization
5. Data security and compliance
6. Path enlightens
7. Provides financial and life science services
8. Facilities of canvas studio design

(C) Microsoft Dynamics 365: Microsoft Dynamics 365 can be defined as a type of enterprise resource planning (ERP) and also a customer relationship management (CRM) application. It is designed to help businesses manage various operations, including finance, sales management, customer service operations, and supply chain management, all within a single, integrated platform and a combination of CRM and ERP solutions for larger enterprises. Following are some of its key features:

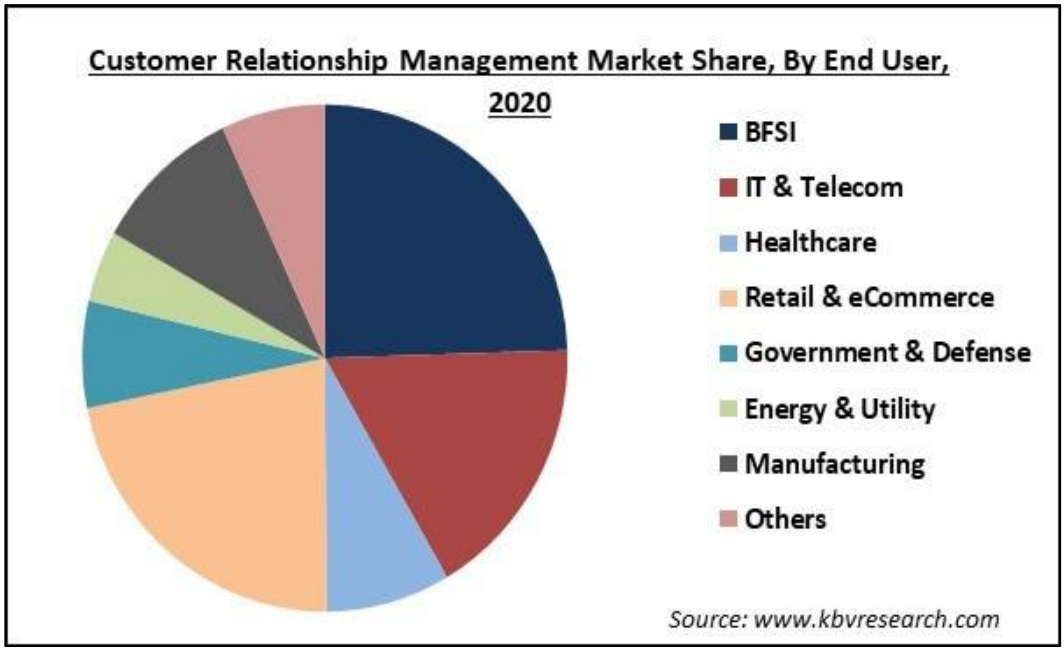
1. Dynamics 365 for sales
2. Dynamics 365 for customer insight
3. Dynamics 365 for marketing distribution
4. Dynamics 365 for project operations
5. Dynamics 365 for business central
6. Dynamics 365 technical support

(D) Pipedrive: Pipedrive is a customer relationship management (CRM) tool which is specially designed to help businesses to focus particularly on sales processes. It is basically known for its user-friendly interface and its objectives on sales pipeline management. It is Sales-focused CRM with a visual pipeline interface. Following are some of its key features:

1. Pipeline management outline
2. Ability to customize pipeline
3. Helps focus on sales action
4. Integrations
5. Provides privacy and security
6. Automation of repetitive task
7. Mobile aps for easy access and sales forecasting

(E) SugarCRM: SugarCRM is a customer relationship management (CRM) software platform which is designed to guide businesses to manage and improve their interactions with current and potential leads. It is an Open-source CRM with strong customization capabilities. Following are some of its key features:

1. Facilitates contact management
2. Provides automation in sales and marketing
3. Provides mobile aps facility
4. Facilitates team collaboration
5. Marketing campaigns
6. Customer support



9.5 Suggestions and Conclusions:

9.5.1 How Can CRM Be Beneficial for Your Company:

CRM tools help businesses to manage interactions with current and potential customers, streamline processes, and improve profitability.

Here are some key tools and features commonly found in CRM systems:

1. Contact Management:

a. Centralized database is being used to store detailed customer information, such as name, date of birth, preferences etc.
b. Tracking customer interactions and communications helps to retain customer's loyalty.
c. Organizing contacts by categories, tags, or groups helps to find information quickly.

2. Sales Management:

a. It helps in sales management by tracking the stages of deals.
b. It also acts as a source of opportunity management which identifies potential sales and forecast revenue.
c. provides a helping hand to management to Identify, nurture, and convert potentials into customers.

3. Marketing Automation:

a. CRM uses Email marketing campaigns to send targeted messages to customers.
b. Social media tools are being used to manage and analyze social media interactions.
c. Marketing analytics to track the effectiveness of campaigns.

4. Customer Service and Support:

a. CRM uses different systematic approach to manage customer inquiries and issues.
b. It is totally knowledge based and helps in self-service support.
c. It also allows Live chat chatbot integration for real-time assistance to serve the customers better.

5. Analytics and Reporting:

a. CRM allows customizable dashboards data to visualize key metrics and KPIs.
b. Different reports on sales performance, customer behavior, and effectiveness of marketing are being generated.
c. It shows predictive analytics behaviour to forecast trends and identify opportunities.

6. Allows Automation of Workflow:

a. CRM facilitates automation in repetitive tasks such as follow-up emails, data entry, and lead assignment.
b. It helps to streamline all the processes, strategies and workflows.

7. Integration of Capabilities:

a. Connect with other business tools such as email clients, calendars, and ERP systems is being easy with the CRM.
b. API access for custom integrations with other software.

8. Provides Mobile Access:

a. Mobile apps are also available for accessing CRM data on the go.
b. CRM also helps in synchronizing information across devices.

9. Customization:

a. CRM can also be customized to fit specific business's organizational needs.
b. CRM provides custom fields, modules, and layouts for business expansions.

10. Security:

a. CRM facilitates role-based access control, which helps to protect sensitive data.
b. Helps in data encryption and compliance with data protection regulations.

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