

An Evolution of Customer Relationship Management: A Conceptual Approach

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Abstract: This concept paper is a review of academic literature on Customer Relationship Management (CRM) and provides a comprehensive bibliography by seeing the development or usefulness of the definition about CRM. Around two hundred and fifty online databases were searched and out of which only fifty articles were found directly relevant to look into the development of CRM definition. Further, it provides a comprehensive idea developed on CRM from its populated period (1990s) to-date (2012). Identified articles were classified into three periods 1990s, 2000s and 2010s. These articles were reviewed independently to see the conceptual development of the phrase CRM. Papers and researches on CRM falls on various categories like, General, Marketing, Sales, Service and Support, and IT and IS and further number of sub-categories. Here, it is considered only General category related papers which is very common among the research publications. It was found how the CRM phrase considered and importance was given from its populated period to day today (2012).

Keywords: Customer relations, Customer relationship management.

I. INTRODUCTION

Interest in Customer Relationship Management (CRM) began to take its importance in 1990s [30, 56]. Nevertheless of the size of the business, they are still encouraged to adopt CRM to create and manage the relationship with customers well effectively and efficiently. Enhancement of relationships with customers might be a pathway to lead greater customer loyalty, sustainability and also the profitability. Because of the growth of the Information Technology the usage of internet began to grow up and this in turn provided opportunities to marketing through transform the way of relationships between businesses and their customers [5].

Although CRM has become widely recognized as an important business approach, there is no universally accepted definition of CRM. Swift [52] defined CRM as an “enterprise approach to understanding and influencing customer behaviour through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty and customer profitability”. Kincaid [27] viewed CRM as “the strategic use of information, processes, technology and people to manage the customer's relationship with the company (marketing, sales, services and support) across the whole customer life cycle”. Parvatiyar and Sheth [37] defined CRM as “a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to creative superior value for both the company and customers. It involves the integration of marketing, sales customer service and the supply chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value”. These definitions gives some understanding of viewing CRM as a comprehensive set of strategies for managing those relationships with customers that relate to the overall process of marketing, sales, service and support within the organization.

Moreover, information technology (IT) and information system (IS) can be used to support and integrate the CRM process to satisfy the needs of the customer.

CRM is an attractive area for research because of its relative novelty and exploding growth. This paper presents a comprehensive review of CRM research conducted in 1990s, 2000s and 2012s and published in academic journals. To some extent the texts were also reviewed to see the depth of the usage of CRM. Around two hundred and fifty online articles were considered and only fifty of them were deeply looked into. These fifty were where the CRM was deeply looked into and directly considered as relevant and importance. This paper mainly focused on online academic research publications from selected websites where it is freely available.

II. OBJECTIVE

To review the academic literature on Customer Relationship Management (CRM), provide a comprehensive bibliography and find out the way the definitions on the term CRM developed and grow from its populated period (1990s) to the current period (2012). This is to give a clear idea to the researcher(s) or reader(s) for any future study related on CRM.

III. METHODOLOGY

As known that the nature of research on CRM is difficult to confine to specific disciplines, the relevant materials are scattered across various journals. Marketing, Management and IT and IS are some common academic disciplines for CRM research [37]. Consequently, the following online journal databases were considered to have comprehensive bibliography of the academic literature on CRM:

- Academic Search Premier,
- Ebsco Academic Search Complete, and
- Emerald Full Text.

The literature search was based on the definition, “customer relationship management”. Full text of each article was reviewed to eliminate those that were not actually related to CRM. The selection criterion was as follows:

- Only those articles that had been published in General Management, Marketing and IT and IS journals were considered, as there of further concentration was given on where CRM was given importance on general category not specific.
- Conference papers, master or doctoral dissertations and unpublished working papers were excluded, as academics and practitioners like mostly journals to acquire information and disseminate new findings. Thus journals represent the highest level of research.

This research is a well comprehensive base for an understanding of CRM approaches by researchers. According to Kincaid [27] and Xu *et al.*, [56], CRM comprises the following functional areas: General, marketing, sales, and services and support.

In this paper attention is given only on general category as mentioned earlier which is very common in researches. Further, as we aware CRM got its popularity by 1990s, therefore, in this paper the period covered for literature survey is from 1990s – 2010s. The total period was further divided into three, 1990s, 2000s and 2010s.

IV. CLASSIFICATION RESULTS

The articles were analyzed by title with year of publication and the name of the journal or text it was published and the brief definition given for CRM is summarised and furnished as follows:

Reference No.	Definition about CRM
Period 1900s	
[07]	A marketing promotional tool.
[13]	Creating bond in between companies and customers through reducing middlemen.
[19]	Attracting and maintaining good customer relationships.
[25, 49, 50]	A management function.
[46]	Appropriate governance for different relationships.
[47]	A function of marketing.
[44]	Maintain long-term relationships for mutual benefits.
[48]	Creating mutual values through marketing efficiencies and effectiveness.
Period 2000s	
[20]	A yardstick to measure the performance due to trust, commitment, etc. on the long-term perspective.
[34]	A tool to select best customers and retain them
[37]	A strategy to be used to keep customers.
[41]	A tool to measure the impact on performance of the firm.
[1, 8, 15, 16, 33, 38]	General perspective like a concept.
[2, 10, 24, 39]	A management function like a planning strategy.
[51]	Tool to select best customers and retain them.
[9]	A component of E-commerce.
[12]	A technique to retain customers.
[14]	A software system tool.
[23]	A helping tool for pricing and profitability.
[36]	A concept for social service non-profit organization.
Period 2010s	
[17]	A tool to motivate customer satisfaction.
[40]	A tool to reduce hesitation and improve certainty.
[32]	A tool that can influence positively both visional and behavioural loyalty.
[3]	A tool to induce commitment value to customers.
[18]	Improving positive correlation in between customer satisfaction and profitability.
[22]	A contributor in maintaining long-term relationships with customers.
[31]	Improving commitment which is natural ingredient in businesses.
[42]	A tool which plays a key role in influencing the risks on returns.
[47]	A tool increasing customer loyalty.
[53]	Improving good consumption.
[54]	Improving customer satisfaction which in turn improving returns.
[55]	Acquiring new customers.

[28]	Building and maintaining profitable relationships by delivering superior value and satisfaction.
[57]	The key to build lasting customer relationship to create superior value and satisfaction.
[6]	The key competitive strategy to focus the needs of the customers.
[26]	A tool to improve financial performance and efficiency in operation.
[4]	Acquiring new customers and bring them into the pipeline for long-term business success.
[29]	A strategy to select best customers and optimize current and future value of both.
[45]	A forecasting technique aimed at identifying potential customers and establishing their profiles.
[21]	A challenging technique to be used to communicate with customers.

The following are some of the observations from the above table:

- CRM has attracted the attention of the practitioners and academics.
- Researches on CRM have increased significantly over past two decades.
- For this research around two hundred and fifty articles were downloaded and considered but as per mentioned three time periods only fifty articles were taken as directly relevant.
- This review cannot claim exhaustive, it does provide reasonable insights and shows the incidence of research on this subject.

The following are some of the implications which could be considered as conclusions of the research.

- There is no doubt that research on CRM will increase significantly in the future based on past publication rates and the increasing interest in this area.
- In the review it was found during the populated period i.e. 1990s, CRM was mostly considered as either concept or function of management or as management strategy which could be used to retain customers.
- After a decade is over i.e. 2000s, CRM was considered as little sophisticated technique related mostly with IT and mentioned either as software or a component of E-commerce or a strategic function of management to keep customers for long-term.
- Today i.e., 2010s, CRM is mostly looked with its real meaning, i.e., CRM is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value.
- There are relatively fewer articles discussing privacy in CRM. Companies can capture and analyze customer information through CRM technology. They can use this information for strategic plans involving sales campaigns and other uses. However, customers may not know or may even not be willing to have their information captured. Companies cannot ignore customer privacy because respecting privacy helps to build trust [11, 43]. More research in this area could be considered.

As preferred and mentioned earlier here the selection was considered where the CRM was defined in general perspective because still CRM is a new phenomenon for many businesses. But CRM could be studied more specifically as marketing, sales as well services and support perspectives.

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