

CUSTOMER RELATIONSHIP MANAGEMENT: AN INDIAN PERSPECTIVE

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ABSTRACT

Customer Relationship Management (CRM) is a combination of people process & technology that seeks to provide understanding of customer needs to support a business strategy and to build long term relationship with customers. Customer relationship management can help organization manage customer interactions more effectively to maintain competitiveness in the present economy as more & more organization realize the significance of becoming customer centric in today's competitive era they adopted CRM as a core business strategy and invested heavily in CRM, an integration of information technology and relationship marketing provides the infrastructure that facilitates long term relationship building with customers at an enterprise-wide level. successful utilization of the integrated technology requires appropriate business processes and organization culture to adequately address human behavioural elements because it is not simply a technology solution success in customer relationship management business revolves largely around people. The main goal of the research is to ensure the principal of customer orientation and utilization of customer relationship management in organizations and industrial and enterprises perspectives. This paper attempts to throw light on the conceptual issues associated with customer relationship management. The paper explains the current framework of organizations and explores the challenges and opportunities businesses have with customer relationship management.

KEYWORDS: Customer relationship management, Customer, people driven processes.

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INTRODUCTION

Customer Relationship Management (CRM) has attracted the expanded attention of practitioners and scholars. More and more companies are adopting customer-centric strategies, programs, tools, and technology for efficient and effective customer relationship management. They are realizing the need for in-depth and integrated customer knowledge in order to build close cooperative and partnering relationships with their customers. The emergence of new channels and technologies is significantly altering how companies interface with their customers, a development bringing about a greater degree of integration between marketing, sales, and customer service functions in organizations. For practitioners, CRM represents an enterprise approach to developing full-knowledge about customer behaviour and preferences and to developing programs and strategies that encourage customers to continually enhance their business relationship with the company.

Marketing scholars are studying the nature and scope of CRM and are developing conceptualizations regarding the value and process of cooperative and collaborative relationships between buyers and sellers. Many scholars with interests in several sub-disciplines of marketing, such as channels, services marketing, business-to-business marketing, advertising, and so forth, are actively engaged in studying and exploring the conceptual foundations of managing relationships with customers. They are interested in strategies and processes for customer classification and selectivity; one-to-one relationships with individual customers; key account management and customer business development processes; frequency marketing, loyalty programs, cross-selling and up-selling opportunities; and various forms of partnering with customers including co-branding, joint-marketing, co development, and other forms of strategic alliances.

Scholars from other academic disciplines, particularly those interested in the area of information systems and decision technologies, are also exploring new methodologies and techniques that create efficient Frontline Information Systems (FIS) to effectively manage relationships with customers. Several software tools and technologies claiming solutions for various aspects of CRM have recently been introduced for commercial application. The

majority of these tools promise to individualize and personalize relationships with customers by providing vital information at every point in the interface with the customer. Techniques such as collaborative filtering, rule-based expert systems, artificial intelligence, and relational databases are increasingly being applied to develop enterprise-level solutions for managing information on customer interactions. The purpose of this paper is not to evaluate these application tools and technologies. Those aspects are considered elsewhere by the authors as well as by several commercial research organizations, such as Forrester Research and the Gartner Group. Our objective is to provide a conceptual foundation for understanding the domain of customer relationship management. To do so, we develop a framework for understanding the various aspects of CRM strategy and implementation. A synthesis of the existing knowledge on CRM done by integrating diverse explorations forms the basis of our framework. We draw upon the literature on relationship marketing, as CRM and relationship marketing are not distinguished from each other in the marketing literature (In the sections that follow, we define what CRM is and what it promises to offer. We also identify the forces impacting on the marketing environment in recent years that have led to the rapid development of CRM strategies, tools, and technologies. A typology of CRM programs is presented to provide a parsimonious view of the various terms and terminologies that are used to refer to different activities. We then describe a process model of CRM to better delineate the challenges of customer relationship formation, its governance, its performance evaluation, and its evolution. Finally, we examine the research issues related to CRM.

2. What is Customer Relationship Management (CRM)?

Before we begin to examine the conceptual foundations of CRM, defining what CRM is would be useful. In the marketing literature the terms customer relationship management and relationship marketing are used interchangeably. These terms have been used to reflect a variety of themes and perspectives. Some of these themes offer a narrow functional marketing perspective while others offer a perspective that is broad and somewhat paradigmatic in approach and orientation. A narrow perspective of customer relationship management is database marketing emphasizing the promotional aspects of marketing linked to database efforts.

Another narrow, yet relevant, viewpoint is to consider CRM only as seeking customer retention by using a variety of after marketing tactics that lead to customer bonding or staying in touch with the customer after a sale is made. A more popular approach with the recent application of information technology is to focus on individual or one-to-one relationships with customers that integrate database knowledge with a long term customer retention and growth strategy. Thus, defined relationship marketing as “an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value-added contacts over a long period of time” applies the individual account concept in industrial markets to suggest CRM to mean, “Marketing oriented toward strong, lasting relationships with individual accounts”. In other business contexts, many authors proposed similar views of customer relationship management.

McKenna has professed a more strategic view by putting the customer first and shifting the role of marketing from manipulating the customer (telling and selling) to genuine involvement with the customer (communicating and sharing knowledge). , in somewhat broader terms, there is a strategic viewpoint concerned with CRM. They stressed that attracting new customers should be viewed only as an intermediate step in the marketing process and that developing closer relationship with these customers and turning them into loyal ones should be equally important aspects of marketing. Thus, he proposed that relationship marketing be seen as “attracting, maintaining, and – in multi-service organizations – enhancing customer relationships”.

Another important facet of CRM is “customer selectivity.” As several research studies have shown, not all customers are equally profitable for an individual company. The company therefore must be selective in tailoring its program and marketing efforts by segmenting and selecting appropriate customers for individual marketing programs. In some cases, the “outsourcing of some customers” could be called for so that a company allocates its resources to those customers it can serve the best in order to create mutual value. However, the objective of a company is not really to prune its customer base but to identify

the programs and methods that would be the most profitable as it creates value for the firm and the customer. Hence, our definition of CRM is that:

Customer Relationship Management 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.

As is implicit in the above definition, the purpose of CRM is to improve marketing productivity. Marketing productivity is achieved by increasing marketing efficiency and by enhancing marketing effectiveness. In CRM, marketing efficiency is achieved because cooperative and collaborative processes help in reducing transaction costs and overall development costs for the company. Two important processes of CRM include proactive customer business development and building partnering relationships with the most important customers. These lead to superior mutual value creation.

3. The Emergence of CRM Practice

As observed, developing customer relationships has historical antecedents going back into the pre-industrial era. Much of it was due to direct interaction between producers of agricultural products and their consumers. Similarly, artisans often developed customized products for each customer. Such direct interaction led to relational bonding between the producer and the consumer. It was only after the advent of mass production in the industrial era and the advent of middlemen that interaction between producers and consumers became less frequent leading to transaction oriented marketing. In other words, the production and consumption functions became separated leading to the marketing functions being performed by middlemen, and middlemen, in general, are oriented towards economic aspects of buying since the largest cost is often the cost of the goods sold.

In recent years, however, several factors have contributed to the rapid development and evolution of CRM. These include the growing disintermediation process in many industries

due to the advent of sophisticated computer and telecommunication technologies that allow producers to directly interact with end-customers. For example, in many industries such as the airline, banking, insurance, computer software, or household appliances industries and even consumables, the de-intermediation process is fast changing the nature of marketing and consequently making relationship marketing more popular. Databases and direct marketing tools give these industries the means to individualize their marketing efforts. As a result, producers do not need the functions formerly performed by middlemen. Even consumers are willing to undertake some of the responsibilities of direct ordering, personal merchandising, and product use related services with little help from the producers. The recent success of on-line banking, on-line investment programs, direct selling of books, automobiles, insurance, etc., on the Internet all attest to the growing consumer interest in maintaining a direct relationship with marketers.

The de-intermediation process and consequent prevalence of CRM is also due to the growth of the service economy. Since services are typically produced and delivered at the same institution, it minimizes the role of middlemen. Between the service provider and the service user an emotional bond also develops creating the need for maintaining and enhancing the relationship. It is therefore not difficult to see that CRM is important for scholars and practitioners of services marketing.

Another force driving the adoption of CRM has been the total quality movement. When companies embraced the Total Quality Management (TQM) philosophy to improve quality and reduce costs, it became necessary to involve suppliers and customers in implementing the program at all levels of the value chain. This created the need for closer working relationships with customers, suppliers, and other members of the marketing infrastructure. Thus, several companies, such as Motorola, IBM, General Motors, Xerox, Ford, and Toyota, formed partnering relationships with suppliers and customers to practice TQM. Other programs such as "just-in-time" (JIT) supply and "materials-resource planning" (MRP) have also made use of interdependent relationships between suppliers and customers.

With the advent of digital technology and complex products, the systems selling approach has become common. This approach has emphasized the integration of parts, supplies, and the sale of services along with the individual capital equipment. Customers have liked the idea of systems integration and sellers have been able to sell augmented products and services to customers. Then, the popularity of system integration began to extend to consumer packaged goods as well as to services. At the same time some companies started to insist upon new purchasing approaches, such as national contracts and master purchasing agreements, forcing major vendors to develop key account management programs. These measures created intimacy and cooperation in the buyer-seller relationship. Instead of purchasing a product or service, customers were more interested in buying a relationship with a vendor. The key (or national) account management program designates account managers and account teams that assess the customer's needs and then husband the selling company's resources for the customer's benefit. Such programs have led to the establishment of strategic partnering within the overall domain of customer relationship management.

Similarly, in the current era of hyper-competition, marketers are forced to be more concerned with customer retention and loyalty. As several studies have indicated, retaining customers perhaps offers a more sustainable competitive advantage than acquiring new ones. What marketers are realizing is that it costs less to retain customers than to compete for new ones. On the supply side it pays more to develop closer relationships with a few suppliers than to work with more vendors. In addition, several marketers are concerned with keeping customers for life rather than with only making a one-time sale. There is greater opportunity for cross-selling and up-selling to a customer who is loyal and committed to the firm and its offerings.

Also, customer expectations have been changing rapidly over the last two decades. Fuelled by new technology and the growing availability of advanced product features and services, customer expectations are changing almost on a daily basis. Consumers are less willing to make compromises or trade-offs in product and service quality. In a world of ever changing

customer expectations, building cooperative and collaborative relationships with customers seems to be the most prudent way to keep track of their changing expectations.

Finally, many large internationally oriented companies are today trying to become global by integrating their worldwide operations. To achieve this they are seeking cooperative and collaborative solutions for global operations from their vendors instead of merely engaging in transactional activities with them. Such customers' needs make it imperative for marketers interested in the business of companies that are global to adopt CRM programs, particularly global account management programs. Global account management (GAM) is conceptually similar to national account management programs except that they have to be global in scope and thus more complex. Managing customer relationships around the world calls for external and internal partnering activities, including partnering across a firm's worldwide organizations.

4. A CRM Process Framework

Several scholars studying buyer-seller relationships have proposed relationship development process models. Building on that work we develop a four-stage CRM process framework comprised of the following four sub-processes: a customer relationship formation process; a relationship management and governance process; a relational performance evaluation process, and a CRM evolution or enhancement process.

The CRM Formation Process

The formation process of CRM refers to the decisions regarding initiation of relational activities for a firm with respect to a specific group of customers or to an individual customer with whom the company wishes to engage in a cooperative or collaborative relationship. Hence, it is important that a company be able to identify and differentiate individual customers. In the formation process, there are three important decision areas: defining the *purpose* (or objectives) of engaging in CRM; selecting *parties* (or customer

partners) for appropriate CRM programs; and developing *programs* (or relational activity schemes) for relationship engagement with the customer.

The Purpose of CRM and Its Operational Goals.

The overall purpose of CRM is to improve marketing productivity and to enhance mutual value for the parties involved in the relationship. Improving marketing productivity and creating mutual values can be achieved by increasing marketing efficiencies and/or enhancing marketing effectiveness. By seeking and achieving such operational goals as lower distribution costs, streamlining order processing and inventory management, reducing the burden of excessive customer acquisition costs, and by considering the economics of customer retention, firms can achieve greater marketing efficiencies. They can also enhance marketing effectiveness by carefully selecting customers for their various programs, by individualizing and personalizing their market offerings to anticipate and serve the emerging needs of individual customers, by building customer loyalty and commitment; by partnering to enter new markets and develop new products, and by redefining the competitive playing field for their company. Thus, stating the objectives and defining the purpose of CRM in a company helps clarify the nature of the CRM programs and activities that ought to be performed by the partners. Defining the purpose also makes identifying the relationship partners with the necessary expectations and capabilities to fulfil mutual goals an easier task. Furthermore, it helps in the evaluation of the CRM performance. The results achieved can be compared to the objectives. These objectives can be specified as financial goals, marketing goals, strategic goals, operational goals, and organizational goals.

Similarly, in the mass-market context, consumers expect to fulfil their goals related to efficiencies and effectiveness in their purchase and consumption behaviour. Many researchers contend that consumers are motivated to engage in relational behaviour because of the psychological and sociological benefits associated with reduction in choice decisions. In addition, to their natural inclination to reduce choices, consumers are motivated to seek the rewards and associated benefits offered by CRM programs.

Relational Parties and Partners.

Customer partner selection (or parties with whom to engage in cooperative or collaborative relationships) is another important decision in the relationship formation stage. Even though a company may serve all customer types, few have the necessary resources and commitment to establish CRM programs for all. Therefore, in the initial phase, companies have to decide on which customer types and specific customers or customer groups to focus their CRM efforts on. Subsequently, when a company gains experience and achieves successful results, the scope of CRM activities can be expanded to include other customers in the program or to include additional programs.

Although partner selection is an important decision in achieving CRM goals, not all companies have a formalized process of selecting customer partners. Some select customer partners by following the intuitive judgments of their senior managers and select other partners from those customers who demand to be selected. On the other hand, other companies do have formalized processes of selecting relational partners through the use of extensive research and the evaluation of chosen criteria. The criteria for partner selection vary according to company goals and policies. They can range from a single criterion such as the revenue potential of the customer to multiple criteria that include variables such as customer commitment, resourcefulness, management values, technological and market leadership, national and global presence, strategic value and complementary business processes national and global presence, strategic value, and complementary business processes.

The CRM Governance Process

Once a CRM program is developed and rolled out, the program as well as the individual relationships must be managed and governed. For mass-market customers, the degree to which there is symmetry or asymmetry in the primary responsibility for whether the customer or the program sponsoring company will be managing the relationship varies with the size of the market. However, for programs directed at distributors and business customers the management of the relationship would require the involvement of both

parties. The degree to which these governance responsibilities are shared or managed independently will depend on the perception of the norms of the governance processes among the relational partners given the nature of their CRM program and the purpose of engaging in the relationship. Not all relationships are or should be managed alike. In fact, several studies suggest appropriate governance norms for different hybrid relationships.

Whether management and governance responsibilities are independently or jointly undertaken by relational partners, several issues must be addressed. These include decisions regarding *role specification, communication, common bonds, the planning process, process alignment, employee motivation, and monitoring procedures*. Role specification relates to determining the role of the partners in fulfilling the CRM tasks as well as the role of specific individuals or teams in managing the relationships and related activities. The greater the scope of the CRM program and the associated tasks and the more complex the composition of the relationship management team, the more critical is the role specification decision for the partnering firms. Role specification also helps in clarifying the nature of the resources and empowerment needed by the individuals or teams charged with the responsibility of managing the relationship with the customers.

Communication with customer partners is a necessary process of relationship marketing. It helps in relationship development, fosters trust, and provides the information and knowledge needed to undertake the cooperative and collaborative activities of relationship marketing. In many ways it is the lifeblood of relationship marketing. By establishing proper communication channels for sharing information with customers a company can enhance their relationship with them. In addition to communicating with customers, it is also essential to establish intra-company communication, particularly among all concerned individuals and corporate functions that directly play a role in managing the relationship with a specific customer or customer group.

Although communication with customer partners helps to foster relationship bonds, conscious efforts to create common bonds will have a more sustaining impact on the relationship. In business-to-business relationships, social bonds are created through

interactions; however, with mass-market customers frequent face-to-face interactions will be uneconomical. Thus marketers should create common bonds through symbolic relationships, endorsements, affinity groups, and membership benefits or by creating on-line communities. Whatever the chosen mode, institutionalizing relationships with customers is accomplished by creating value bonding, reputation bonding, and structural bonding.

Another important aspect of relationship governance is the process of planning and determining the degree to which customers need to be involved in the planning process. Involving customers in the planning process would ensure their support in plan implementation and in the achievement of planned goals. However, not all customers are willing to participate in the planning process nor is it possible to involve all of them in relationship marketing programs for the mass market. Yet, the involvement of major customers in the planning process is desirable and sometimes necessary for managing a cooperative and collaborative relationship.

Executives are sometimes unaware, or they choose to initially ignore the nature of misalignment in operating processes between their company and customer partners leading to problems in relationship marketing implementation. Several aspects of the operating processes need to be aligned depending on the nature and scope of the relationship. For example, operating alignment will be needed in order processing, accounting and budgeting processes, information systems, merchandising processes, and so forth.

Several human resources decisions are also important in creating the right organization and climate for managing relationship marketing. Training employees to interact with customers, to work in teams, and manage relationship expectations is important. So is the issue of creating the right motivation through incentives, rewards, and compensation systems towards building stronger relationship bonds and customer commitment. Although institutionalizing the relationship is desirable for the long-term benefit of the company, personal relationships are nevertheless formed and have an impact on the

institutional relationship. Thus needed is proper training and motivation of employees to professionally handle customer relationships.

Finally, proper monitoring processes are needed to safeguard against failure and manage conflicts in relationships. Monitoring processes include periodic evaluation of goals and results, initiating change in the relationship structure, design, or the governance process if needed, and creating a system for discussing problems and resolving conflicts. Good monitoring procedures help avoid relationship destabilization and the creation of power asymmetries. They also help keep CRM programs on track given proper alignment of goals, results, and resources.

Overall, the governance process helps in the maintenance, development, and execution aspects of CRM. It also helps in strengthening the relationship among relational partners, and if the process is satisfactorily implemented, it ensures the continuation and enhancement of the relationship. Relationship satisfaction for involved parties would include governance process satisfaction in addition to satisfaction from the results achieved in the relationship.

CRM Performance Metrics

Periodic assessment of results in CRM is needed to evaluate if the programs are meeting expectations and if they are sustainable in the long run. Performance evaluation also helps in taking corrective action in terms of relationship governance or in modifying relationship marketing objectives and program features. Without proper performance metrics to evaluate CRM efforts, it would be hard to make objective decisions regarding continuation, modification, or termination of CRM programs. Developing performance metrics is always a challenging activity as most firms are inclined to use existing marketing measures to evaluate CRM. However, many existing marketing measures, such as market share and total volume of sales may not be appropriate in the context of CRM. Even when more CRM oriented measures are selected, they cannot be applied uniformly across all CRM programs, particularly when the purpose of each program is different. For example, if the purpose of a

particular CRM effort is to enhance distribution efficiencies by reducing overall distribution cost, measuring the program's impact on revenue growth and the customer's share of the business may not be appropriate. In this case, the program must be evaluated based on its impact on reducing distribution costs and on other metrics that are aligned with those objectives. By harmonizing the objectives and performance measures one would expect to see more goal-directed managerial action by those involved in managing the relationship.

For measuring CRM performance, a *balanced scorecard* that combines a variety of measures based on the defined purpose of each program (or each cooperative/collaborative relationship) is recommended. In other words, the performance evaluation metrics for each relationship or CRM program should mirror the set of defined objectives for the program. However, certain global measures of the impact of a CRM effort by a company are also possible. Researchers developed a model to suggest the asset value of cooperative relationships to firms. If the cooperative and collaborative relationship with customers is treated as an intangible asset of the firm, its economic value-add can be assessed using discounted future cash flow estimates. In some ways, the value of relationships is similar to the concept of the brand equity of the firm and hence many scholars have alluded to the term relationship equity. Although a well-accepted model for measuring relationship equity is not available in the literature as yet, companies are trying to estimate its value, particularly in measuring the intangible assets of the firm.

Another global measure used by firms to monitor CRM performance is the measurement of relationship satisfaction. Similar to the measurement of customer satisfaction, which is now widely applied in many companies, relationship satisfaction measurement would help in finding out to what extent relational partners are satisfied with their current cooperative and collaborative relationships. Unlike customer satisfaction measures that are applied to measure satisfaction on one side of the dyad, relationship satisfaction measures could be applied on both sides of the dyad. Since both the customer and the marketing firm have to perform in order to produce the results in a cooperative relationship, each party's relationship satisfaction should be measured. By measuring relationship satisfaction, one could estimate the propensity of either party to continue or terminate the relationship.

Such a propensity could also be indirectly measured by measuring customer loyalty. When relationship satisfaction or loyalty measurement scales are designed based on the antecedents, they can provide rich information on their determinants and thereby help companies identify those managerial actions that are likely to improve relationship satisfaction and/or loyalty.

The CRM Evolution Process

Individual customer relationships and CRM programs are likely to undergo evolution as they mature. Some evolution paths may be pre-planned while others evolve naturally. In any case, several decisions have to be made by the partners involved about the evolution of the CRM programs. These include decisions regarding the continuation, termination, enhancement, and modification of the relationship engagement. Several factors could **hasten** any of these decisions. Amongst them relationship performance and relationship satisfaction (including relationship process satisfaction) are likely to have the greatest impact on the evolution of the CRM programs. When performance is satisfactory, partners would be motivated to continue or enhance their CRM program. When performance does not meet expectations, partners may consider terminating or modifying the relationship. However, extraneous factors could also impact on these decisions. For example, when companies are acquired, merged, or divested, many relationships and relationship marketing programs undergo changes. Also, when senior corporate executives and senior leaders in the company move, CRM programs undergo changes. Yet, there are many collaborative relationships that are terminated because they had planned endings. For companies that can chart out their relationship evolution cycle and state the contingencies for making evolutionary decisions, CRM programs can be more systematic.

5. CRM Implementation Issues

One of the most interesting aspects of CRM development is the multitude of customer interfaces that a company has to manage in today's world. Until recently, a company's direct interface with customers, if any, was primarily through sales people or service agents. In today's business environment, most companies interface with their customers

through a variety of channels including sales people, service personnel, call centres, Internet websites, marketing departments, fulfilment houses, market and business development agents, and so forth. For large customers, it also includes cross-functional teams that may include personnel from various functional departments. Although each of these units could operate independently, they still need to share information about individual customers and their interactions with the company on a real-time basis. For example, a customer who just placed an order on the Internet and subsequently calls the call centre for order verification expects the call centre staff to know the details of his or her order history. Similarly, a customer approached by a sales person unaware of the fact that the customer had recently complained about dissatisfactory customer service is not likely to be treated kindly by the customer. On the other hand, if the salesperson was aware of the problem encountered by the customer, the complaint, and the action already initiated to resolve the complaint, the salesperson would be in a relatively good position to handle the situation well. Therefore, effective CRM implementation requires a front-line information system that shares relevant customer information across all interface units. Relational databases, data warehousing, and data mining tools are thus very valuable for CRM systems and solutions.

6. CRM and Relationship Marketing as a Potential Discipline

Customer relationship management and relationship marketing with a focus on customer retention, customer commitment, and share of the customer's business instead of market share have generated enormous research interest.

Not all marketing can be relationship marketing or customer relationship management. Relationship marketing and CRM have to be a subset of marketing. In other words, not all marketing relationships are relationship marketing. Just as we have services marketing, international marketing, and social marketing, there is or should be a unique domain called relationship marketing whose objectives, processes, performance, and governance are unique with respect to organizations' marketing and non marketing resource allocations. The objective of relationship marketing is to increase the customer's commitment to the

organization through the process of offering better value on a continuous basis at a reduced cost. This can be achieved partly within the organization and partly through partnerships with suppliers and even competitors. The measure of success is the growth of the share of the customer's business and its profitability.

Agree on a Definition.

As discussed above in this paper, Customer Relationship Management and Relationship Marketing have been presented based on many definitions and many programs. Included are affinity marketing, loyalty marketing, cross selling, up-selling, co-branding, co marketing, and customer-supplier partnering. In the professional services, there are personalized one-to-one relationships with individual clients and dedication of the organization's resources to individual relationships. In business-to-business marketing, there is key account management and solution selling.

7. Conclusions

The domain of customer relationship management extends into many areas of marketing and strategic decisions. Its recent prominence is facilitated by the convergence of several other paradigms of marketing and by corporate initiatives that have developed around the theme of cooperation and the collaboration of organizational units and their stakeholders, including customers. CRM refers to a conceptually broad phenomenon of business activity, and if the phenomenon of cooperation and collaboration with customers becomes the dominant paradigm of marketing practice and research, CRM has the potential to emerge as the predominant perspective of marketing. From the corporate implementation point of view, CRM should not be misunderstood to simply mean a software solution implementation project. Building relationships with customers is a fundamental business of every enterprise, and it requires a holistic strategy and process to make it successful.

From an academic standpoint an important question is whether CRM or relationship marketing will become a well-respected, freestanding, and distinct discipline in marketing. Our belief is that it certainly has the potential, and we wish that it would happen because

marketing will benefit enormously from it. The lessons learned from previous efforts, both successful and unsuccessful, of various marketing domains that have tried to become disciplines provide a good road map of how to develop CRM and relationship marketing into a distinct discipline. As an intervention strategy, it would be highly desirable for relationship marketing and CRM scholars to organize their own association and their own scholarly journal.

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