

Chapter 9

Zero Customer Defection

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ABSTRACT

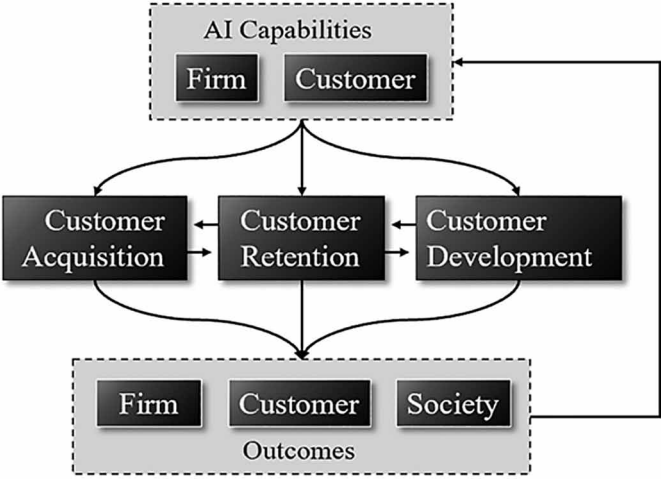
AI-oriented CRM has a bright future in business transformation. We're living in the age of the customer. Due to the proliferation of data, customers are more informed than ever. Armed with empowerment, customers are demanding that customer experience be put on a pedestal. According to research by Walker, customer experience is slated to overtake price and product as the key brand differentiator by the end of 2020. Quality is a buzz word. In this sharp, opportunistic, and calculating world, one can survive only if it is having not only good quality but a unique quality. As it is very well explained by Darwin that the mantra for success is "survival of fittest." Every organization has its own procedure of achieving its best quality and to sustain in this tough world. This chapter will not only discuss about the zero customer defection but also emphasize on the issues, problems, and trends of artificial intelligence in CRM and in turn zero customer defection.

INTRODUCTION

Technology blending into relationship management continues at a very rapid rate: Information technology and advanced analytics support omnipresent customer communication and increasing availability of customer data, in turn enabling firms to offer personalized services and crating customer relationships to grow more profitable customers (Rust and Huang, 2014, Gupta et al., 2020). At the heart of marketers' attention in this regard are the emerging technologies of *artificial intelligence (AI)*, which refer to "a system's ability to *correctly interpret external data, to learn from such data, and to use those learnings to achieve specific goals and tasks through*

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Figure 1. The AI-CRM effect.
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flexible adaptation” (Kaplan & Haenlein, 2019, p. 15). In the context of customer relationship management, these technologies enable firms to analyze data and interact with consumers faster and on a larger scale. In the longer term, enabling human-like interactions between AI-driven systems and customers will allow the provision of widespread personalized services at low cost, possibly altering the nature of customer service as they do so (Kaplan and Haenlein, 2019, Hoyer et al., 2020; Grewal, Kroschke, Mende, Roggeveen, & Scott, 2020). Combining the two notions of AI and CRM, we suggest that *any CRM system exhibiting sufficiently flexible adaptation can be labeled an artificially intelligent CRM system or AI-CRM.*

Our aim in this article is to examine AI systems’ fundamental effects on how firms manage their relationships with their customers and how it affects the overall iteration rate of customers. There has been escalating discussion, in a of recent publications, of the expected progress of AI systems, their future ability to replace humans, and the specifics of the technologies that fall under the rubric “AI” (Agrawal et al., 2018, Haenlein and Kaplan, 2019, Kaplan and Haenlein, 2019). Some of this work is customer-related and has focused on the expected change in the nature of customer service (Huang and Rust, 2018, Kumar et al., 2015). While we handle on some of these areas. Our aim here is not to conduct another review of this topic. Instead, our focus is on the broader implications of the effects of AI-CRM on Zero customer defection, and in particular, the outcomes for customers and other stakeholders. Following diagram shows the scope of Artificial Intelligence’

As the diagram itself shows the relationship of AI in customer retention or customer churn or Zero Customer Defection. Before taking the relationship in detail

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