Chapter 10
How Customer Relationship Management Influences Business and How It Impacts Customer Satisfaction and Loyalty:
How Has Technology Impacted CRM?

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ABSTRACT

In this chapter, the foundation of customer relationship management has been explored along with its history and how it has evolved in the past few years. Metrics to measure CRM are important to check its effectiveness. It also determines the impact of CRM on customer satisfaction and loyalty. The way CRM has helped business over the years has also been discussed. In business-to-business and business-to-consumer, CRM has made a large impact. With CRM technology, both business and relationship areas have been improved.

INTRODUCTION

CRM has attracted the expansion of business from over the years now. Companies rely on efficient CRM technology, tools, and strategies for effective long-term relationship with customers and improve their profits. Marketing and sales department of a business are widely accepting the process of customer relationship management. It is expected that companies not only sell products for profit but also meet customers' needs and demands in order to provide them a good experience which later cater to building customer loyalty (Sulaiman & Said Musnadi, 2018). The companies are meant to build trust and communication with their customers through CRM, thus establishing a relationship with them. The mission of CRM is giving customers the best experience and values. It is a method to attract and retain customers by improving customer satisfaction and maintain relationship.

Customer relationship management is used to create competitive advantage by optimising communication, deliverables, and existing customer relationships. Earlier a small business used to start with trust, personal attention to customers, meeting their demands, customisable orders, manual orders and customers tracking and all other things to meet customer requirement. All of these processes were time-consuming and used to create a complicated workflow. But when a business starts to scale, they had to adopt measures such as mass production, mass distribution to meet growing demand. This is when CRM comes in use. It allows any user to handle and edit any data at any point of time instead of handling them manually.

The use of CRM is not only limited to keeping track of customers and orders but also provides information and data about the customers, their buying pattern, preferred choices. Inferences based on these data help the companies to understand the consumers well and provide insights on communication and other marketing and sales strategies thereby creating values and satisfaction for the customers. It helps in streamlining sales process and customer service (Agrawal, 2004). Thus, CRM influences customer satisfaction which in turn help increasing company's revenue and bring in loyal customers.

CRM has the power to connect the departments of an organisation like marketing, sales, customer service and maintain all their data and activities under one system. Every user has easy access to all the data. This CRM software is a success due to the integration of SaaS and cloud computing. Because of these two technologies, today CRM is able to help grow and scale business irrespective of the size of the company.

Building customer relationships is equally important for both B2B and B2C markets. There are two perspectives to customer relationship: the breadth and depth of the relationship. Width describes the different stages of a relationship and how it developed. An organisational strategy must be developed to maintain the relationship and move it to the desired stag (Campbell et al. 2009, p.109). A CRM helps facilitate

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