



EXPLORING THE IMPORTANCE OF CUSTOMER-RELATIONSHIP MANAGEMENT FOR BUSINESS OPERATIONS

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Abstract

Globalized corporate competition has brought numerous challenges to organizations, and the relationship between a business and its customers is a very important step in business planning. By applying the CRM Concept, we can steady the value proposition between customers and business. To increase resources and profitability, enhance corporate value, and leverage corporate advantages. Evert Gummesson (2008): Noted customer equity is the key to the long-term profitability of any firm, and analysing the key drivers of customer equity provides an overall framework for effectively focusing strategic resources.

This study elaborates that CRM is a measure of a business operation efficiency, and that the understanding of correct customer information can effectively build sound interactions and increase profitability.

Keywords: CRM, Value Chain, Satisfaction, Relationship Marketing, Multidimensional Structure, Social Relations

I. Introduction

Significance of Customer-relationship management

Along of economic vigorous development, globalized corporate competition and ever-changing information technology have had a profound impact on industries, and the relationship between customers and enterprises has affected business planning. Maria Ferrer and Ricardo Chalmeta (2023): Said sustainable customer relationship management is a combination of business strategy, customer-oriented business processes and computer system that seeks to integrate sustainability into customer relationship management. As consumer awareness has risen, the importance of customer-relationship management has emerged as customer needs have diversified, enterprises must manage their interactive relationships with customers efficiently. Consequently, customer-relationship management becomes an important issue for enterprises. Enterprise for the core value and holistic model of customer-relationship management. Maria Ferrer and Ricardo Chalmeta (2023): Said enterprise worldwide are being pushed to be more socially responsive and environmentally sustainable, while

increasing company value continue being customer-oriented.

It is necessary to measure the customer's development direction through definition, planning, and functional application. Enterprises understand the products and services purchased by customers and led to the concept of customer-relationship management to provide customers with overall marketing value and long-term, stable and maintain relationships, specifically mastering knowledge of customers to create profit.

Teresa Pereira (2018): Said that the development of a relationship with the customer gives companies better knowledge and understanding of their needs and leads to new strategies that aim to better results for the customer. Wayland Cole (1997): Suggested that if companies want to understand customers, they should not only quantify the customer information they receive but also analyze and understand customer knowledge through organization.

Customer Relationship Management and Marketing Effectiveness

Customer perception and understanding of their needs is an intelligent way to ensuring long-term customer support for enterprises. It helps

create interactive relationships with customers and increase value for them. Enterprise marketing strategies and CRM enhance operational performance rely on the application of the CRM theory with the rise of consumerism, enterprise are examining their relationship with customers and providing customers with high-quality services and developing an image have become strategic tools. Henry Mintzberg (2003): Said competing firms face a cost disadvantage in limiting these resources and capabilities, firms with these special abilities can obtain a sustained competitive advantage. Therefore, an important marketing issue is to seek customer satisfaction and customer loyalty. Therefore, "customer satisfaction" is an important part of modern management, while "creating customers" is a source of continuous growth within the company. As a result, establishing long-term relationship with customers is the key to winning in a highly volatile market.

Dauids and Peppers et al. (1999): Believed that customer-relationship management meant relationship management and one-on-one marketing, which could help enterprises and build long-term mutually beneficial relationships with customers, and to setup customer loyalty and to gain profit. Kalakota & Robinson (2001):

Indicated that customer-relationship management was a process of developing consistent marketing of an organization with integrated sales, marketing and service strategies to excavate customers' real needs and improve customer satisfaction and loyalty. Henry Mintzberg (2003): Said numerous components of a firms organization are relevant when answering the question of organization, include its formal reporting structure, its explicit management control systems, and its compensations policies. Kandell (2000): Stated that customer-relationship management focused on satisfying customer needs from the customers' perspective, and it primarily aimed to retain customers, provide them with different products and services, and raise customer satisfaction as much as possible, thereby obtain maximizing corporate interests. According to Kotler (2006):

“Deemed customer-relationship management managed individual customers’ information and all touchpoints with customers to maximize customer loyalty.”

Kotler & Keller (2012): Explained relationship marketing aims to build mutually satisfying long-term relationships with key constituents in order to earn and retain their business. To develop strong relationships with indi-

vidual or enterprise requires understanding their capabilities and resources, needs, goals, and desires. The concept of customer-relationship management was noticed extensive attention from international enterprises worldwide. By introducing this concept to the management team to apply and building corresponding systems, enterprises enhance their competitiveness and expand business scope under the benefits and propositions of relationship marketing. Henry, Joseph, James and Sumantra (2003): Illustrated that organization goals, the firm's broad objectives, and performance-related outcomes ranging from market share and customer satisfaction. Implementing the concept of customer-relationship management can bring economic benefits to enterprises and reduce resource utilization costs.

Combining corporate business models and information technology, for application enterprises can lead into the concept of customer relationships into corporate management and establish relevant databases to provide recommended systems and functions. Effective marketing activities can also enhance customers' satisfaction and loyalty toward enterprises. Henry, Joseph, James and Sumantra (2003): Said the ability to make fast, widely supported, and high-quality strategic decision on a

frequent basis is the cornerstone of effective strategy.

The CRM strategy features accuracy, practicability and differentiation, which enhances corporate competitiveness and improves business revenue and performance. Kotler Keller (2012):

Noted satisfaction reflects a person's judgment of a product's perceived performance in relationship to expectation. Kalakota & Robinson (2001): Indicated that customer relationship management led to enterprises' internal consistent activities through integration and application of sales, marketing, and customer service strategies, primarily aiming to increase revenue, create customer value and build customer loyalty and satisfaction. Kotler Keller (2012): Said integrated marketing occurs that two key themes are that many different marketing activities can create, communicate, and deliver value and marketers should design and implement any one marketing activity with all other activities in mind.

Research Purpose

Customer-relationship management aims to help enterprises measure, control, and manage their communication with existing and potential customers. Kotler Keller (2012): Said holistic marketing sees integrating the value

exploration, value creation, and value delivery activities with the purpose of building long-term, mutually satisfying relationships and coprosperity among key stakeholders. Marketers achieve profitable growth by expanding customer share, building customer loyalty, and capturing customer lifetime value. The CRM solution currently includes multiple technologies relative to deployment size, business model, and vertical industry to enhance customer relationships. The purpose of this study is to explore the importance of the application of the CRM theory in improving marketing performance, increasing resources, generating greater profit, and realizing corporate development during interactions between enterprises and customers. Henry, Joseph, James and Sumantra (2003): Stated that the firm must develop an integrated organization (structure, processes, rewards, and people) that is unique to that stage and forms the company's center of gravity.

II. Literature Review

1. Value Chain Concept

A value chain refers to a series of activities conducted by enterprises, from resource input to output, to create customer value. Enterprises build a cocreation model covering two dimensions, i.e., customer value and corporate

value. Enterprises have different feature value factors, including core competencies, information technology capabilities, and level of close collaboration with upstream and downstream suppliers, all of which can benefit corporate value. Michael Porter (1985): Indicated that the value chain was a high-level logistics model, starting with raw materials as input assets and ending with sales of raw materials to customers through different processes. The higher the customer value, and the higher the corporate value, an enterprise's core competencies with operational advantages constitute the creation model of the value chain. Kotler Keller (2012): Said a company may benefit from converging industry trends and introduce hybrid products or services that are new to the market. And make a buying process more convenient or efficient. With higher information technology capabilities and a higher level of close collaboration with upstream and downstream suppliers, enterprises can have a multidimensional structural model, while the interactive relationships between for each other, combination of marketing strategies, and technology-based communication capabilities to improve corporate competitiveness, to increase market share amidst competition, and to strengthen the special position of the value chain. The value chain provides a set of systematic methods as a review

of all the enterprise's internal activities and the interactive relationships among these activities. Kotler Keller (2012): Explained a business can define itself in terms of three dimensions: customer groups, customer needs, and technology.

Enterprises may apply and leverage resources, information, and technologies in the value chain, e.g., leveraging effects and the multiplier effect, thereby enhancing corporate organizations' competitiveness and operational advantages. Kotler Keller (2012): Said the firm's task is to examine its costs and performance in each value creating activity and look for ways to improve. The scope of the value chain extends from the internal core of an enterprise to suppliers, clients, and customers, who rely on and interact with each other to enhance the performance of the value chain. Kotler Keller (2012): Noted to be successful, a firm also needs to look for competitive advantages beyond its own operations, into the value chains of suppliers, distributors, and customers. In a complete value chain, enterprises and partners may conduct cooperative management, increase the operational efficiency and profits of suppliers (B2B) and customers (B2C), and develop unique advantages, it depends on being able to use it properly beyond CRM strategy. The important

structure of an industry is the competitive strategy formulated for its functional management.

Scholar Dr. Dah-Hsian Seetoo mentioned that functional management refers to the administration and decision-making in functional areas such as marketing management, production management, human resource, financial management, R&D management and information management which determines the enterprise's positioning and to gather the strength to develop strategic priorities.

2. Customer Relationship and Customer Value

CRM is to provide the enterprise with an all-around management perspective to integrate all the information of customers and give the enterprise a more perfect interaction relationship, achieving the maximization in customer profitability. CRM is a not only principles, but software and technology. Evert Gummesson (2008): Explained relationship marketing is usually defined as an approach to develop long-term loyal customers and thus increasing profitability. Its objective are reducing sales cycle and sales cost and increasing income, looking for business expansion, and improving customers' value, satisfaction, profitability, and loyalty.

Customer value derives from that how much are customers willing to pay or purchase, and the provision of effective customer knowledge. It is not only the application of customer knowledge, but also penetrating into customer knowledge management and within a deeper scope. And it is embedded in the customer's inner world. Evert Gummesson (2008): Directed that an improvement in custom-perceived quality will increase customer satisfaction, loyalty and profitability.

Marketing experts Don Peppers and Martha Rogers illustrated that the only value an enterprise can create is to generate value from consumers including existing and prospective customers. The enterprise may succeed by acquiring, retaining, and increasing customers, and customers are the primary source of corporate profits. Will Kenton (2026): Said customer is an individual or business that purchases another company's goods or services. Customers are important because they drive revenues. And business can neither survive nor thrive without them. When developing the best operation model, the enterprise must face strategic guidelines, competitive advantages, and customer oriented marketing, and pursue maximal value by search costs and perceived value of products and services. Evert Gummesson (2008): Explained market mechanism is required that the

interests of different parties are constructively confronted so that goal conflicts can be resolved.

Wayland Cole (1997): Suggested that if companies want to understand customers, they should not only quantify the customer information they receive, but also analyze and understand customer knowledge through organization. As such, the information about customers, knowledge, and communication can be used to make each and every decision and can be of great benefit to the organization for communication at all levels, thus helping to maximize its effect. Malhotra and Agarwal (2021): Said creating and communicating perceived value to customers depends on the right amounts of resource allocation by firm that would enable them to match customer perception of value.

III. Research Method

In this study, appropriate and relevant measures are discussed in the literature, and the relevant dimensions and evaluation criteria are selected based on the expertise and experience of the experts, with the literature interviews being conducted according to the hierarchical analysis method. This study aims to assist business practitioners and academic research institutes in making good customer relationships

management based on corporate planning management concepts.

1. This study adopts the literature and theories investigation method. Firstly, the study uses the method to collect qualitative data, then investigates the current application situation of the business operation by analyzing the backgrounds of the study objectives, interviewing, and observing the focus of the study to understand the requirement and expectations of the managers for customers in the enterprise.
2. Next, the study uses literatures and theories to perform a qualitative investigation by referring to relevant foreign and domestic literature and studies and integrating the content of the correlated case. Furthermore, the study performs a paper investigation by random sampling, and further analyzes and confirms the marketing management method of the paper.
3. Finally, the study analyzes related data and the literatures and theories investigate the correlated case to understand how marketing management modes influence brand position to determine the study's results and provide effective suggestions for the brand position.

IV. Conclusion

The goals of customer-relationship management is to maximize customer equity. Customer lifetime value is the aggregate of customer equity and from which the enterprise can obtain maximize its profits. Scholar Adrian Payne and Pennie Frow: Explained CRM is to efficiently and effectively increase the acquisition, growth and retention of profitable customers by selectively initiating, building and maintaining appropriate relationships with them. And an integrated model of CRM strategy and implementation that can help organizations realize their CRM vision more effectively. Direct marketing the point is on the creation of direct interactive relationships between enterprises and customers to create efficient and effective services, and develop long-term and sustainable relationships. By utilizing information technology and marketing activities, enterprises can provide different customer services to strengthen mutual business interactions and further obtain profitability. Kalakota & Robinson (1999): Believed that building CRM infrastructure meant to effectively integrate information on all products and services used by customers. To achieve this goal, enterprises must rely on traditional information systems, computer telephony integration, decision-making support technology, data warehousing, and other relevant technologies. Ryals

and Payne (2001): Said CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationship with key customers and customer segments. And customer strategy involves examining the existing and potential customer base and identifying which forms of segmentation are most appropriate. CRM can help improve the efficiency of corporate operations, through more accurate customer information knowing customer and meaningful communications with customers influencing their decisionmaking, and increasing resources and improving profitability for themselves. Understanding customer needs to create value together with customers, and strong relationships can consolidate mutual trust and maintain long-term care between the two parties. Therefore, improving diverse interactive relationships goes beyond loyalty.

Kotler & Keller (2012): Explained marketing is about identifying and meeting human and social needs. In modern business marketing thinking no longer involves a single perspective on how to benefit customers. By way of development toward interactivity immediacy, and predictive marketing concepts. Kotler Keller (2012): Said the American Marketing Association offers the following formal definition:

Marketing is the activity, set of institutions and processes for creating, communicating, delivering, and exchanging offering that have value for customers, clients, partners, and society at large. In specific scenarios, there exists personal experience thinking involves various intangible elements of knowledge, which cannot be analyzed through data systems and are difficult to interact and communicate. Instead, it possesses exclusivity. Liu (2019): Believed in the marketing world, the economic strength of customers, competitors, technology, and enterprise are constantly changing and causing many challenges and competition to corporate marketing. One-on-one conversations can directly achieve the support and dissemination of knowledge, while enhancing the value of social relationships. The development of business planning is also the important factors. Kotler Keller (2012): Illustrated holistic marketing maximizes value exploration by understanding the relationships between the customer's cognitive space, the company's competence space, and the collaborator's resource space. Jeffrey, Paul, Robert and David (2003): Noted strategy implementation that is the translation of a chosen strategy into organizational action so as to effectively implement the activities required to achieve strategic goals and objectives.

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