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The Role of Customer Relationship Management in Improving Customer Experience: A Literature Review

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Abstract: This analysis aims to examine the role of CRM in increasing customer satisfaction and loyalty. The research method used in this study is a literature approach by collecting various sources that discuss the application of CRM in various company sectors. The results show that CRM can expand marketing, improve long-term relationships with customers, and facilitate product and service customization according to customer needs. Nonetheless, the main challenges faced are complex system integration and data quality that is not always accurate. Thus, effective CRM implementation requires not only sophisticated technology, but also a change in organizational culture and a commitment to focusing on customer satisfaction.

Keywords: Customer Relationship Management, Customer Loyalty, Customer Experience.

INTRODUCTION

Currently, business competition is getting bigger, business competition is caused by companies not only focusing on marketing activities, but also business people are concerned with and maintaining customer loyalty. Of course, customers or consumers will be loyal and happy because of the services provided such as Customer Relationship Management (CRM) provided by the company very well. The existence of Customer Relationship Management (CRM) is to strengthen the relationship between consumers and the company. The success of a business is to have a good relationship between consumers and the company. This success can be seen from several aspects, such as; how the company manages relationships with consumers, can be seen from increasing customer convenience through business applications, where CRM is treated as a business strategy. CRM is one of the most important parts of marketing, and can be used by various types of businesses, to improve the quality of service to customers

CRM is a technology with a management system that interacts through the company's website with customers and prospective customers which functions as an increase in business relations in developing the company's business. Companies that use CRM are of course as a service provided by the company to provide comfort to customers who have problems, interests, or provide customer responses to products and services provided by the company. The existence of CRM can also make services to customers on interesting features and products owned by the company which are then offered to customers.

CRM is used as a strategy and technology by a business to manage and analyze interactions from customer data in the customer lifecycle. CRM aims to increase customers and

drive sales. CRM also provides customer data and tracking customer interactions through several social media owned by the company. CRM can provide information from customer behavior and customer tendencies for businesses owned by the company so that it can increase company professionals in making sales and increasing customer satisfaction.

Of course CRM makes it easier to do business because: 1) CRM can market products by providing promotions and reward points to customers; 2) CRM integration with point-of-sale applications can make it easier for MSMEs to organize and report promotions; 3) CRM can expand marketing by opening up sales opportunities on a larger scale, even globally.

CRM is able to create long-term relationships with consumers so as to create consumer loyalty. CRM can create long-term relationships with consumers by: 1) Providing daily promos or consumer birthday promos; 2) Providing information so that consumers can find out the latest information such as promotions or delivery of promo items or items that are sold out; 3) Business actors can send e-mails so that consumers can find out what promos and new items are available so that there can be interaction between consumers and MSMEs; 4) Utilizing social media as a marketing product such as Instagram, Facebook, Twitter, and so on; and 5) CRM provides product information, knows customer preferences, and captures suggestions and criticisms from customers.

In CRM there is also a reservation feature that makes it easier for consumers to book a place. CRM helps as an additional channel in marketing and gaining access to markets that have not been touched by business actors. CRM allows companies to provide a personal touch to consumers. With the personal touch provided by the company, it is hoped that consumers can feel more involved with the brand/product/company. The personal touch provided can be in the form of personalization in sending e-mails related to advertisements for products of interest, greeting customers by nickname when connected to services from the company, giving points/merchandise/extra pieces on the customer's birthday. This can build a good relationship between the company and consumers which will have an effect on customer loyalty and profit for the company. Strategies in developing other CRM benefits can also be in the form of member cards, vouchers, improving the way of serving from the way of speaking, behaving, designing and training customer complaint handling.

METHOD

This analysis is a literature review by identifying, assessing, and interpreting research topics to answer research questions. This analysis study is also used as an evaluation and response to previous research on a topic. Previous research journals are journals related to the implementation of Customer Relationship Management (CRM).

This analysis also uses the literature review method to review previously published concepts, theories, and findings regarding Customer Relationship Management (CRM). This method was chosen because it aims to collect and analyze CRM topics. In this literature review, the author will collect scientific articles, books, research reports, and other relevant sources to dig deeper into the concept of CRM, its application, and the benefits and challenges it faces.

RESULTS AND DISCUSSION

Based on the existing literature review, a lot of analysis has been done to analyze the application and impact of CRM on companies. Some prominent research results regarding CRM are, for example, increased customer satisfaction. There are many studies that state the application of CRM certainly makes an increase in customer satisfaction. . The company implements CRM as a forum for customer experience with the products and services provided and provides information on the products owned by the company as a form of customer satisfaction. With CRM making information needed by customers, the company will provide product and service needs in accordance with customer desires and expectations. Furthermore, increasing loyalty to customers. Where CRM can help increase customer loyalty. When

customers feel they are valued and well served by the company, of course they tend to buy the same product or service again, and recommend the company to others. Customer loyalty is one of the key factors for long-term growth, as the cost of acquiring new customers is often higher than retaining existing customers. Furthermore, there is operational efficiency, here CRM contributes to the company's operational efficiency, with CRM, of course, companies can directly review each process, such as marketing to customers through CRM. This can reduce the time needed to find out customer satisfaction using data created by CRM. And also the existence of CRM can increase profitability in the company, where the role of CRM can increase higher customer retention and get many opportunities for cross-selling or up-selling. This of course increases revenue per customer and increases company profitability.

Discussion

In the current era of information system and technology development, business people must be more innovative and creative in managing the company's business. This is important to streamline the company's operations in the midst of global business competition. For this reason, the ability to survive is needed to deal with various turmoil in today's business world. One of the efforts that can be made is to increase customer loyalty to the company. This condition can be achieved by understanding consumer needs and maintaining consumer confidence through the creation and offering of quality products. Sales of quality products are the main focus of every company, this must be continuously improved in order to obtain maximum profit. In an effort to increase the number of sales, business people must empower all the potential that is the advantage of the company. To achieve this, a reliable strategy is needed so that customers are interested and loyal to the products offered by the company. Utilizing technology to offer various kinds of products and services can be through websites and social media that can reach customers in fulfilling their needs. So the marketing strategy carried out by the company, in addition to increasing sales, also gets new customers.

The implementation of CRM in global and local companies has a very significant impact on the way companies interact with their customers. CRM, in essence, is not just about the technology used, but rather how companies can utilize the data they have to improve customer relationships. CRM implementation is not only limited to the use of software or digital tools, but also involves a corporate culture that focuses on customer satisfaction.

While there are many benefits to be gained from CRM implementation, there are also several challenges that companies must face in its implementation. The following discussion will elaborate further on various aspects of CRM, including the challenges faced in its implementation and success in various industry sectors.

Key Components in CRM

Companies must understand the 3 main themes of CRM which are technology, process and people. CRM technology involves using software and platforms to help companies collect and analyze customer data. Some leading CRM software, such as Salesforce, SAP CRM, and Microsoft Dynamics, have the ability to manage data on a large scale, which is especially important for companies with many customers. On the other hand, processes in CRM refer to the steps a company takes to design and implement a customer relationship strategy. Without a structured process, CRM implementation will be less than optimal, even if the technology used is advanced. Finally, the people involved in CRM are important. All efforts made with the help of technology and processes must be supported by adequate human skills in interacting with customers. A corporate culture that focuses on customer satisfaction is an aspect that should not be ignored in the implementation of CRM.

CRM in Various Industries

The implementation of CRM varies by company. For example, in retail companies, CRM is often used to provide relevant product recommendations based on a customer's purchase history, thereby improving the customer's shopping experience. E-commerce companies like Amazon are a prime example of this, using customer data to customize product recommendations and improve the online shopping experience. In the banking industry, CRM is used to maintain customer relationships and provide financial services that better suit individual needs. Also, in the field of technology and software, CRM is often integrated with customer service systems to improve responsiveness and provide faster and more efficient technical support.

CRM Implementation Challenges

While the potential benefits of CRM are huge, implementation is often not easy. One of the biggest challenges in CRM implementation is system integration. Many companies have separate marketing, sales, and customer service systems, and integrating these systems into an integrated CRM platform can be complicated. Another issue is inaccurate or incomplete data quality. The success of CRM largely depends on the quality of customer data collected. If the data you have is irrelevant or inaccurate, decisions based on that data will also be less effective. Therefore, it is important for companies to have a good system to collect, update, and verify customer data.

The Importance of Using Analytics in CRM

An important aspect of a successful CRM implementation is the ability to effectively analyze the data collected. This analysis also shows where companies that use data analytics to identify customer behavior patterns and market trends can design more targeted strategies. For example, analytics allow companies to predict customer buying behavior and tailor their product or service offerings to maximize sales opportunities. Therefore, the ability to apply analytics in CRM is a key factor in ensuring that the CRM strategy implemented delivers optimal results.

Organizational Culture Change.

A successful CRM implementation depends not only on implementing technology, but also requires a complete cultural change throughout the organization. Many companies fail to adopt CRM because leaders and employees are not deeply committed to focusing on customer satisfaction. In practice, CRM is not just a tool or system, but an approach that requires the active participation of all elements of the organization. Company leaders play a very important role in ensuring CRM is well executed by providing clear direction and ensuring the entire team has the same understanding of the purpose and benefits of CRM. If leaders do not show commitment or motivate employees to focus on customer satisfaction, CRM implementation will face significant difficulties.

Successful CRM Implementation in Large and Small Companies

This analysis also shows that CRM implementation differs between large and small companies. Large companies often have a larger budget for investment in CRM software and the technology infrastructure that supports it. They also have more customer data that can be analyzed and used for more effective marketing strategies. Meanwhile, small and medium-sized enterprises (SMEs) may rely more on personal relationships with customers and can use simpler and more cost-effective CRM solutions. However, despite their limited resources, many SMBs are successfully utilizing CRM to strengthen customer relationships and improve customer service.

The Relationship of Customer Relationship Management (CRM) Strategies to Customer Satisfaction.

A level of customer satisfaction is marketing that matches what is marketed. Of course, total satisfaction from marketing that is just that, of course, will not be enough to create opportunities for customer return and minimize the possibility of customers turning to other companies. Of course, customer relationship management is

CRM is a method of attracting attention, maintaining customer satisfaction and improving and strengthening customer relationships (Tung, 1997). Furthermore, Customer Relationship Marketing (CRM) provides data and information related to customers, including shopping behavior, product consumption habits, etc. (Agrawal, 2004). This data and information is used to improve understanding of how to communicate with customers in order to create value and satisfaction (Agrawal, 2004). From this description, it can be concluded that customer relationship management affects customer satisfaction. In other words, the better the customer relationship management, the higher the level of customer satisfaction.

Challenges for Customer Relationship Management (CRM)

The implementation of Customer Relationship Management (CRM) in the company does have many benefits, but behind the benefits there are challenges in this activity. One of the biggest challenges faced by companies in CRM activities is complex system integration. Many companies have separate systems between marketing, sales, and customer service, and integrating all of these systems in a centralized CRM platform can be very complex. Without seamless integration, customer data can be fragmented, reducing the effectiveness of CRM in building strong, personalized relationships with customers.

In addition, inaccurate or incomplete data quality is a challenge in implementing CRM. The success of CRM affects the data that has been collected. This affects the behavior, responses, and interactions between customers and company employees. If the data obtained by the company is incomplete, then the decisions made based on the data may be less precise. Therefore, companies need to have a good system to collect, update, and verify customer data regularly to ensure that the information used in CRM is accurate and useful.

Another challenge is limited resources, especially for small and medium-sized companies. Large companies may have a larger budget to invest in CRM software and the technology infrastructure that supports it. However, small companies are often limited to smaller budgets and limited human resources, so they have to look for CRM solutions that are more affordable and easy to implement. Nonetheless, despite limited resources, many small and medium-sized companies are successfully leveraging CRM to strengthen relationships with their customers, but this requires adjustments in the way they use CRM technology.

CONCLUSION

Based on the literature review that has been conducted on Customer Relationship Management (CRM), it can be concluded that CRM is a very important strategy for companies to manage relationships with customers effectively and efficiently. By utilizing information technology and various managerial approaches, CRM helps companies build more personalized long-term relationships with customers, which in turn can increase customer satisfaction and loyalty. In addition, the implementation of CRM can also provide various other benefits, such as increasing operational efficiency, reducing marketing costs, and increasing profitability and revenue per customer. CRM allows companies to collect and analyze customer data, which can then be used to design more personalized marketing campaigns, as well as identify opportunities for cross-selling and up-selling. In this increasingly competitive world, having a good CRM system allows companies to create more relevant customer experiences, which can reduce churn rates (customers who stop using a service or product) and increase customer retention.

However, CRM implementation is not without its challenges. There are a number of barriers that companies must face when adopting CRM, including challenges in system integration, managing data quality, and difficulties in employee adoption of technology. One of the main challenges is ensuring that the data collected from various sources is valid, accurate, and up-to-date. Without quality data, CRM will not deliver maximum results. In addition, companies must also ensure that there is a change in organizational culture that supports customer orientation, where all elements in the company are involved in efforts to strengthen relationships with customers. However, with the right approach and support from all parties, CRM has great potential to support companies in achieving long-term strategic goals. Research conducted shows that companies that successfully implement CRM well can create a more satisfying customer experience, which leads to increased loyalty, profitability and competitiveness of the company. In this regard, it is important for companies to invest sufficient time and resources to ensure successful CRM implementation.

Advice

From the conclusions of the above study, the suggestions for this research include; The company needs to conduct periodic evaluations of the CRM system used so that it is always relevant to technological developments and customer needs, the company needs to integrate CRM with various internal company systems such as marketing, sales, and customer service is very important to ensure efficient data flow, as CRM also needs to improve customer data quality must be a priority by ensuring that the data collected is accurate, current, and relevant, the existence of CRM must be carried out with a holistic approach, involving all elements in the organization to ensure a consistent customer experience, and the company must develop a more personalized CRM strategy, so as to enhance a more relevant and interesting customer experience.

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