# Customer Relationship Management and Recent Developments

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## 1. Introduction

In the past two decades, the notion of "customer relationship management" (CRM) has been widely discussed and researched. The associated language (such as "customer satisfaction", "customer retention", "spending habits of customers" and "analytical CRM systems") and job positions (such as "customer relationship managers" and "customer services officers") have been developed. The paradigm has been shifted from a transaction-based model to a relationship-based one with emphasis on acquisition, development and retention of profitable relationships.

Findings from various studies justified the need of CRM for long-term business sustainability. Customer relationship management is widely regarded as an essential philosophy of doing business that focuses on customer retention and enhancement. The successful implementation of CRM results in the reduction of defection rates, reduction of costs and enhancing revenues.

A considerable number of failure cases alert practitioners that its success is dependent not only on technical development but also on emphasis, such as strategic, marketing, social, and cultural perspectives. With the development of globalization and abrupt changes to the business environment, organizations need to be kept abreast of CRM developments and insights on how customers could be retained and enhanced. A considerable number of studies have focused mainly on the technological development of CRM. This helps to forecast the trends of prospective and current customers. Nevertheless, CRM does not start from technology but from attitude and training of each individual staff member, especially to services that are highly intangible and therefore difficult to understand. No matter how "excellent" you claim your services to be in public, the "moment of truth" speaks for itself. Reliability, empathy and assurance have impacted if the customers consider their re-purchase behavior.

## 2. Challenges in Recent Years

The implementation of various CRM techniques and systems means an increase in competition and that everybody else from the same industry wants your customers. Therefore, in order to retain and enhance customers, one not only needs to encourage their loyal customers to consume continuously but one also needs to anticipate the wants and needs of those customers who are inactive or losing "loyalty" to the company. For example, Kish [1] asserted that behavioral-triggering technology helps a bank to recognize stages of customer dissatisfaction and inactivity before they leave the bank for another competitor.

Building customer confidence is the foundation of retention and enhancement. Companies need to show customers that they honor the promise, focus on competence, recover promptly from failure and signal commitment in providing quality products/services. Valued customers require personalized services. This is associated with how the corporate culture on CRM is developed so as to signal to the market the organizational commitment for long-term company-customer relationships.

## Reference

1. Kish, J. Before Your Customers Leave. *Bank Market.* **2000**, *32*, 30–35.