Alina-Mihaela NICUTA
"Gheorghe Asachi" Technical University of Iasi
Florin-Alexandru LUCA[1]
"Gheorghe Asachi" Technical University of Iasi
Andreea APETREI
Catholic University of Valencia

INNOVATION AND TRENDS IN CRM-CUSTOMER RELATIONSHIP MANAGEMENT

Review Article

Keywords
Innovation,
CRM Market,
Vendors,
Future trends

JEL Classification
M20

Abstract

In the context of an economy placed on "fast mode", how a company can stay in line with an accelerated trend of entrepreneurial innovation and change and how a company can approach the customers' management? In order to facilitate the companies' activity on the market and preserve customer relationship, recent technological innovations created management systems based on three key activities: gathering customer information, information dissemination in the organization and information use for product and service innovation and improvement. The present paper tries to provide an answer to the above mentioned questions using an overview on current approaches in Customer Relationship Management (CRM) by introducing the concept of CRM, where it all started, how it currently works and which are its future trends.

---

[1] *Corresponding Author*

INTRODUCTION

In one of his speeches Bill Gates said "how you gather, manage, and use information will determine whether you win or lose", emphasizing in just a few words the content of the present paper.

While developing a company each entrepreneur can ask himself „How my company can survive in the current business environment?"

Basically, how a company can stay in line with an accelerated trend of entrepreneurial innovation and change and how should be approached the customers' management.

Traditionally, being in connection with your clients would imply creating database with their details. This can be considered time consuming, due to process peculiarity. The customers market is difficult to follow since it is characterized by a perpetual change in customers' needs, preferences, or competitive offers, together with a correspondent change in business technologies.

In order to facilitate the companies' activity on the market and preserve customer relationship, recent technological innovations created management systems based on three key activities: gathering customer information, information dissemination in the organization and information use for product and service innovation and improvement.

The present paper introduces us to the concept of CRM, where it all started, how it currently works and which are the future trends.

Customer Relationship Management (CRM) can be seen as a client–oriented process, policy or strategy that helps companies understand and anticipate the clients' current needs and preferences.

Considering the latest change in technological innovations, every entrepreneur should work on its company strategy to stay in line with the latest CRM innovations.

DEFINING CRM – CUSTOMER RELATIONSHIP MANAGEMENT

When it comes to talk about current market innovative trends, for sure will come up the concept of Customer Relationship Management or CRM. In line with actual entrepreneurial trends, CRM represents, according to Wikipedia (https://en.wikipedia.org/), the "management of a company's interaction with current and potential customers". Tim Ehrens details CRM by saying it refers to „practices, strategies and technologies used by companies to manage and analyze customer interactions and data, with the purpose to improve customer service relationships and assisting in customer retention and driving sales growth" (Ehrens, 2017).

In short, CRM represents a software about people, that helps a company stay in touch with its clients and potential clients. Seen as a system, CRM is based on a wide diversity of communication channels, representing data sources that include websites, telephones, email, live chat, marketing materials and most recently and highly used, the social media (Jha, 2008). This system provides information on customers' personal information, purchase history, buying preferences and concerns. (https://en.wikipedia.org/)

Complementary to the information on specific contacts, with whom a company interacts, a CRM system contains additional information from previous conversations, documents interchanged between parts, marketing campaigns developed on those contacts and interactions history with certain clients. In fact, there isn`t a limit on behalf of informations which a CRM can collect, sort and store about a company clients (Chermenschi, 2014).

HISTORICAL OVERVIEW OF CRM

We can talk about CRM as a concept starting from 1970. At that time, in order for the companies to have an overview on customer satisfaction they were performing periodical surveys or front-line asking. (https://en.wikipedia.org/)

The technological development existent at that time, allowed just the simple classification and categorization of customers in lists. In 1982, was introduced the concept of „database marketing", by Kate and Robert Kestnbaum, consisting of a statistic analysis for customer data organization. Few years later, in 1986, Pat Sullivan and Mike Muhney created a customer evaluation system called ACT!, which was first introduced by the term of Activity Control Technology or Automated Contact Tracking. Once the road has been opened, in the following years, were created several other systems.

First CRM product is considered Siebel Systems, which appeared in 1993 (https://en.wikipedia.org/). During 1997 to 2000, the developed CRM systems brought complementary abilities, like resource planning functions, shipping or marketing facilities. The first CRM app used for mobile phones belongs also to Siebel and was called Siebel Sales Handheld, created in 1999. (https://en.wikipedia.org/)

In 2004, SugarCRM developed first open-source CRM system. Five years later, in 2009, CRM turned its face towards social media, in association with the development trend in this sector and the profitability potential of the sector. This way, were created tools to help companies become accessible on users networks. During 2013 and 2014, main CRM products were linked to business intelligence systems and communication software with the main purpose of improving corporate communication.

Current trend in CRM is to create customized solutions for companies, answering the needs of every business.

TYPES OF CRM

Every CRM was developed based on certain functionalities, specific to a purpose and business need. The CRM systems have different classifications based on specific features.

Table 2 below, provides an overview on main features specific to leader vendors in CRM. The conclusion would be that despite of their extended functionalities, any type of CRM system "can`t have it all".

Following is a presentation of 5 major categories of CRM (Geneva, 2017):

1. Conversation focused CRM

This type of CRM sorts and organizes the conversations automatically, in order to decide easily on what tasks must be returned and when. Examples of software: Nutshell, Close.io, Contactually, Streak, RelateIQ

2. CRM focused on potential clients and opportunities

CRM systems focused on leads and sales are the most popular group because a business means sales, first of all. CRM allows a company to add leads, to follow the interactions with them, so that, in the end, to close the sale. These facilities are accompanied by complex reports so that the managers can track the activity of each team member. Examples of software: Stride, Pipedrive, Prosperworks, Zoho CRM, Salesforce, PipelineDeals, Pipeliner, SugarCRM.

3. CRM focused on contacts

Represent CRM created to capture as much information as possible about a certain contact, from birthdays and personal information to conversations with that contact. Certain software have social functionalities that add automatically in the profile all available information from social networks like Facebook, Twitter, Instagram or Linkedin. Examples of software: Highrise, Solve, Clevertim, Insightly, Google Contacts, OnePageCRM, Capsule, Nimble.

4. Multi-purpose CRM

Most of the times, these CRM are suited to corporations. Main examples are Microsoft Dynamics, Oracle, SAP. The last category is destined to corporate clients for several reasons:

• Are highly complex and, in order to be used, need the analysis of user situation, together with a configuration provided by IT department, by the seller or software integrator.

• Considering the analysis and configuration report, they have an usage cost that often exceeds the potential of certain small and medium enterprises.

• The complex functionalities address to companies that have well structured departments with clear business flows.

5. CRM specific to certain industries

These CRM are considered highly specialized on a certain industry, like real estates. The retailers of these solutions are very few so that the options are limited and the costs usually significant.

STATISTICS ON "MOST WANTED" CRM SYSTEMS

According to Gartner, Inc. (Columbus, 2015), an American statistics company, the classification of top ventors on CRM market changed in time, so that, in 2005, top vendors where SAP with a revenue of 1475 Million US$, Siebel, Oracle, Salesforce.com and Amdocs. According to the same source, two years later, in 2007, the order changed, bringing to top Siebel with an implementation percentage of 41%, followed to a large distance by SAP, with 8% implementation percentage, Epiphany, Oracle, PeopleSoft, Salesforce.com with 3% (Jha, 2008).

In the last years, CRM market grew, by 12.3% in 2015. Table 1, below, classifies top vendors for 2012-2015 (millions of US dollars). As seen in the table, the dynamics of top four largest vendors with CRM system offerings are Salesforce, SAP, Oracle and Microsoft, alltogather representing a total value of 42% of the market in 2015.

Also, as compared with 2007, the revenue value for 2015 doubled for SAP and increased several times for the leader vendor, Salesforce.com.

Each CRM system has specific features. If a company decides to use these products, it is important to take into consideration the Pros and Cons, specific to each of them, but also the company needs and potential utility. Table 2 below titled *Advantages and Disadvantages of CRM Vendors* lists the main advantages and disadvantages specific to each of the four leading Vendors on the markets.

ABOUT FUTURE TRENDS IN CRM

The information available on CRM abounds in opinions related to future trends in this technological area. Further on there are presented some of those, belonging to some experts in the field.

First of them, Pini Yakuel, founder and CEO of Optimove in an interview about the future of CRM mentiones some main tendences in this area (Yakuel, 2017).

• In times with highly significant increase of data traffic, the Artificial Intelligence (AI) powered

bots are considered the future of market campaigns.

- Technological change towards contextual CRM, consisting of sending personalized messages to customers, on proper channels and at perfect times.
- Multichannel campaigns with tendency for mobile CRM
- Social CRM with emphasis on social influence and client support
- Integration of Predictive Analysis in CRM for powerful monetization methods.
- In order to answer the clients' needs for customization, CRM will provide solutions for ecommerce, gaming, financial services and other verticals.
- CRM adaptation to customers' desire for emotional intelligent communications that take into consideration preferences, wants and needs.

Another point of view on CRM future trend is clearly debated by Matt Keenan, the senior vice president of CRM Products Group at Aptean.

The vice president describes the future trend of CRM by three features: personalization (organizations ability to define personal standards, departments ability of create personal processes, team ability to define specific data and reports, clients ability to have personal CRM experience), simplification (determines extended adoption and lower prices of ownership, induces preventive and prescriptive analytics creating cleaner and focused data sets) and alternative user experiences (voice based interactions using CRM tools, artificial conversational entities, like chatbots) (Keenan, 2017).

CONCLUSIONS

In order to face the fast and continuous change of the markets it is highly important to be in line with technological changes and latest innovations.
Customer Relationship Management (CRM) represents a component of high interest in any company. Still, the approach evolved in time, now the process being extremely computerized.
In short, CRM is a software about people that helps a company stay in touch with its clients and potential clients.
Current trend in CRM is to create customized solutions for companies, answering the needs of every business.

The future of CRM look transformative, innovative and technological. Still, companies must prepare for the change, rethink their CRM objectives, anticipate and answer to customers needs. Experts in the area talk about three main elements in the future trend of CRM: personalization, simplification and alternative user experience.

REFERENCES

[1] Chermenschi, M.I., *O introducere in programele software de CRM*, Institutul de marketing, 2014, http://www.marketingfocus.ro/features-2/marketing-tehnologie/item/179-o-introducere-in-programele-software-de-crm

[2] Columbus L., *2015 Gartner CRM Market Share Analysis Shows Salesforce In The Lead, Growing Faster Than Market*, Forbes, 2016

[3] Ehrens, T., TechTarget, 2017 http://searchcrm.techtarget.com/definition/CRM

[4] Geneva, S., 2017. *CRM system comparison: How the 'big four' CRM providers stack up, E-Handbook: Compare top CRM systems: SAP, Microsoft, Salesforce, Oracle*, http://searchsalesforce.techtarget.com/feature/CRM-system-comparison-How-the-big-four-CRM-providers-stack-up

[5] Jha L., *Customer Relationship Management: A Strategic Approach*, Global India Publications, 2008, Business & Economics, 264 pages https://books.google.ro/books?id=NbnZwhUjlF0C&printsec=frontcover&redir_esc=y#v=onepage&q&f=false

[6] Keenan M., *3 Big CRM Trends to Watch in 2017*, CRM Magazine, 2017 http://www.destinationcrm.com/Articles/Web-Exclusives/Viewpoints/3-Big-CRM-Trends-to-Watch-in-2017-115675.aspx

[7] Kestnbaum, K., Kestnbaum, R.(1982) Database Marketing, KesTry, Ghicago

[8] Sullivan, P., Muhney, M. (1986). Activity Control Tecnology, Conductor Software - Swiftpage, Dallas. http://www.swiftpage.com/en-gb/

[9] Yakuel, P., *7 Top CRM Trends for 2017: A Look Ahead*, CMS Wire, 2017 https://www.cmswire.com/customer-experience/7-top-crm-trends-for-2017-a-look-ahead/

[10] https://en.wikipedia.org/wiki/Customer_relationship_management

ANNEXES

Table No. 1
CRM Market – Top Vendors

Vendor	2015 Revenue ($M)	2015 Share (%)	2014 Revenue ($M)	2014 Share (%)	2013 Revenue ($M)	2013 Share (%)	2012 Revenue ($M)	2012 Share (%)
Salesforce.com CRM	5,171	19.7	4,250	18.4	3,292	16.1	2,525	14.0
SAP AG	2,684	10.2	2,795	12.1	2,622	12.8	2,327	12.9
Oracle	2,047	7.8	2,102	9.1	2,097	10.2	2,015	11.1
Microsoft Dynamics CRM	1,142	4.3	1,432	6.2	1,392	6.8	1,135	6.3
Others	15,245	58.0	12,520	54.2	11,076	54.1	10,086	55.7
Total	**26,287**	**100**	**23,100**	**100**	**20,476**	**100**	**18,090**	**100**

Source: Gartner Inc., 2015

Table No. 2
Advantages and Disadvantages of CRM Vendors (Geneva, 2017)

Vendor							
Salesforce.com		**Oracle**		**Microsoft**		**SAP**	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
-Complete SaaS model, available when a contract is signed. -Used without development, depending on circumstances. -Flexible enough to build complex processes on the platform. -Continous improvement of its flagship product. -Improved functionality three times a year. -Community forum to vote for items considered for development.	-Limited business intelligence (BI) functionality -Difficulty in changing unliked features. -Releases launched independent of their problems. -CRM system monthly pricing is $150 to $300 per user. Any other features mean aditional costs.	-All-in-one functionality -License cost includes features that other systems will require additional paying -Trusted solution for security model and protection. -Safe for highly regulated industries, due to a high encryption level. -Lowest cost solution for CRM, max $160 per user for "unlimited" model with all functionalities within the platform.	-Stuck to its roots in terms of database and user interface. -CRM feels more like a database than a slick app. -Slow system updates to modern technology. -Dated integrations with common tools in the workplace. -Available only for BlackBerry and iPhone, -No email synchronization with Gmail.	-Customers can choose between on-premises vs. SaaS-version of Dynamics -Customers decide on priority and staff implications of both solutions, and best fit for their architecture. -Dynamics embeds straight into Outlook application. -Includes good offline option and plug-ins to Microsoft Office Suite for Excel. -Flexible design, with open source options.	-BI limited in Dynamics CRM, -Alternative solution is Power BI, with additional cost. -Main focus is ERP product, -CRM updates slow. -Customer's IT team must be staffed to handle systems complexities. That means flexibility but drains resources. -Price structure based on premises or online version. -Monthly costs from $30 to $200 per user.	-Rich functionality in sales, service and marketing, if the company has already a SAP database in use. -Robust BI and analytics tool without the need for additional plug-in or licensing. -On-premises option for those who don't want to be beholden to a large ongoing monthly cost.	-User interface is lacking and isn't as intuitive as Microsoft Dynamics and Salesforce. -System not optimized for mobile usage. -Support and buy-in limited for CRM application. -Pricing similar to Microsoft Dynamics and Oracle, but the most common licensing monthly cost is around $149 per user.