

Milosz Czopek

Jan Wyżykowki University

e-mail: m.czopek@ujw.pl

ORCID: 0000-0002-9070-0304

Marta Kazusek

Jan Wyżykowski University

e-mail: martakazusek@vp.pl

ORCID: 0000-0003-1996-1381

CUSTOMER RELATIONSHIP MANAGEMENT. STRATEGY AND SYSTEM PERSPECTIVES

ZARZĄDZANIE RELACJAMI Z KLIENTEM. STRATEGIA I PERSPEKTYWY SYSTEMOWE

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Abstract: Market dynamics, growing consumer awareness, new needs, and the changing lifestyle of society forces the search for new business solutions. One of them is the strategy known as Customer Relationship Management, CRM, i.e. customer relationship management interpreted as a bridge between the organization and its customers. Its goal is to establish lasting and long-term ties between the organization and buyers, which translate into benefits for both parties. The term CRM is interpreted in two ways: as a customer relationship management strategy and as an IT system. The aim of this article is to discuss the most important aspects of customer relationship management, both from the perspective of management philosophy and a technical support instrument. The article shows the sources of strategies and technical solutions, definitions, benefits resulting from the implementation of CRM in organizations, functions of CRM systems, application possibilities, and individual stages of implementation.

Keywords: customer relationship management (CRM), customer loyalty, enterprise management, customer satisfaction.

Streszczenie: Dynamika rynku, rosnąca świadomość konsumencka oraz nowe potrzeby i zmieniający się styl życia społeczeństwa wymuszają poszukiwanie nowych rozwiązań biznesowych. Jednym z nich jest strategia określana terminem *Customer Relationship Management* (CRM), czyli zarządzanie relacjami z klientem. Wskazywana jest jako most pomiędzy organizacją a klientami. Jej celem jest nawiązanie trwałych i długoterminowych więzi organizacji z nabywcami, które przekładają się na korzyści dla obu stron. Termin CRM jest interpretowany dwojako – jako strategia zarządzania relacjami z klientem oraz jako system informatyczny. Celem artykułu jest przedyskutowanie najważniejszych aspektów zarządzania relacjami z klientem z perspektywy zarówno filozofii zarządzania, jak i technicznego instrumentu wsparcia. Artykuł ukazuje źródła strategii oraz rozwiązań technicznych, definicje, korzyści wynikające z implementacji CRM w organizacjach, funkcje systemów klasy CRM, możliwości zastosowania oraz poszczególne etapy wdrażania.

Słowa kluczowe: zarządzanie relacjami z klientem, lojalność klientów, zarządzanie przedsiębiorstwem, satysfakcja klientów.

1. Introduction

The level of competition in most industries continues to grow dynamically, and thinking and acting in terms of the constant search for increasingly effective solutions in organizations, allowing to achieve a competitive advantage, brings together both theoreticians and management practitioners. Many possible sources of competitive advantage are being discussed and shown, but some researchers emphasize that management innovation has a unique potential possible to be obtained in the long term (Hamel, 2008, pp. 53-54), while emphasizing that the effectiveness of such solutions depends on the use of scientific achievements and experience (Trzepizur and Wielgórka, 2015, p. 44). Gaining a new client, although still important, has given way to the trend that emphasizes the importance of retaining it as an absolute priority. Maintaining long-term relationships with clients is extremely difficult but if successful, it is the source of fundamental benefits for the organization. It is loyal customers that have a significant share in the achievement of the company's financial results. Numerous studies show that their maintenance is five times cheaper than acquiring new ones, and that consumer behaviour, which is usually rational, can be predicted to some extent (Łęgowski, 2017, p. 94). Other analyses carried out in organizations from various industries also indicate a strong correlation between customer retention by a company and achieved profitability ratios. They show that a 5% increase in the buyers' retention index results in an increase in profitability measured by the net present value from 20% to 85% (Fonfara, 2014, pp. 97-98). In addition, ever larger orders from long-term customers translate into economies of scale, i.e. lowering the unit cost of production even by as much as 20% (Pilarczyk, 2006, p. 325).

Therefore, building a portfolio of loyal customers, for example by using innovations that are important in creating new values (Trzepizur, 2016, p. 53), seems

to be the key to the survival and development of any organization. This assumption is consistent with the conclusion of researchers in that area, emphasizing that the current economy is consumer-led, which forces the need, among others, to create value for customers. It is also important from the perspective of one of the methods of calculating the enterprise value based on customer loyalty and profitability estimate (Żak, 2015, p. 223). One should appreciate the information that can be obtained in estimating the value of a customer portfolio. Firstly, this allows for more precise planning of the marketing strategy of the organization and, at the same time, shows the tangible benefits resulting from building long-term relationships with the client. Secondly, this increases the accuracy of choosing the most effective way of reaching the customer and the method of communication. Individual clients form groups, and the calculation of their value allows to create a map of the most valuable assets and thus enables one to determine the market position of an organization. All assets are synthesized together, creating the total value of the enterprise, so their valuation is important (Zygmański, 2017, p. 208), for example, before a merger or sale.

Innovative technologies, unique know-how, good quality products, and services, as well as proper after-sales service, are currently insufficient activities to meet the needs and requirements of an increasingly aware and educated customer. This state of affairs is also reflected in the so-called 4C model (Lauterborn, 1990, p. 26), which focuses on the customer's perspective and includes such components as value for the customer, the cost for the customer, purchase convenience, and continuous communication with the customer. Taking into account the observed changes in the market, the cited opinions, and research results, it is necessary to change the way of thinking and take actions aimed at introducing CRM (customer relationship management) into the organization. Its purpose is to build lasting and strong ties with customers, which in the long run ensure the maximization of value for the customer and the organization. CRM is a phenomenon interpreted in two ways. On the one hand, it is perceived as a philosophy or a strategy of customer relationship management, and on the other, it is defined as an IT tool that supports processes related to customer acquisition and service (CRM systems). The purpose of this paper is to provide more details about customer relationship management, both from the perspective of management philosophy and a technical support instrument.

2. Methodology

The research method was a critical analysis of the literature on the thematic area with deductive reasoning applied. Although it is partially based on practical experience gained as part of the implementation of the CRM systems in organizations located in Poland, the article is a theoretical consideration.

3. CRM as a management strategy for customer relations

Customer relationship management (CRM) is derived from relationship marketing, which in Polish literature is often incorrectly referred to using the term 'partnership marketing'. As researchers in this field indicate, both concepts should not be treated as synonyms, because a partnership is only one of the forms of a relationship. In this context, it is emphasized that a relationship is something deeper and mutual. A partnership, on the other hand, provides for the possibility of separating the parties and is a system in which all the interested parties care only about their own interests (Rogoziński, 2006, p. 35).

The term 'relationship marketing' was first used in the 1970s by B. Bund Jackson in connection with an industrial marketing research project. Nevertheless, it was only Berry, who in the 1980s defined relationship marketing as the process of creating, maintaining, and enriching customer relationships, the first step of which is to acquire them (1983, p. 26), that brought the concept of CRM to life and initiated the stage of its independent functioning and development. Searching for the reasons for its creation, it can be assumed that it was a response to the changes in the market observed since the beginning of the 1980s, including the decline in the effectiveness of promotional activities, and a significant reduction in customer loyalty (Stachowicz-Stanusch, 2007, pp. 15-16). Thus the strategy based on appropriate relationship shaping was recognized as an important factor increasing the ability to compete in the global economy (Budzisz, 2008, p. 121). The growing popularity of the concept resulted in numerous studies that attempted to clarify its contents. It was emphasized that relationship marketing is a method of creating, maintaining, and constantly enriching ties with the organization's customers and their partners, carried out in such a way that, through bilateral exchange and the implementation of declared promises, the goals of both parties are achieved. In Polish specialist literature, one can also find many attempts to refine the definition or to draw attention to the individual components of the concept. Rydel and Ronkowski note that relationship marketing should be perceived as a concept of management and operation in the market, assuming that the market effectiveness of companies depends on the ability to establish partnerships with other market participants. This concept, therefore, requires the creation of loyalty relationships with customers and strategic cooperation with partners (Otto, 2002, p. 42). Another interesting interpretation was presented by Rogoziński, who believes that a lasting customer-company relationship is possible in the case of joint value creation (Otto, 2002, p. 49). Grzanka places the accents in different places, claiming that what is extremely important is the use of strategic, developmental, and cognitive dimensions in relationships with clients. The researcher also emphasizes that trust and the owned networks of connections and contacts are next in terms of importance (Grzanka, 2009, p. 172). The definitions of relationship marketing became the basis for the definition of the CRM philosophy, which has been in operation continuously since the 1990s and is characterized by, among other

things, a departure from the idea of mass customer service in favour of individualization in the approach to each client to gain their loyalty, where loyalty is achieved, among others, for example, by making the client feel satisfied (Studzińska, 2015, p. 197). In other words, CRM can be equated with the concept of managing a company, based on a very good knowledge of customers and harmonizing the activities of the organization and the product with the needs of customers (Wojciechowski, 2011, p. 153). In this case, CRM can be also linked with the ability to acquire, get to know and, if necessary, renew contacts with customers, allowing to verify whether the organization provides them with what they expect and what it has declared, in order to realize profits resulting from actions taken previously (Power, 2003). The authors find a more synthetic approach in Gołdecka, who sees CRM as a long-term strategy in which the relationship with the client is shaped, from the initiation of contact to building loyalty (Gołdecka, 2002, p. 66). This point of view is not isolated as CRM is also referred to as a business strategy by other experts in the field.

CRM is a strategy in which relationships with customers are built and managed, thus optimizing the long-term benefits of the organization. Naturally, the implementation of such a strategy requires the introduction of a customer-oriented philosophy and business culture into the organization, which will significantly increase the effectiveness of marketing activities as well as sales and service processes (Trajer, Paszek, and Iwan, 2012, p. 55). When analysing the above views, it should be noted that the very concept of the client is being examined on several levels. One needs to distinguish between potential buyers, i.e. people interested in buying or being of interest to the organization, and current or lost customers, i.e. those who made a one-off transaction, or buyers who have not remained faithful to the brand in the long run.

When analysing the above-mentioned definitions and the aspects highlighted by the researchers in this field, the priority goal of the CRM strategy should be recognized as the shaping of relations with clients so that deep and lasting ties between them and the organization are created, both on a professional and social basis, which will translate into financial benefits for the organization and its clients in the long-term perspective. The overarching goal of the CRM strategy is achieved through a series of activities implemented by the organization. The first, and a very important one, is a thorough understanding of the needs and expectations and customer preferences. This key information enables one to take further action by creating marketing databases, allowing for the appropriate selection of a product, service, communication channel, or service process, and also to influence the customer's feelings and emotions. In the CRM strategy it is very common practice to obtain private information about the buyer and his/her interests, which, if skillfully used, shorten the distance and favour the creation of relationships that often go beyond the professional sphere. The second activity is initiating and maintaining contacts with the client and striving for two-way communication. Constant communication serves

not only to strengthen the ties, identify convenient forms of cooperation, but also to improve the understanding of needs and expectations of the buyer. However, the frequency of contacts should be treated as an extremely delicate and individual matter. Some customers require more frequent activity on the part of the company but others are discouraged from cooperation by the high intensity of contacts. Therefore it is important to find the ideal balance that will enable the development of the relationship, and not make the client feel harassed or, even worse, forgotten. The dyadic relationship (employee and client) seems to be the most advantageous here, as it enables the most developed feedback and thus the correction of the level of advancement of the understanding of the parties (Nęcki, 2009, pp. 57-58), which also contributes to the development of the optimal communication rhythm.

In practice, organizations applying the CRM strategy most often appoint one employee who is responsible for customer service. This person is responsible for creating relationships, establishing and maintaining contacts, striving for two-way communication, active listening, recognizing and creating customer needs, choosing the best solution, reacting to changes in the buyer's expectations, informing him/her about technological solutions, products, services and the direction of the development market. He or she also acts as a link between the buyer and other people from the company involved in their affairs, while also being a qualified advisor who can inform how to improve procedures and processes, find solutions to customer problems, or react before they arise. This person should be properly trained, have specialist knowledge, high skills, be consistent, and have qualities appropriately selected for a specific buyer. Thanks to a professional attitude and knowledge of a client's industry, it will be much easier for an employee to gain trust and respect, which are necessary to create lasting relationships. The person responsible for customer service must have clearly defined goals, which should be co-created and supervised by the immediate supervisor, whose task is also to support the activities of other employees and to ensure that each customer is treated individually. The competences of lower-level management also include developing the scope of duties of subordinate employees, taking care of regular training, and developing a satisfactory and motivating remuneration system.

In the CRM strategy, apart from customer service processes aimed at sales, a very important issue is also the quality of after-sales service, which often has a decisive impact on the customer's opinion and feelings. Many companies mistakenly focus on profit maximization from a single transaction, neglecting the handling of complaint processes, which, contrary to appearances, may be the greatest asset of the organization. Practice shows that customers who make complaints and experience good after-sales service, often have a higher degree of satisfaction than those who have never had to use this option or who have voluntarily opted out of it. A dissatisfied customer often does not even take any action to make a complaint about the product and indicate its weaknesses or imperfections at the individual stages of the sales process. Therefore it is extremely important to analyze the

incoming complaints on an ongoing basis, which should be treated as an invaluable source of knowledge and one of the possibilities of gaining market advantage. It should be emphasized that customer service, especially after-sales service, constitutes specific know-how of a company that is difficult to test and measure and therefore to be copied by competitors. The decisive factor shaping customer satisfaction and loyalty is the network of relationships built between, among others, company employees, business partners, sales representatives or sales employees in individual locations of the existing distribution network, which as a whole affects the customer, and depending on its own quality and the degree of individualization in meeting customer needs, has a positive or destructive effect on the organization-customer relationship. As opposed to modern technologies and expensive equipment, the area related to customer service often does not require high-budget outlay and has a major impact on the final satisfaction of buyers.

One can distinguish many tools that are used as part of the CRM strategy, the aim of which is to increase customer satisfaction and loyalty as well as provide information about the strengths and weaknesses of the processes related to customer service. Among them, one should mention customer satisfaction surveys, thanks to which the organization is able to diagnose the degree of customer satisfaction with a selected part of the activity (e.g. in the scope of the product offer, quality of products and services, price level, speed of service, methods of communication) and depending on their result, can maintain, strengthen or correct its actions. Another instrument used is the so-called mystery shopper, in which the hired person plays the role of a potential customer and then fills in a questionnaire assessing the service process, indicating both its weaknesses and strengths. This is a common practice that should also be used by managers who, in person or by telephone contact, can play the role of a customer and check the quality of service and knowledge of their colleagues on their own example. Another example of a valuable tool used as part of the CRM strategy is the analysis of customer loss, which of course cannot be limited only to determining the volume of losses. Companies should contact all their former customers to find out the real motives for their departure. This practice, rooted in CRM strategy, makes it possible to rethink the negative opinion about the organization, and even, as numerous practical experiences show, it is an opportunity to re-establish relationships and rebuild customer loyalty. When listing selected instruments of the discussed strategy, one should not ignore loyalty programs, also referred to as marketing participation programs (MPU) which are based on introducing incentives for customers: loyalty cards, company magazines, letters to customers, discount programs, hotlines or consumer advisory clubs.

Taking into account the fact that CRM strategy is a conscious activity aimed at acquiring and retaining customers, its essential element is the analysis of the competition. Monitoring rivals should include products and services, sales channels, target groups and financing models. Identifying the strengths and weaknesses of competitors allows for a better adjustment and promotion of the company's product

offer and allows to find the optimal market niche. All the listed and discussed elements should be seen as integral parts of the customer relationship management strategy.

CRM is not, as emphasized in the introduction, perceived solely and exclusively as a strategy aimed at finding the best way to manage relations between the organization and the client. CRM is also often defined as an IT tool whose task is to assist in the process of customer acquisition and service.

4. CRM as an information system

In the 1980s the first contact management applications appeared in the United States. These should be considered as the nucleus of modern CRM systems. They were simple, single-station tools that enabled the collection of basic customer data in the form of a file. With the development of technology they were expanded with additional functions, thus changing the names, respectively, to call reporting system, territory management system, sales management system, sales team automation. It cannot be argued that these systems already enabled individual customer service, but they significantly facilitated the work, among others, thanks to process automation, electronic information exchange between employees, and the possibility of reporting activities. However, the practice of those years shows that the discussed applications were implemented in organizations most often to control employees dedicated to customer service, which meant that they did not gain universal approval. Only the next decade brought a breakthrough, which resulted, among others, from a change in the approach to clients and a very dynamic development of information technology, yet it was the 1990s that resulted in the development of sales force automation systems and customer service support. These tools supported the area of sales and customer service, but since they were separate unconnected applications, they made it impossible to obtain comprehensive knowledge about customers and thus to efficiently and effectively serve them. Recognizing this drawback, work was undertaken to combine both solutions, which led to the creation of the concept of CRM systems which are still being improved and expanded with new functions.

Due to their capabilities CRM system can be divided into three subsystems: 1) operational (front-office) – its task is to automate the processes related to marketing, sales, and service, and it enables the registration and handling of all events and documents, and their reporting, 2) analytical (back-office) – responsible for aggregating, filtering and analysing data, and enabling, e.g. to segment and profile customers, analyse and plan marketing campaigns, analyse purchases and customer behaviour, determine customer value, forecast sales volume and profits, estimate sales probability, determine risk factors, make profit analysis, research customer satisfaction, analyse activities and communication channels, network management and optimize the use of human resources; 3) communication/interactive – includes tools that support ongoing contacts with all entities with which the company

cooperates. This also enables the sharing of information between all employees involved in the customer service process. Thanks to planning, recording the activities and arrangements made, customer service becomes more professional, effective, comprehensive, and, most importantly, personalized.

CRM class systems consist of modules, the number and functional scope of these depend on the manufacturer. They can appear as stand-alone applications or be part of an integrated ERP class system (a system for enterprise resource planning). The advantage of modular construction is the possibility of implementing the system in stages and selecting only those areas that will actually be useful in a given organization. One can distinguish many functions of CRM systems, including:

- collecting and analysing information:
 - about potential, current and former customers who can be classified as individual, collective or institutional customers. The knowledge that can be recorded is not limited only to the contact details of the organization and its employees, but also to other often specific and useful information (e.g. date of birth, interests, family situation, financial condition). Many systems also allow mapping the customer's organizational structure, recording its employees and determining the role they play in the company and other entities associated with it, as well as their informal impact on business decisions,
 - about competition, the ability to identify the strengths and weaknesses of rivals and to estimate the threat posed by the product offer and actions of the competition in relation to a specific customer or group of buyers,
 - about employees, the possibility of profiling and selecting them for specific clients based on experience, knowledge, area of operation, etc.,
 - about suppliers and other entities with which the company cooperates,
- the ability to plan and record all contacts, sharing files, and integration with an e-mail program (e.g. Microsoft Outlook). Most CRM applications enable assigning and expanding tasks to employees and have mechanisms that prevent the duplication of tasks and deadlines,
- generation, registration and circulation of documents related to the customer service process,
- the possibility of implementing the customer service path, i.e. defining the next steps to be performed, e.g. in the sales or service process,
- process automation (workflow), which thanks to the built-in mechanisms improve and perform many activities automatically without the need to involve system users,
- the knowledge base – enables the collection of external and internal documents of the company. In practice, it very often acts as an archive and is used to diagnose faults and conduct telemarketing campaigns,
- the rich set of functionalities in the area of filtering and the method of presenting information,

- individual mail merge and the template wizard – very convenient options, thanks to which one can quickly and easily send personalized messages to a large group of customers,
- built-in internal messenger that allows to archive conversations and correspondence of the employees,
- the ability to work offline (after connecting to the network, the entered data is updated),
- dashboards – interactive and dynamic reports presenting information gathered in the system in real-time. The type and form of displayed data can be configured for a group of positions, or each user can define which information he/she wants to be presented in one view. It is a very effective tool that facilitates the work of regular employees and allows the management staff to monitor important indicators on an ongoing basis,
- tracking changes made to all records and documents in the system (in CRM, no user and his/her activities are anonymous),
- providing support for group work through the ability to define working teams,
- generating alerts and reminders and automatically informing superiors about any neglected activities of employees that they can assign to other people,
- integration with Microsoft Excel, which enables the quick import and export of large data sets,
- built-in interfaces to popular websites such as Facebook, Twitter and Google+,
- the possibility of integrating the CRM system with other tools and operating systems in the organization (e.g. with a telephone exchange, with an ERP class system),
- advanced analyses and reports that enable obtaining the information necessary to make the right business decisions. Most CRM applications have a number of predefined reports and simple wizards that enable the preparation of dedicated analyses covering all areas of the system. In terms of CRM analyses, this also enables the measurement of customer value (RFM) and the analysis of customer lifetime value (LTV). The former are used to forecast future customer behaviour and are determined on the basis of historical data based on three variables (R – recently, F – frequency, M – monetary value) that define the attractiveness of the buyer (Buchnowska, 2006, p. 55).

Observing organizational practice, it can be concluded that the analysis of the Customer Lifetime Value is used more frequently, due to the greater forecasting possibilities. LTV analysis enables estimating the amount that a customer can potentially spend in an enterprise throughout the life cycle, calculating the value of the average, most and least ‘attractive’ customers and their comparisons, the segmentation of customers based on their current, future, and total value, the verification and comparison of the effectiveness of various marketing strategies, and estimating the costs that the organization must incur in order to gain customer loyalty (Buchnowska, 2006, p. 58).

CRM class systems, thanks to their extremely wide application possibilities and advantages, noted by both large corporations and companies from the SME sector, are used in various areas of an organization. They are used, for example, in marketing, where they support the creation of marketing campaigns, both at the stage of planning, recording, and budget analysis, such as activities related to their launch and operation. They are also used for customer segmentation or their conditional grouping, and make it possible to link sales with specific marketing activities. CRM systems in the area of marketing have also found their application in the collection and settlement of promotional materials, in customer satisfaction surveys, and the implementation of interactive phone call scripts.

In the sales area, CRM systems are used to automatically classify buyers (e.g. in terms of the volume of purchases, profitability, type of purchased goods), support the entire sales cycle (the possibility of profiling the course of the sales process, along with determining the required steps necessary to finalize the transaction) and forecast the sales volume, both in relation to the client or employee as well as entire groups. They also significantly support the service of various distribution channels, such as networks of sales representatives, online stores, call centers, etc. Their contribution to cross-selling and up-selling cannot be overlooked. The discussed systems support the sales area also by recording lost sales opportunities and indicating which competitor turned out to be more effective and why. They enable the quick generation and distribution of commercial documents (offers, contracts, orders, catalogues, photos, technical specifications, etc.) along with the possibility of their storage. CRM systems offer support for multi-currency sales, management of price lists, and discounts (the possibility of automatic allocation of discounts taking into account, among others, sales volume, type of assortment), service of trade credits, and management of the sales budget. As part of the sales processes, CRM system is also extremely useful in the administration and automation of debt collection processes, handling loyalty programs and returns, planning inspections and settling sales targets as well as calculating bonuses and commissions due to employees. In the service area, CRM systems offer the option of registering requests and the possibility of automatic classification and distribution to a specific employee or service group. They also support planning and analyzing service activities, keeping records of available resources (material and human), and defining service groups, taking into account both the time, material, and human resources necessary to handle the request. CRM systems are used in many organizations to calculate repair costs, both planned and actual, to generate, handle, and store service documents (e.g. contracts, warranties, settlements). They are also used to automatically notify the customer about the status and repair costs. Further application in the area of service for the discussed systems has been found in loan management and reservations, as well as on-line support (help desk).

The range of CRM systems available on the market is extremely rich. Most of them are called open solutions and can be modified, expanded, and adapted to the

specifics of the business and implemented processes. When choosing a customer relationship management tool, it is necessary to determine the total cost of ownership (TCO) and the return on investment (ROI), which often determine the choice of one of the two implementation models. The first is the so-called on-premises model, which requires covering the costs of the software and hardware infrastructure installed and maintained by the end-user. The second SaaS model (Software as a Service) is an e-service offered by a provider of CRM systems in return for a fee. This is a much cheaper solution that does not require financial outlays related to the purchase and maintenance of the software and IT infrastructure. The implementation of the CRM system brings numerous benefits presented in the figure below.

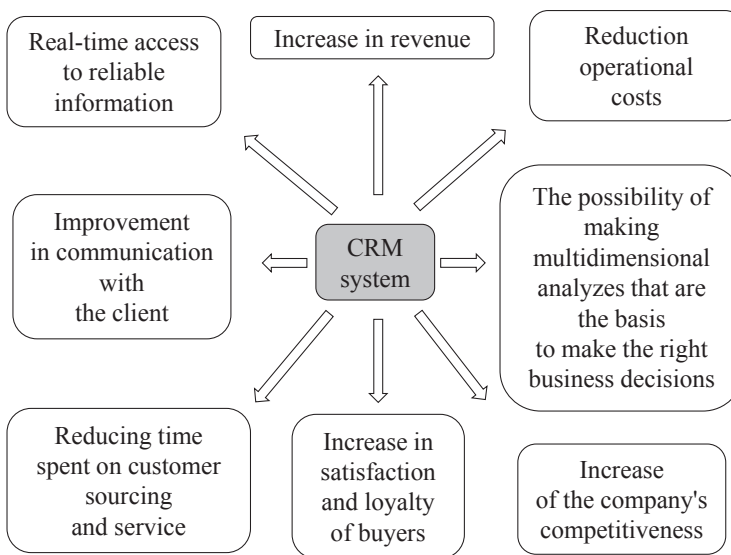


Fig. 1. Benefits of implementing a CRM system

Source: author's own research.

Nevertheless, for the implementation of the CRM system to be translated into the success of the organization, it is necessary to follow the right path. Firstly, one ought to define the goals of the system implementation. Assuming that the main premise is just the need to control the employees involved in acquiring and servicing customers, the project can be considered doomed to failure in advance. Next, it is necessary to define the functional requirements and analyse the processes including the current state and their target course. All kinds of changes should be introduced, taking into account the organizational culture, and in the case of the CRM system, additional emphasis should be placed on procedures linked with communication. However, the most important determinant for the achievement of the benefits related to the

implementation of CRM systems is having the readiness to develop and apply a customer relationship management strategy. It is a mistake to think that information technology alone, without implementing the CRM philosophy, will enable the creation of long-lasting and fruitful relationships with customers.

An organization implementing CRM, understood as a hybrid of an IT system with a customer relationship management strategy, can obtain tangible benefits allowing it to achieve a competitive advantage and guarantee future development. They include: a reduction of the time and costs related to customer acquisition and service, continuity of customer service (all the data and arrangements made with the customer are available in the CRM system, so in the absence of an employee, the customer service process can be smoothly continued by another person employed in the organization), increasing revenues (e.g. by implementing the cross-selling and up-selling strategies), supervising and monitoring activities of external entities involved in the customer service process results in an increase in the effectiveness of the activities carried out, improvement and standardization of business processes, identification of the most promising and key customers, more successful transactions, higher-margin (satisfied and loyal customers more easily accept price changes), increased customer satisfaction and loyalty, stronger brand position, lower recruitment and training costs for customer service employees, complete customer image, fewer complaints, the ability to attract and retain loyal customers, lower loss of buyers, the ability to regain lost customers, increase employee productivity and the ability to segment customers, while further benefits include the ability to monitor and gather information about competitors. CRM also enables the identification of new market trends. Finally, it should also be emphasized that the implementation of the discussed solution allows for up-to-date and multidimensional analyses and the generation of reports that are the basis for making appropriate business decisions.

5. Conclusion

The development of technology, a strong increase in competition, an excess of supply over demand, and an increasingly higher level of education of the society caused the need to create a new marketing concept known as Customer Relationship Management (CRM). Its priority task is to establish lasting and long-term ties between the organization and buyers. The proper implementation of this strategy is meant, in the long run, to guarantee a number of benefits for the organization and its customers. The term CRM, however, is understood on the one hand as a customer relationship management strategy, and on the other as an IT system. Producers of CRM applications, due to their own goals, often promote the viewpoint that the implementation of just a technical solution will ensure the market success of the organization. However, as practice shows, this is not the correct way of thinking. The development and implementation of the CRM philosophy and then supporting it with an appropriate IT system facilitating individual customer service is a much

more effective solution. This can be confirmed by the implementation of CRM at Tesco, where the transformation process was initiated with changes in the business strategy aimed at, among others, the identification and understanding of the needs of individual customers, the development of effective forms of communication with buyers, and the management of product offers to increase customer satisfaction and loyalty. The implemented measures were supported by a CRM class information system that was connected to the readers and cash register systems in all retail outlets. The information obtained made it possible to define the share of specific customer groups in the company's financial results and to learn about their purchasing preferences. A very important role in the success of CRM implementation at Tesco should be attributed to the consistently and effectively introduced changes aimed at the continuous increase of value for customers. The combination of a business strategy aimed at increasing customer satisfaction and loyalty with the CRM class information system resulted in a sales increase of 52% in the first five years following the introduction of these changes. Another example of a successful CRM implementation is the Ritz-Carlton luxury hotel chain. The introduced CRM strategy was based on two paramount objectives: the employee commitment and the emotional involvement of customers. The CRM system implemented at Ritz-Carlton, where all events related to the guests' stay are recorded, has become the tool enabling the achievement of the above mentioned objectives. The collected information is the basic source of knowledge for all employees involved in the customer service process and allows for the effective planning and optimization of activities.

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