

## The Analysis Of Performance Measurement For Customer Relationship Management In The Strategics Perspective

<sup>1</sup>Febriansyah

Magister Management, Institut Informatika dan Bisnis Darmajaya,  
Bandar Lampung

*Author's correspondence: febriansyah@darmajaya.ac.id <sup>1</sup>*

**Abstract.** *Customer relationship management (CRM) is the set of procedures, personnel, and technology used by businesses to locate their customers. CRM fosters relationships and customer retention. The development of CRM is positively impacted by organizational improvements in customer-centric procedures and advancements in information technology. Successful CRM implementation will increase an organization's profitability and customer loyalty. Viewing CRM as a technology alone is one factor contributing to its failure; in order for it to succeed, firms must integrate and strike a balance between people, process, and technology. The influence of environmental factors, such as political, economic, social, and technological aspects, on CRM is attempted to be measured. Additionally, a SWOT analysis is conducted, and a few recommendations are made based on the analysis to ensure the effectiveness of CRM activities*

**Keywords:** *Customer Relationship Managemen, Measuring Performance, Strategics Perspective*

### BACKGROUND

Executives use a multi-tiered business plan to create and achieve company goals as part of a corporate-level strategy. The corporate level strategy that is devised is more crucial than ever in the current fast-paced and competitive business climate. It assists companies in identifying opportunities for growth, reducing related risks, and streamlining their product line in order to boost profitability and return to shareholders. Businesses can adjust to changes in the market, technology, and customer base with the aid of corporate level strategy (Shah & Khan, 2024).

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*\* Febriansyah, febriansyah@darmajaya.ac.id*



The process by which a firm assesses every aspect of its operations and determines a path for expansion or value is known as a corporate level strategy. Corporate strategy is essential for companies to establish and achieve long-term objectives. Businesses can thrive in their chosen market or industry with the aid of corporate-level strategy. The strategy will establish business objectives and motivate employees to achieve the goals. A corporation should start with its corporate level strategy. The company requires a template in order to navigate the business environment and alter the corporate level plan.

In today's fast-paced, cutthroat business environment, corporate strategy is more crucial than ever. It assists companies in identifying opportunities for growth, reducing related risks, and streamlining their product line in order to boost profitability and return to shareholders. Businesses can adjust to changes in the market, technology, and customer base with the aid of corporate strategy.

In 1980, CRM was introduced. It was comparable to the Customer Information System (CIS) in its early stages of development. A single function solution was available for helping particular personnel in the first generation of CIS. CIS is now ready for CRM, m-CRM, and e-CRM. CRM was introduced in the 1990s and has since become the most crucial business and customer strategy for companies that invest in it (Jayashree et al., 2011).

Organizations began to improve CRM at this time by establishing bilateral relationships, and in addition to collecting data for their own purposes, they also use it to enhance customer service by offering incentives such as bonuses, gifts, and promotions. CRM at this time increased sales and enhanced customer service.

Early in the century, real CRM got underway. CRM became more adept at identifying the requirements and habits of its clients. Advanced technologies made it possible to use data and information in a dynamic manner and were adaptable to many sectors. Relationships between sales, marketing, and customer support are made simple by the Internet's flexibility. In order to improve customer happiness, CRM created new tactics that allowed for the exchange of information and comprehension.

## **THEORETICAL REVIEW**

### **Customer Relationship Management**

Customer relationship management, sometimes known as CRM, is a branch of management that focuses on the principle of managing the relationship between businesses and their clients in order to improve the company's perceived value in the eyes of its clients. CRM according to Sūdžius, (2007) includes every facet of today's customer and prospect interactions. CRM is a technique and instrument for automating corporate activities through technology-assisted customer relationship management. CRM is made up of customer service, marketing, and sales operations. CRM is a business approach that aims to satisfy client wants and preferences in order to stand out from the competition (Yanto & Asiah, 2021).

### **Phase of Customer Relationship Management**

Here is an explanation of this CRM cycle phase:

1. **Acquire:** Getting new clients is the goal of the acquisition process, which can be accomplished through a variety of tactics.
2. **Retain:** This is the stage in which the company is working on a plan to keep clients by providing better service. Due to the fact that numerous service provider organizations (competitors) are creating more and more clients, customer retention has become a crucial business strategy.
3. **Expansion** is the time to build on a positive relationship that has already been established with the consumer, to always listen to them, and to provide them with excellent service, resulting in a devoted clientele for the product or service company (Damayanti & Ibrahim, 2021).

### **Performance Measurement**

The business organization's performance is a summary of how well an activity, program, or policy is being implemented in reaching the company's goals, objectives, mission, and vision as stated in the organization's draft strategy. As a first step in making

businesses more competitive, performance evaluation can help a company make decisions.

The fundamental component of the measuring element is a template measurement, which aids in information gathering, indicator construction, decision-making, and the attainment of strategic objectives. The only source of revenue for the business's present and future expansion is its customers. A private organization wants to be a lucrative, competitive, and expanding business. Since the consumer is the primary source of revenue, meeting their demands is the major objective. In order for managers to evaluate Customer Relationship Management (CRM) and prepare for the future, it is critical that the performance of CRM should be measured (Damayanti & Ibrahim, 2021).

### **CRM Scorecard**

A framework for assessing the effectiveness of Customer Relationship Management (CRM) deployment is the CRM Scorecard. Identifying CRM's vision, objective, and strategy is the first step in this Scorecard CRM approach. Creating a CRM strategy comes next. Finding the most appropriate strategic component is the aim of this step. Finding the connection between CRM operations and company goals is the next stage. This approach can help demonstrate areas where the CRM viewpoint needs to be enhanced and can enhance an organization's performance and efficiency. Techniques The CRM Scorecard offers a framework for translating the strategic goals, mission, and vision into goals and metrics that can be analyzed from four angles (Syafitri & Ibrahim, 2020).

Perspectives, strategic objectives, benchmarks (measures), targets, weights, and scales of assessments are all included in the model CRM Scorecard. Measurements were carried out by gathering information for each benchmark, which was then compared to the target using the scale. The final CRM Scorecard score will be calculated by multiplying the value by the weight. With a value below the goal that requires fixed strategic initiatives, for strategic goals.

## **RESEARCH METHODS**

A thorough assessment of the literature has been done in order to fulfill the goals of this study, which describes how CRM affects business performance in three different areas. Most of the information we use comes from foreign publications, such as textbooks and periodicals. Furthermore, certain worldwide databases that were chosen as data sources also use CRM-related publications. This database was chosen because it offers extensive literature coverage on a range of topics pertaining to marketing and business.

The abbreviation SWOT analysis refers to the precise Strengths, Weaknesses, Opportunities, and Threats that constitute a company's strategic elements. In addition to identifying a company's unique strengths, SWOT analysis can also reveal opportunities that a company is now unable to seize because of a lack of suitable resources. By utilizing its strengths and addressing its weaknesses, SWOT analysis helps to minimize risks and maximize future chances. It is a tool for examining and validating a business or organization. Focusing on important subjects is beneficial..

## **RESULTS AND DISCUSSION**

Strategic actions are taken to guarantee that customer relationships are maintained and can enhance operational efficiency when Customer Relationship Management (CRM) is implemented in operational management. When adopting CRM in the context of operational management, the following elements can be used as a guide:

### **Customer Needs Analysis**

One of the most important steps in integrating client Relationship Management (CRM) into Operational Management is determining the needs and expectations of the client. Organizations can get profound insights into the tastes, spending patterns, and expectations of their customers by carefully analyzing data (Kim, 2012). Businesses can handle data gathered from transactions, online interactions, and customer feedback by

using data analysis technologies like big data and machine learning algorithms. Through this method, businesses can find patterns and trends in consumer behavior, which serve as the foundation for creating more individualized and pertinent service plans. Businesses can get direct customer feedback about their experiences with products or services by using online surveys and analytics tools.

### **System Integration**

A crucial first step in improving the efficacy and efficiency of customer relationship management (CRM) is the integration of the CRM system with current operational management systems. This integration's significance stems from its capacity to bring customer data and an organization's operational procedures into sync. By linking these systems, different departments may access client data instantly, enabling businesses to offer more responsive customer care. Along with being integrated with all operational processes, from production to delivery, good integration also guarantees the availability of current consumer data. This enables businesses to optimize distribution and supply chains and react swiftly to shifting consumer demands (Guerola-Navarro et al., 2021).

### **Employee training**

A crucial step in guaranteeing the effective application of this strategy in day-to-day operations is providing employee training on the Customer Relationship Management (CRM) system. Employees who receive this training will be able to comprehend how the CRM system works, from gathering client information to putting more individualized service plans into action. In addition to knowing the main system features that support their operational tasks, this training should explain how to effectively maintain and access client information (Wibowo, 2023).

### **SWOT Implementation**

The abbreviation SWOT analysis refers to the precise Strengths, Weaknesses, Opportunities, and Threats that constitute a company's strategic elements. In addition to identifying a company's unique strengths, SWOT analysis can also reveal opportunities that a company is now unable to seize because of a lack of suitable

resources. By utilizing its strengths and addressing its weaknesses, SWOT analysis helps to minimize risks and maximize future chances. It is a tool for examining and validating a business or organization. Focusing on important subjects is beneficial. Threats and opportunities come from outside sources. Internal variables determine one's strengths and weaknesses (Jayashree et al., 2011).

#### *A. Strengths*

- 1) Concentration and identifying more lucrative clients: The primary advantage of a successful CRM approach is that these clients will generate future revenue.
- 2) Keeping and maintaining all customer data: CRM gathers and keeps track of all the important data about customers so that businesses can learn more about them, forecast their future behavior, and generate other useful insights to increase profits.
- 3) Increases sales efficiency: The organization that has good CRM, knows what customer needs. This increases the loyalty of the customer.
- 4) Assures customer satisfaction: Once customers are accustomed to a company, they become more reliant on it and are unlikely to leave.
- 5) Knowing prospective clients and buyers: CRM can increase its client knowledge by collecting and storing customer data, then using business intelligence to create information and knowledge through the use of knowledge management systems.

#### *B. Weaknesses*

- 1) Too much information for the organization: This can cause the CRM to fail because it makes forecasting and decision-making difficult and causes disagreements. It can also generate storage capacity issues.
- 2) Unable to function with newly entered data: CRM is unable to function with less and new customer data. In order for the project to succeed, additional and historical data must be gathered patiently; otherwise, the organization may lose important time and money.
- 3) Inadequate cultural preparation: CRM adoption will cause organizational culture to shift, particularly among frontline employees.

- 4) Inadequately defined activities: This includes internal organizational activities such as task coordination, staff productivity, data quality, and process time and costs.

*C. Opportunities*

- 1) Customer happiness: By evaluating customers' data and information, CRM can forecast their demands and assist businesses in approving and anticipating their future requirements, hence increasing customer contentment.
- 2) Growing the sales base: Businesses should provide more to their current clientele because they generate future profits. By adding more services or incentives, the sales bases will grow.
- 3) Improving customer relations: determining the needs of customers, keeping pertinent information about them, and managing the interaction between employees and clients.
- 4) Enhancing customer interaction: CRM companies can enhance their interactions with customers by implementing new communication technology.

*D. Threats*

- 1) Declining in face-to-face interaction: CRM uses technology for its communications, which can lead to a decrease in in-person interactions. From two perspectives, technology can be both an opportunity and a threat.
- 2) Over-automation: CRM may become overly automated, which would again result in a loss of human interaction. Relationships with suppliers are preferred by customers.
- 3) Poor integration with back office systems: CRM cannot accomplish its objectives if the deployed CRM technology does not work properly with the back office system. Fast feedback, ongoing interactions, adaptation, and supporting activities cannot be supported by technology alone; businesses need to know how to bridge these gaps.
- 4) Raising customer expectations: By offering unforeseen benefits like bonuses, promotions, and gifts, businesses raise the expectations of their clients, which may lead to future failures to satisfy them and the loss of their devoted clientele.



- 5) Reversing customer reaction to CRM activities: While some businesses rely entirely on CRM, this is not always the case in all markets due to a variety of factors, such as inflation, which can result in a different response to CRM activities.
- 6) Declining revenue: In certain cases, such as the inverse reaction of CRM's customers as mentioned above, organizations may lose money and see a decline in revenue.

The results imply that knowledge has a major influence on customer performance. This outcome is consistent with businesses integrating and utilizing all relevant client data to facilitate effective service delivery. Additionally, a substantial amount of research has provided concrete proof of the reliable relationship between customer performance and knowledge. As a result, it shows how better customer interactions enable companies to promptly collect relevant data to satisfy the needs of every single consumer.

According to the study, there is not a very high association between technology-based customer relationship management (CRM) and improved customer performance. As a result, the suggested theory is only partially supported by the facts. The results of a prior study that showed that technology-based CRM significantly improved customer performance are in conflict with this discovery. This disparity, however, might be explained by the fact that Amman hotels see CRM technology as only a tool for storing client data.

Corporate activities for the CRM strategy are realized in terms of CRM processes, just as any corporate business plan should be carried out by a collection of actions that result in the intended business outcomes. The relationship development process, which includes awareness, exploration, commitment, and dissolution, may serve as the foundation for the CRM process (Badariah et al., 2013).

Recent studies suggest that expanding customer share may necessitate distinct techniques than maintaining consumers, even while the corporate actions employed to maximize customer share can also be used to retain customers. By distinguishing between customer expansion and customer retention, Kim and Kim define the CRM

process as a set of actions for gaining, keeping, and growing a relationship with customers (Al-Kharabsheh, 2024).

Customer justice and equality drivers may be viewed as predictors that precede customer happiness and loyalty since these two factors alone are insufficient to serve as effective mediators between corporate CRM initiatives and organizational performance. Perceived value, brand equity, and relationship equity are the three categories of consumer evaluative domains that influence corporate customer equity. Since perceived justice is the degree to which customers determine whether a trade between themselves and another party is fair, customer justice is more closely tied to customer value than to brand or relationship equity (Al-Kharabsheh, 2024).

Therefore, customer equity drivers appear to be more appropriate since they offer a more comprehensive perspective, even if both customer justice and customer equity drivers might indicate instantaneous responses to corporate marketing operations, better describing the organizational performance.

1. **Cost leadership:** Businesses can use CRM data and information to enhance their procedures and compete for cost leadership. It implies that businesses can reduce client substitution expenditures, improve buyer retention and preservation, and lessen sales and service costs by incorporating CRM into their core operations. This is in line with the notion that CRM broadens the scope of beneficial client-business connections. Client management expenses have decreased as a result of long-standing client relationships (Reimann et al., 2010).
2. **Customer Acquisition:** As quickly as possible, increase the number of new, ideal clients.
3. **Customer retention:** by upselling, cross-selling, and servicing, maintain and grow your clientele's business and relationships.
4. **Cost reduction:** cut expenses related to marketing, sales, and customer support to summarize the core CRM tactics.
5. **Customer recognition:** The association must be able to identify the customer through marketing channels, communication, and long-term operations in order to

give the customer value and worth by promptly meeting his needs with the appropriate product or service and acquiring new customers (Bupu et al., 2023).

6. Customer differentiation: CRM is linked to a differentiation strategy that enables businesses to get better results. The sources, circumstances, performance structure, and CRM serve as the foundation for this relationship, which enables businesses to establish a unique position that influences their behavior and appearance. At higher levels of industry commoditization than at lower levels, CRM has a stronger effect on distinctiveness.
7. Customer contact and communication: Monitoring customer behavior is one of CRM's primary goals. From a CRM perspective, the client's long-term productivity, profitability, and affiliation with the business are very crucial. Therefore, businesses should always be learning about their customers.
8. Personalization: One of the primary goals of CRM is to treat each client differently or exclusively. During the personalization process, the company can alter products and services and ensure that the client receives personalized services.
9. Increased productivity and profitability borders: with a better understanding and identification of the customers, efforts can be made to convert fewer profitable accounts to lower cost and service delivery;
10. Reduced trade and selling administrative costs: If the company clearly defines and has good information about its target segment clientele, there will be a decrease in trade and a better use of its capital.
11. Increase client satisfaction speed: As customers learn that the offer meets their specific needs, there will be an increase in client contentment speed.
12. Differentiation: When compared to rivals, goods and services should be superior and varied.

## **CONCLUSION AND RECOMMENDATION**

In today's cutthroat business and commerce environment, successful CRM steering is becoming increasingly important for every organization. Customer

expectations are constantly rising, and corporate services must adapt to meet these demands. CRM is a strategy used by all businesses to connect with their customers and provide them with better service. Successful CRM strategies and requests will result in a significant boost in revenue, satisfied customers, and ultimately, business success. Using CRM technology is important and crucial if you want to keep expenses and costs down. CRM empowers staff to approach clients, and with the right CRM procedures, maximum growth and success are possible (Shalihati et al., 2025).

Knowledge and information are the first steps towards effective customer preservation. Companies ought to compile a comprehensive customer profile that enables clients to access all demographic information, correspondence and interactions, and purchases made. Businesses can better analyze the productivity and profitability of each customer with the use of this data, as well as strong segmentation and analytic tools. Based on the client's profitability, they can then develop strategies and policies. One of the best strategies to boost and optimize revenue potential is to expand the marketing mix; however, to do so, marketing departments must have complete access to marketing data via a single CRM request. Companies should be able to qualify guides, send out materials, track reactions precisely, and develop campaigns fast (Krizanova et al., 2018).

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