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Author(s): Saarijärvi, Hannu; Karjaluoto, Heikki; Kuusela, Hannu

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Customer Relationship Management: The Evolving Role of Customer Data

Hannu Saarijärvi
School of Management
FI-33014 University of Tampere
Finland
Tel.: +358 40 535 1369
E-mail: hannu.saarijarvi@uta.fi

Heikki Karjaluoto
Professor of Marketing
School of Business and Economics
FI-40014 University of Jyväskylä
Finland

Hannu Kuusela
Professor of Marketing
School of Management
FI-33014 University of Tampere
Finland

Abstract

Purpose - Customer relationship management (CRM) developed a separate identity as a result of companies utilising customer data in managing customer relationships. In this evolution, CRM became a heavily company-oriented construct: customer data was used instrumentally to serve companies' purposes. However, as companies increasingly shift attention from selling products to serving customers, traditional CRM-activities, such as segmentation and cross-selling, may prove inappropriate owing to their inherent orientation towards selling more products to customers. The perspective on customer data usage needs to better address the strategic goal of serving customers. Consequently, the purpose of this study is to reconfigure the role of customer data within the CRM framework.

Design/methodology/approach - CRM literature is briefly reviewed and a case study is conducted to empirically illustrate how customer data can be used also for the benefit of the customer.

Findings - As a result, four CRM waves are identified that characterise the evolving role of customer data in CRM and help identify new directions for customer data usage. The focus is shifted from the internal to the external use of customer data: customer data is increasingly understood to be a resource for the customer's – not just the firm's – value creation.

Originality/value - The research introduces a fresh perspective to CRM by exploring the evolving role of customer data within the CRM framework. New directions for customer data are introduced that have major implications both theoretically and practically.

Keywords: customer relationship management, customer data, customer centricity, service-dominant logic

Customer Relationship Management: The Evolving Role of Customer Data

Introduction

Since its introduction in the early 1990s, the CRM framework has developed a diverse set of identities. A lack of common conceptual ground and a fragmented research field has resulted in a domain that operates at multiple levels of analysis – conceptually, empirically, and practically (Zablah, Bellenger, & Johnston, 2005). This development, however, should not diminish the critically important role of customer centricity in CRM strategies. On the contrary, this role has become even more important as firms increasingly shift their attention from goods to services and from selling to serving. As a result, the role of data in managing customer relationships increasingly represents a strategic issue for firms to protect their existing customer base, initiate new customer relationships, and introduce new business concepts among harsh competition. Identifying and understanding the full potential of CRM in-depth has never been as topical as it is today.

However, as many companies increasingly shift their attention from selling goods to serving customers, the traditional perspective of CRM and customer data utilisation can prove unsuitable. The CRM framework with its many informational processes such as cross-selling, customised marketing communications or the identification of the most profitable customers naturally ranks highest in importance even today, but it fails to adequately address the emerging shift in managerial mindsets toward *supporting* customers' value creation instead of merely *selling* customers products. Service applications, such as Safeway's MySimpleNutrition, have a fundamentally different agenda in terms of customer data usage: customer data is refined and given back to customers to support value creation. Furthermore, the recent MyData initiative by the UK government, in which major businesses provide customers with opportunity to reclaim

their data for their own use, offers yet another sign of the emerging paradigmatic change in thinking in terms of customer data utilisation within the CRM framework. Thus, after a long period of companies using customer data for the purpose of acquiring new customers or establishing customer-loyalty schemes, the customers themselves are now increasingly in charge of their own data.

The early literature on CRM focused, for example, on the adoption and implementation of CRM from the marketing perspective (Boulding, Staelin, Ehret, & Johnston, 2005; Krasnikov, Jayachandran, & Kumar, 2009) and information systems, especially from a data management perspective (Ngai, 2005). The literature has also examined how CRM affects firm performance (e.g., Reinartz, Krafft, & Hoyer, 2004; Ernst, Hoyer, & Krafft, 2011) and the linkage of knowledge management and CRM (du Plessis & Boon, 2004; Fan & Ku, 2010). Current research on CRM, although diverse and abundant, has not yet addressed the emerging and altered role of customer data within the CRM framework. Furthermore, the paradigmatically emerging service orientation (e.g., Vargo & Lusch, 2004; 2008; Grönroos & Ravald, 2011; Maglio & Spohrer, 2008), value co-creation (e.g., Prahalad & Ramaswamy, 2004b; Grönroos, 2008; Grönroos & Helle, 2010; Vargo, Maglio, & Akaka, 2008), and the new social CRM perspective (e.g., Greenberg, 2010a, 2010b) exert pressure to reconfigure of the role of customer data, and reconsider the very foundations of the CRM framework. This transformation, fuelled by the advent of digital interactive communication channels, has received increasing attention from both scholars and practitioners. However, research on this development remains at an early stage. Specifically, studies have not yet investigated how to use customer data to support the customer's value creation – rather than the one-sided focus on the company's processes.

This paper will first conduct a literature review to describe and discuss the central characteristics and the inadequacies of the CRM framework. The literature review contributes to establishing a perspective and a starting point from which to address future challenges regarding the new role of customer data. Second, this study will introduce an analytical framework to provide novel insights into re-thinking the role and utilisation of customer data in the CRM framework. The results will identify and introduce new directions for customer data usage within the CRM framework and will offer implications for CRM to better address the challenges due to the shift from goods orientation to service orientation.

The remainder of the article comprises four sections. First, the research methodology includes a detailed description of the literature review. Second, a discussion of the results of the literature review offers an opportunity to uncover and discuss the basic characteristics and inadequacies of the CRM framework in terms of four waves of CRM and the evolving role of customer data. The third section, resulting from the increased pressure from the external business environment to reconfigure the role of customer data, identifies new directions for customer data usage within the CRM framework. Consequently, implications for developing the CRM framework follow. Finally, conclusions and prospective future research directions conclude the study.

Research methodology

Given the diverse nature of the CRM framework, the studies that have contributed to its domain radiate from a number of journals from various disciplines. Therefore, we turned to online journal databases (ABI/Inform and Web of Science), journal special issues and other literature reviews for the current literature review. In the first phase, we conducted a search using the term

customer relationship management. This yielded over 2,500 scientific articles; prompting the authors to limit the search to articles that contained the search term in the article title, keywords, or abstract. This decreased the number of appropriate articles to 154. We followed this with a complementary manual search in international, scientific, high-quality marketing journals (e.g. *Journal of Marketing; Harvard Business Review, Industrial Marketing Management*). We further limited this search to articles published after the review period (1992–2002) used in a study by Ngai (2005). Similar to that study, we evaluated the articles' overall contribution to the current CRM literature, the journal's relevance in terms of business, marketing, management, IT, and IS research. We further excluded articles not related to CRM. Table 1 lists the 50 most relevant articles approved for the actual literature review.

There were two reasons for conducting the literature review. First, it provided a systematic way to analyse the characteristics and inadequacies of the CRM framework. Second, it provided well-grounded insights into the role and nature of customer data usage within the current CRM framework. Consequently, the literature review offered a conceptual and empirical basis to address the future challenges of CRM in terms of the reconfigured role of customer data. Table 1 presents the results of the literature review, after which we carefully discuss the insights generated from the review.

Table 1

Summary of the literature review

No	Year	Author	Title	Journal	Method
1.	2011	Ernst, Hoyer,& Krafft	Customer relationship management and company performance—The mediating role of new product performance	Journal of the Academy of Marketing Science	E
2.	2011	Li	Marketing metrics' usage: Its predictors and implications for customer relationship management	Industrial Marketing Management	E
3.	2010	Fan & Ku	Customer focus, service process fit and customer relationship management profitability: The effect of knowledge sharing	Services Industry Journal	E
4.	2010	Greenberg	The impact of CRM 2.0 on customer insight	Journal of Business & Industrial Marketing	C
5.	2010	Lambert	Customer relationship management as a business process	Journal of Business & Industrial Marketing	E
6.	2010	Reimann, Schilke, & Thomas	Customer relationship management and firm performance: The mediating role of business strategy	Journal of the Academy of Marketing Science	E
7.	2009	Kim & Kim	A CRM performance measurement framework: Its development process and application	Industrial Marketing Management	E
8.	2009	Krasnikov, Jayachandran, & Kumar	The impact of customer relationship management implementation on cost and profit efficiencies: Evidence from the US commercial banking industry	Journal of Marketing	E
9.	2008	Cooper, Gwin, & Wakefield	Cross-functional interface and disruption in CRM projects: Is marketing from Venus and information systems from Mars?"	Journal of Business Research	E
10.	2008	King & Burgess	Understanding success and failure in customer relationship management	Industrial Marketing Management	E
11.	2008	Ko, Kim, Kim, & Woo	Organisational characteristics and the CRM adoption process	Journal of Business Research	C
12.	2008	Maklan, Know, & Ryals	New trends in innovation and customer relationship management—A challenge for market researchers	International Journal of Market Research	E
13.	2008	Richards & Jones	Customer relationship management: Finding value drivers	Industrial Marketing Management	C
14.	2007	Chang	Critical factors and benefits in the implementation of customer relationship management	Total Quality Management & Business Excellence	E
15.	2007	Coltman	Why build a customer relationship management capability?	Journal of Strategic Information Systems	E
16.	2007	Mendoza, Marius, Perez, & Griman	Critical success factors for a customer relationship management strategy	Information and Software Technology	E
17.	2007	Nambisan & Baron	Interactions in virtual customer environments: Implications for product	Journal of Interactive Marketing	E

			support and customer relationship management		
18.	2007	Richard, Thirkell, & Huff	An examination of customer relationship management (CRM) technology adoption and its impact on business-to-business customer relationships	Total Quality Management & Business Excellence	E
19.	2007	Venkatesan, Kumar, & Bohling	Optimal customer relationship management using Bayesian decision theory: An application for customer selection	Journal of Marketing Research	E
20.	2007	Wilson, Clark, & Smith	Justifying CRM projects in a business-to-business context: The potential of the Benefits Dependency Network	Industrial Marketing Management	E
21.	2006	Bohling, Bowman, LaValle, Mittal, Narayandas, Ramani, & Varadarajan	CRM implementation: Effectiveness issues and insights	Journal of Service Research	E
22.	2006	Chalmeta	Methodology for customer relationship management	Journal of Systems and Software	C
23.	2006	Lin, Su, & Chien	Knowledge-enabled procedure for customer relationship management	Industrial Marketing Management	E
24.	2006	Ramaseshan, Bejou, Jain, Mason, & Pancras	Issues and perspectives in global customer relationship management	Journal of Service Research	C
25.	2006	Teo, Devadoss, & Pan	Towards a holistic perspective of customer relationship management (CRM) implementation: A case study of the Housing and Development Board, Singapore	Decision support Systems	E
26.	2006	Torkzadeh, Chang, & Hansen	Identifying issues in customer relationship management at Merck-Medco	Decision support Systems	E
27.	2005	Boulding, Staelin, Ehret, & Johnston	A customer relationship management roadmap: What is known, potential pitfalls, and where to go	Journal of Marketing	C
28.	2005	Cao & Gruca	Reducing adverse selection through customer relationship management	Journal of Marketing	E
29.	2005	Jayachandran, Sharma, Kaufman, & Raman	The role of relational information processes and technology use in customer relationship management	Journal of Marketing	E
30.	2005	Kamakura, Mela, Ansari, Bodapati, Fader, Iyengar, Naik, Neslin, Sun, Verhoef, Wedel, & Wilcox	Choice models and customer relationship management	Marketing Letters	C
31.	2005	Li, Xu, & Li	An empirical study of dynamic customer relationship management	Journal of Retailing and Consumer Services	E
32.	2005	Lindgreen & Antioco	Customer relationship management: The case of a European bank	Marketing Intelligence & Planning	E
33.	2005	Mithas, Krishnan & Fornell	Why do customer relationship management applications affect customer satisfaction?	Journal of Marketing	E

34.	2005	Ngai	Customer relationship management research (1992–2002). An academic literature review and classification	Marketing Intelligence & Planning	C
35.	2005	Payne & Frow	A strategic framework for customer relationship management	Journal of Marketing	E
36.	2005	Roberts, Liu, & Hazard	Strategy, technology and organisational alignment: Key components of CRM success	Journal of Database Marketing & Customer Strategy Management	C
37.	2005	Roh, Ahn, & Han	The priority factor model for customer relationship management system success	Expert Systems with Applications	E
38.	2005	Ryals	Making customer relationship management work: The measurement and profitable management of customer relationships	Journal of Marketing	E
39.	2005	Srinivasan & Moorman	Strategic firm commitments and rewards for customer relationship management in online retailing	Journal of Marketing	E
40.	2005	Zablah, Bellenger, & Johnston	An evaluation of divergent perspectives on customer relationship management: Towards a common understanding of an emerging phenomenon	Industrial Marketing Management	C
41.	2004	Bolton	Customer-centric business processing	International Journal of Productivity and Performance Management	C
42.	2004	du Plessis & Boon	Knowledge management in eBusiness and customer relationship management: South African case study findings	International Journal of Information Management	E
43.	2004	Ehret	Managing the trade-off between relationships and value networks. Towards a value-based approach of customer relationship management in business-to-business markets	Industrial Marketing Management	C
44.	2004	Payne & Frow	The role of multichannel integration in customer relationship management	Industrial Marketing Management	C
45.	2004	Reinartz, Krafft, & Hoyer	The customer relationship management process: Its measurement and impact on performance	Journal of Marketing Research	E
46.	2004	Rigby & Ledingham	CRM done right	Harvard Business Review	C
47.	2003	Campbell	Creating customer knowledge competence: Managing customer relationship management programs strategically	Industrial Marketing Management	E
48.	2003	Chen & Popovich	Understanding customer relationship management (CRM). People, process and technology	Business Process Management Journal	C
49.	2003	Kotorov	Customer relationship management: Strategic lessons and future directions	Business Process Management Journal	C
50.	2003	Verhoef	Understanding the effect of customer relationship management efforts on customer retention and customer share development	Journal of Marketing	E

Central characteristics of the CRM framework

The literature review offered insight into the pluralistic nature of the CRM framework. The discussion around CRM is multifaceted, both conceptually and empirically; the domain has become rather fragmented and empirically inconsistent. We discuss the results of the literature review here in the form of CRM origins and the fragmented nature of CRM research, involving four distinct 'CRM waves.' The result is a conclusive summary of the CRM framework which permits the introduction of new directions for customer data usage within CRM.

Origins of CRM – CRM Wave 1

CRM as a separate research and business area started to gain attention among scholars and practitioners during the mid-1990s. As a result of the explosion of customer data in the 1980s, firms faced enormous challenges when organising this data for analytic purposes (Boulding et al., 2005). Therefore, vendors such as Siebel started to capitalise on these new ideas by introducing commercial hardware and software solutions to better manage the overwhelming amounts of customer data confronting firms. The first phase of the evolution, namely Wave 1 in our framework (see Table 2), related to sales force automation (SFA) and customer service and support (Kumar & Reinartz, 2006, p. 20) to manage the general dispersal of customer data. Eventually, the vendors started to use the term *CRM* to refer to the collection of customer data and other activities related to the management of the customer-firm interface (Boulding et al., 2005). Conceptually, one-to-one marketing (Peppers & Rogers, 1993; 2004; Peppers, Rogers, & Dorf, 1999) and mass customisation (Pine, 1993) came on the scene to shift the attention from technology to

value creation. Although CRM was essentially functional, firms saw its potential to serve

their intended swing towards customer centricity. There was a common interest in

countering the impression that CRM merely offered technological and software solutions

to meet the growing challenges related to the management of customer data (Verhoef &

Langerak, 2001). Scholars wanted to shift the focus of CRM to harness the potential of

customer data for the benefit of the holistic management of customer relationships.

Table 2

The evolving nature of customer data

	I) DATA DISPERSION	II) DATA ORGANISATION	III) DATA OWNERSHIP	IV) DATA SHARING
Evolution phase	CRM Wave 1 - Early 1990s Service automation; call-centre management; customer service support; sales force automation	CRM Wave 2 - Late 1990s CRM understood as marketing, service, and sales	CRM Wave 3 - 2000–2010 Entire organisation; integrated communications	CRM Wave 4 - 2010–2020 Social CRM; CRM leveraged outside the organisation; customer-to-customer interactions
Characteristics	Firms faced with overwhelming amounts of data; focus on developing technological solutions to better manage firm-customer interface	Customer data organised to better serve firm purposes; concepts such as mass customisation and one-to-one marketing established	Customer data as a firm asset; customer loyalty programmes used to better manage customer relationships	Customer data refined and given back to customers; external use of customer data
Focus	CRM as a technology solution	CRM as tactical and operational	CRM as strategy and philosophy	CRM as value co-creation; experiences; interaction; conversation
Goal	Improve service operations; increase sales efficiency; empowering technology	Reduce cost of interaction; increase customer retention; improve customer experience; empowering data	Cost reduction and revenue growth; predicting customer behaviour; competitive advantage; empowering firms	Serving customers; supporting customers' value creation; empowering customers

The fragmented nature of CRM – Waves 2 and 3

As a natural consequence of the increased interest in readjusting the central objective of the emerging framework, a diverse set of approaches and definitions emerged to capture the central characteristics of CRM. For example, some understood CRM as a process, some as a strategy, philosophy, capability, or technology (Zablah et al., 2005). Payne and Frow (2005, p. 168) in turn, after exploring a wide variety of definitions, identified three separate perspectives on CRM. First, CRM could be a narrowly defined and tactically oriented approach that includes the implementation of a specific technology solution project. Second, CRM could be 'the implementation of an integrated series of customer-oriented technology solutions' and third, CRM could be defined in broader and strategic terms including a holistic approach to the management of customer relationships to create shareholder value.

More recently, others have observed and emphasised the strategic nature of CRM—conceptualising strategic CRM as about treating each customer differently and, by doing so, maximising the lifetime value of each customer to the organisation (Peppard, 2000; Reichheld, 1996). In practice, strategic CRM includes different ways of 'improving shareholder value through the development of appropriate relationships with key customers and customer segments' (Payne & Frow, 2005, p. 168). These include generating customer data, identifying the most valuable customers over time, enhancing customer loyalty by interacting with them, and providing customised services and products and, at the same time, reducing costs (Rigby, Reichheld, & Schefter, 2002; Cao & Gruca, 2005). Some have also referred to this basic idea of strategic CRM as the IDIC

model—identifying, differentiating, interacting, and customising (Peppers & Rogers, 2004).

However, the lack of a common definition for CRM and the pluralistic nature of the concept has resulted in the research field becoming fragmented and inconsistent, as characterised by Waves 2 and 3. Some have even questioned whether or not CRM eventually has a positive effect on firm performance (Fan & Ku, 2010; Ernst et al., 2011; Reimann, Schilke, & Thomas, 2010). For example, Reinartz et al. (2004) show that the implementation of CRM processes has the strongest effect on relationship maintenance followed by relationship initiation. However, they also argue that CRM technology might even have a negative effect on performance (see also Jayachandran, Sharma, Kaufman, & Raman, 2005). Mithas, Krishnan, and Fornell (2005) point out that we have limited knowledge on the contribution of CRM applications on firm performance. A recent study confirms this view by showing that CRM does not affect firm performance directly as the link is mediated by cost leadership and differentiation (Reimann et al., 2010). Overall, researchers have criticized the fragmented nature of the literature given the various perspectives employed on the connection between CRM and business performance (Keramati, Mehrabi, & Mojir, 2010).

Another similar stream of CRM literature has focused on its adoption and implementation (Hansotia, 2002; King & Burgess, 2008; Ko, Kim, Kim, & Woo, 2008; Wilson, Clark, & Smith, 2005; Richard, Thirkell, & Huff, 2007; Krasnikov et al., 2009), especially from the information systems perspective (e.g., Ling & Yen, 2001; Xu, Yen, Lin, & Chou, 2002; Roh, Ahn, & Han, 2005; Chalmeta, 2006; Teo, Devadoss, & Pan, 2006; Torkzadeh, Chang, & Hansen, 2006; Chang, 2007). According to a study by Ngai

(2005), almost 40 percent of the articles published between 1992 and 2002 fall into the category of IT/IS adoption. Furthermore, a growing number of studies have examined the human nature of CRM, the people in the organisation and the organisation's internal processes. Studies have looked at knowledge management and the sharing of information within organisations (Campbell, 2003; Lin, Su, & Chien, 2005; Fan & Ku, 2010) by arguing that effective CRM cannot exist without efficient knowledge management (du Plessis & Boon, 2004).

Summarising the CRM framework – toward Wave 4

CRM came to be considered a sub-discipline within marketing as a result of the need to harness the value potential of customer data. An established need existed for knowledge about how to manage the increasing quantities of customer data and, more importantly, how firms could leverage it. In general, both practitioners' and scholars' interest toward CRM came about as a natural consequence of companies having evolved their business orientation through production and sales toward a customer emphasis; a paradigmatic change evolved from transaction-based marketing to the management of customer relationships. Being customer-centric (Bose, 2002) was considered the basic building block of CRM. However, gradually the research into CRM evolved under multiple banners resulting in a fragmented setup of approaches, definitions, and research results. Along the way, firm centricity took over from customer centricity -research centred on segmentation, identifying the most profitable customers, or cross-selling –processes supporting the firm's value creation first and foremost drove CRM. The notion of dual creation of value, that is, that firms who strive to excel at CRM should focus both on firm

performance as well as customer value (Boulding et al., 2005) -to a large extent faded into the background of firms' CRM activities. Firms used customer data instrumentally to serve their purposes, forfeiting and leaving customer centricity unguarded. Despite the increased attention and perception of CRM as a strategy rather than a mere technological solution or function, recent research, with few exceptions (e.g., Ernst et al., 2011), has not succeeded in reclaiming customer centricity as the fundamental determinant of the CRM framework.

Thus, we raise the question whether the current CRM framework has managed to address the customer perspective adequately and whether firms' CRM activities centred on active customer data usage eventually convert this into better customer value or some type of a support for the customer's value creation. If CRM-related metrics do not directly assess both sides of the dual value creation, a firm risks degrading the value proposition eventually (Boulding et al. 2005). Customers may feel that they receive no benefits from 'giving' their data for the use of a firm. As a result of the firms' unilateral utilisation of customer data, the *dark side* of CRM (Boulding et al., 2005, p. 159; Frow, Payne, Wilkinson, & Young, 2011; for a practical illustration, see Humby, Hunt, & Phillips, 2003, pp. 160–161) may become reality: customers lose trust in the firm if they perceive that the firm uses their data only to create value for itself.

As a reaction to the forfeited customer centricity, some have characterised the CRM framework recently as a power shift from marketers to customers. The private and public initiatives reclaiming the ownership of customer data for the customers illuminates this, as does a more holistic cross-functional view of CRM and its role in managing customer relationships to co-create value (Lambert, 2010). A specific and important viewpoint of

co-creation is the framework of social CRM (formerly called CRM 2.0 and Wave 4 in our framework), which refers to the transformation of communications technologies. This involves the advent of social media, which has changed the habits of how companies interact with their customers and prospects and how customers interact with each other (Greenberg, 2010a). This dates back to 1996 as Stone, Woodcock, and Wilson (1996) proposed that future customers will increasingly manage their firm relationships themselves with the help of new technologies and that 'companies need to prepare themselves for this world' (p. 675). In this new world, customers increasingly use new digital communications channels to manage their relationships with firms. Social CRM highlights the importance of optimising customer experience by placing greater emphasis on the growing number of customer touch points with the company. The purpose of the new communications channels such as blogs, discussion forums, and social networks in the new CRM framework simply engages customers in a regular dialogue. Greenberg (2010b, p. 139) states that the role of the new communication channels is 'to provide communication pipelines with your customers so you can have a conversation with them regularly'. Consequently, value co-creation becomes an increasingly important element of CRM strategies (Maklan, Knox & Ryals, 2008; Nambisan & Baron, 2007). Against this backdrop, customers increasingly take part in the company's various processes such as new product development. In a recent study, Ernst et al. (2011) argue that firms should link CRM to new product development as 'CRM puts the customer into the central focus of multiple organisational activities' and 'therefore, CRM could be employed to systematically leverage customer-related information to better align NPD with market

requirements' (p. 291). Their empirical study confirms that CRM has a positive effect on new product performance and that CRM reward systems moderate the effect.

To conclude, the latest developments in terms of the emerging role of customer data and social CRM have evidently established a need to reconfigure the role of customer data within the CRM framework. CRM must take into account that customers may be more empowered and the social dimension of customers' interaction. More importantly, CRM must adapt to a business environment where new forms of exchange are emerging and where traditional customer and firm roles regularly become outdated and recreated. This also puts pressure on updating and reconfiguring the role of customer data within the CRM framework.

Identifying new directions for customer data usage

A one-sided focus on customer data usage characterises the contemporary CRM framework. Despite the argument for CRM as inherently customer-centric, firms continue to centre CRM activities to a large extent on answering the question of how to best use customer data to serve a firm's purposes. Therefore, we can regard the CRM framework as a firm-centric construct focusing on the firm's own creation of value that fails to address how customer data usage can best support the customers' own value-creating processes. Both the theoretical and practical discussion of CRM has evolved through empowering technology and customer data toward empowering firms in their customer data utilisation (see Table 2). In this evolution, the customer's role has evidently remained rather narrow and limited in scope: the customer has been perceived as the source of data and a passive objective of the company's diverse set of CRM activities, not

as an active participant in the value-creation process (see, e.g., Prahalad & Ramaswamy, 2004a; 2004b; Vargo & Lusch, 2004; 2008). Customer data has been another input resource for the firm's internal value-creating processes, such as segmentation or cross-selling.

However, firms are under increasing pressure to reconfigure the role of customer data and the ways they use it. Thaler (April 23, 2011) puts this forward in an article in the *New York Times*: 'Not only should our data be secure; it should also be available for our own purposes. After all, it is our data'. In that respect, internet-based service applications such as Safeway's MySimpleNutrition or the Nutrition Code by the Finnish retailer Kesko set good examples of customer data used first and foremost for the benefit of the customers. These retailers refine their point-of-sale data by adding information about the nutritional value of the groceries a customer buys, passing the information to the customer at the checkout. In this example, customer data goes back to the customer to support value-creating processes related to food consumption that to a large extent involve food, diet, and health issues.

In the context of the automotive industry, Ecodrive, a service application by Fiat, offers another good example of the revised role of customer data. In this application, customers receive information about the actual fuel consumption of the car by relaying how economically the customer drives or how the driver can save money by changing gear more effectively. Although here the data is not customer data in the traditional sense, the focus is nevertheless on providing customers with information derived from their own actions. This information is offered to the customer for his or her own use, in other words in support of his or her own value creation (Figure 1).
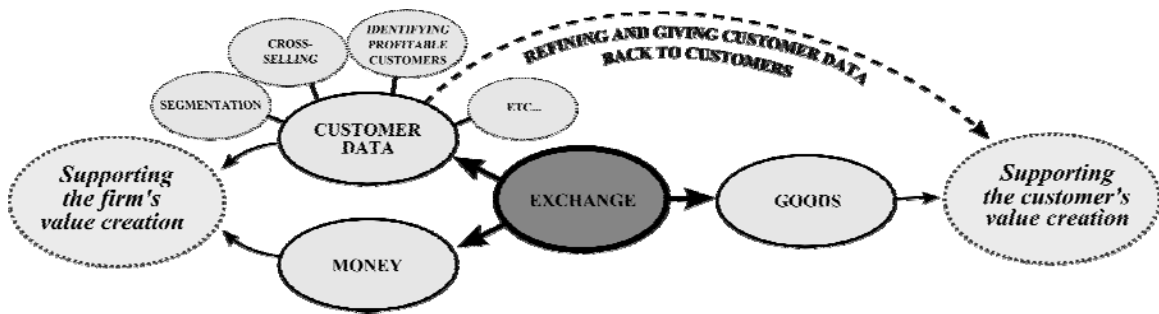
Figure 1. Refining and sending customer data back to the customer.

Similarly, location data has set new standards for the mobile phone and application industry and opened up new opportunities to support customers' various value-creating processes. In a way, we can understand location data as yet another example of refining customer data from the customer value-creation point of view; through refinement of location data customers can access additional resources relating to themselves and that will eventually be made available through a wide range of different mobile applications. The recent initiative by the UK government that launched the MyData programme to engage major business in giving customers access to their own data has fuelled the evolution toward *data sharing* instead of the data being legitimately owned by the company. As a result, customers may receive their own data for further use, for example, in conducting price comparisons between different mobile operators. When we factor in increasing concern over companies' misuse of customer data and other immoral uses of other CRM-related behaviour such as financial exploitation, customer lock-in, and invasion of privacy (Frow et al., 2011) one can conclude that the shift toward customers being more empowered in terms of their data usage is a natural consequence of the

inadequacy of the current CRM framework to serve customer needs. Frow et al. (2011) propose that we regard the new and emerging role of customer data as 'enlightened' CRM strategy.

Implications for the CRM framework

Consequently, the view of customer data as being solely owned by the firm is being questioned as the private and public sectors launch various service applications and initiatives intended to support customers' value creation through the utilisation of customer data. Customer data is not used only internally for the support of the company's value creation but is used externally for the benefit of the customer. This opens up a wide variety of business opportunities that go beyond the traditional exchange of goods for money. In addition to goods, firms can provide customers with information that can support customers' value creation. This shift in attention also has major implications for the further development of the CRM framework.

First, what fundamentally characterises the reconfigured role of customer data is viewing the opportunities it presents from the customer's value-creation point of view. That involves taking a broader perspective of the customer's value-actualisation process than is commonly employed within goods-dominant logic (e.g., Vargo & Lusch, 2004; 2008). This approach helps to identity the variety of resources eventually used in customer value-creating processes. In these processes, the company has a critically important role as it supplies goods in the form of resource bundles. However, to shift the attention from selling products toward genuinely supporting customers' value creation, the central objective of contemporary service orientation, companies should identify

options for providing customers with additional resources, such as information. The customer data assets firms hold offer a unique opportunity for the provision of such additional resources. Companies' CRM activities should therefore increasingly take into account the ways customers can receive relevant information resulting from the innovative refinement of their customer data. Consequently, the current CRM framework being inherently centred on company value creation should be extended to incorporate customer value creation (Figure 2). Research on CRM should therefore emphasise exploring and identifying customer data refinement driven by an in-depth understanding of customer value-creating processes. In other words, firms should focus more on harnessing the value potential of customer data for the benefit of the customer.
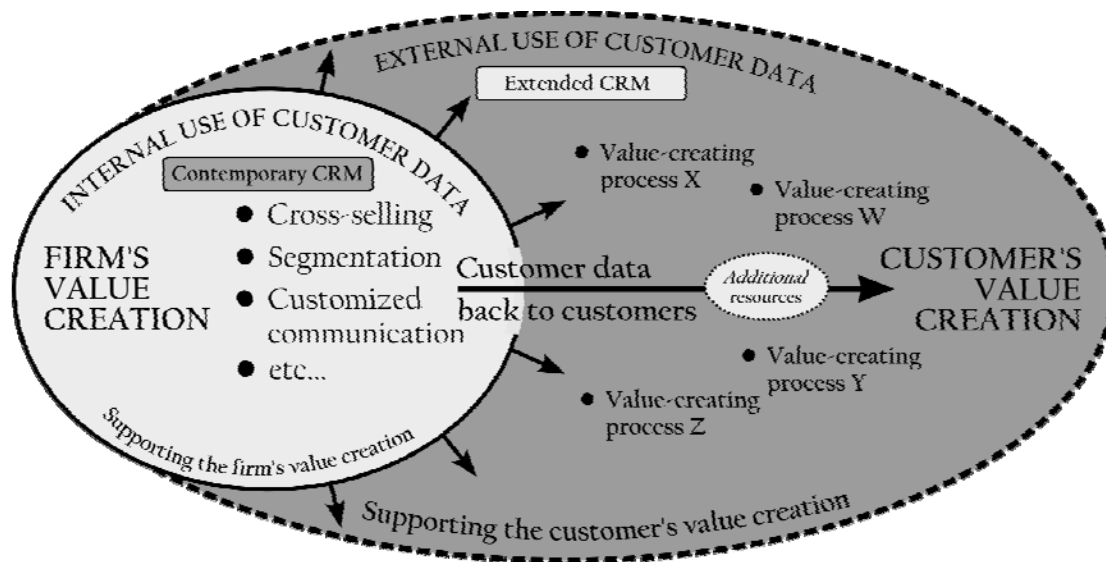
Figure 2. From internal to external use of customer data—extending the CRM framework.

Second, the extension of the current CRM framework falls well within the notion of dual creation of value and customer centricity, the basic building blocks of the original CRM framework meant to guide companies' CRM activities in the first place. Giving customer data back to customers serves these purposes better than the companies' unanimous focus on addressing its own needs through customer data utilisation; it restores the notion of customer centricity to the CRM framework. Nevertheless, this does not reject traditional firm-oriented CRM-activities, such as segmentation and identification of the most profitable customers. These naturally still remain critically important parts of firms' processes. However, the new approach focuses on extending the CRM framework to incorporate and address supporting customer value-creating processes through customer data utilisation.

Third, theoretically, CRM remains heavily based in relationship marketing, but it can be seen as gaining common ground with the recent discussion around service-dominant logic. As S-D logic turns the focus to the customer where value eventually is created in customers' various value-creating processes (see also Grönroos, 2008; 2011), it complements the recent shift in terms of customer data being used to support the customer's value creation. Consequently, when combined, CRM and S-D logic offer a means to understand the recent shifts in terms of the reconfigured role of customer data and service orientation. The former provides tools for additional resource provision for customer value creation, which explains why these two separate literature streams should increasingly seek synergy from their shared interest in service to customers.

Conclusion

In this article, we endeavoured to highlight the evolution of customer data within the CRM framework towards a reconfigured role of customer data input in companies' exploration of their current customer data assets. Firms should place high importance on identifying ways to use these assets as a source of additional resources for customer value-creation processes. Refining and giving customer data back to customers may represent tomorrow's mechanism through which companies deepen and develop their customer relationship management to a whole new level.

Moving the locus of CRM from internal to external use of customer data offers the key to serving customers rather than selling goods; it readjusts CRM to better meet the paradigmatic change from goods orientation to service orientation. To achieve that end, the CRM framework needs to be extended to incorporate such CRM activities that

support customers' various value-creating processes; firms should approach their customer data assets as opportunities to provide customers with additional resources to support their value creation. Therefore, future CRM research should concentrate on gaining an understanding of the diverse resources that are integrated when customer value actualises and, more importantly, how to better incorporate customer data to serve the value-actualisation process. Companies operating within banking, telecommunications, retailing, hospitality, travel, or health care industries, to name but a few, possess large amounts of valuable customer data that, in combination with a holistic understanding of the resources needed in customer value-creating processes and practices, can provide a unique competitive advantage. Consequently, firms can establish a true win-win customer relationship that discards the conventional CRM-philosophy of 'market to' and welcomes 'market with' (Lusch, 2007). This change in perspective opens up a whole new spectrum of ways that companies can better engage in their customers' everyday lives, one of the most fundamental objectives of contemporary marketing management.

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