

# THE IMPACT OF CRM ON BUSINESS OR MSME PERFORMANCE: A LITERATURE REVIEW

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## ABSTRACT

This study aims to determine the effect of Customer Relationship Management (CRM) on Business Performance or SMEs. The research method uses a systematic literature review, the scientific article database is taken from Scopus Q1, Q2 and Q3 on Publish or Perish. The screening is carried out specifically for scientific articles. Using the keywords CRM and company performance (MSMEs), as well as scientific articles with a minimum number of citations Customer Relationship Management (CRM) has a positive relationship to company performance (MSMEs) both in terms of financial performance and non-financial performance.

## Introduction

Good customer relationship management really needs to be done by companies in order to increase customer satisfaction in purchasing company products and can increase customer loyalty and company or MSME performance. In its development in this digital era, many companies use technology for technology in the practice of customer relationship management. The use of customer relationship management (CRM) technology allows companies to capture, store, access, share, and analyze large amounts of customer data. The anticipated benefits of using CRM technology include increased customer loyalty, more effective marketing, improved customer service, and reduced costs through increased efficiency (Dalla Pozza, Goetz, & Sahut, 2018).

From the results of the literature review, it shows that the performance of companies with various dimensions, both financial and non-financial dimensions have a relationship with customer relationship management, where increasing the quality of customer relationship management can improve company performance.

## Method

### a. Data collection

In data collection there are several research steps. Among others:

- 1) Search for articles related to Customer Relationship Management in the Database

In this method, the authors search for articles related to Customer Relationship Management in the Publish and Perish Database.

- 2) Search for publications between 2010 and 2021

That is looking for article publications in the Publish and Perish database in Scopus Q1 and Q2 indexed journals from 2010 to 2021.

- 3) 197 data articles

From our search which limited to Scopus indexed journals Q1 and Q2, we found 197 articles, book chapters and seminar papers with 5398 citations. The researchers limited the analysis of referenced documents to articles with a minimum of 5 citations. This resulted in 68 main references used for citation analysis. Then, we

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also analyzed all articles citing up to 2021.

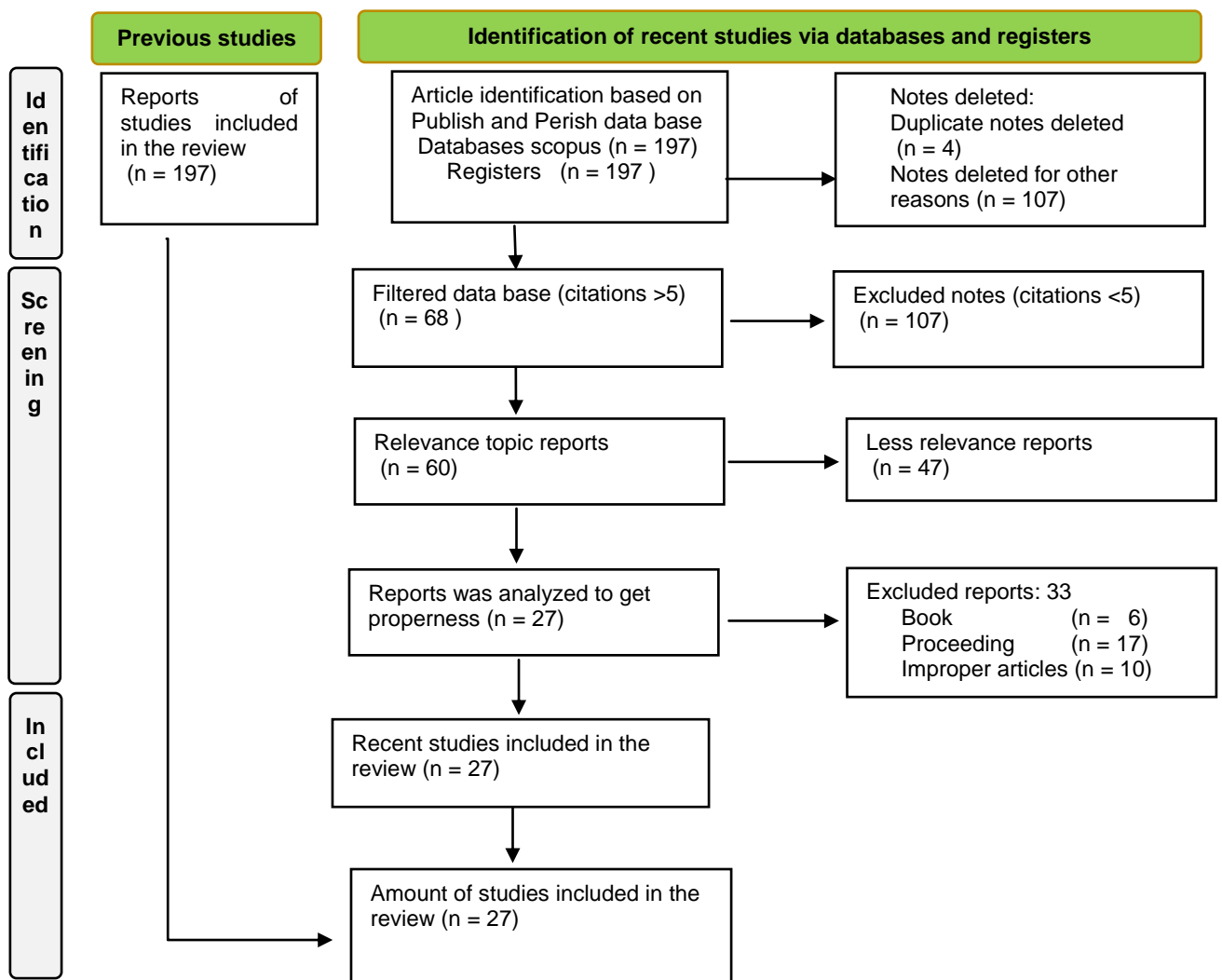
**b. Article Identification**

In the literature search through two phases, namely random and systematic. In a random search, articles were explored through academically recognized databases as we wanted to identify the most important keywords related to customer relationship management with SME. To identify relevant articles in databases and journals, we carefully searched articles by title, abstract, body text, and keywords. After completing a

systematic search, we found 44 relevant articles.

**c. Selection Assessment (screening)**

Next we carried out an assessment to select articles, through a four-step stage where the last collection of articles could be extracted with the help of excel software and vos viewer: (1) deletion of the same article, (2) filtering of titles and abstracts, (3) filtering of full text, and (4) data extraction. From the selection, the authors found 27 articles. The stages in data collection can be presented in Figure 1.



**Figure 1. Identification of recent studies via database and registers**

**d. Data analysis**

Analysis of the data in this study used descriptive analysis related to

the categories of scientific articles studied and analyzed.

**Results And Discussion**

From the results of data analysis, the authors group articles by category, so that it is easy to understand and explain the direction of research related to the topic of customer loyalty. The grouping based on several categories can be explained as follows:

In this category, it explains the research methodology related to the type of research in the selected articles. In table 1 it is explained that the type of research is divided into 2 (three) namely qualitative, there is 1 article and the type of quantitative research is 27 articles.

**1. Methodology Category and Research Type**

**Table 1  
Category Methodology and Type of Research (n=27)**

Types of research	Author(s)
Qualitative	(Hillebrand, Nijholt, & Nijssen, 2011)
Quantitative	(Minh Ngo, Pavelkova, Phu Thi Phan, & Van Nguyen, 2018), (Marino & Presti, 2018), (Ata & Toker, 2012), (Nisar & Prabhakar, 2018), (Wu & Lu, 2012), (Kamboj, Yadav, & Rahman, 2018), (Diffley, McCole, & Carvajal-Trujillo, 2018), (Chatterjee, Rana, Tamilmani, & Sharma, 2021), (Chatterjee et al., 2021), (Charoensukmongkol & Sasatanun, 2017), (N. A. AlQershi, Mokhtar, & Abas, 2020), (N. AlQershi, Mokhtar, & Abas, 2020), (Rodriguez & Honeycutt Jr, 2011), (Herman, Sulhaini, & Farida, 2021), (Trainor, Andzulis, Rapp, & Agnihotri, 2014), (Haislip & Richardson, 2017), (Yan et al., 2020), (Chen & Wu, 2016), (Dalla Pozza et al., 2018), (Lebdaoui & Chetioui, 2020), (Ernst, Hoyer, Krafft, & Krieger, 2011), (Foltean, Trif, & Tuleu, 2019), (Johnson, Clark, & Barczak, 2012), (Valmohammadi, 2017), (Ullah, Iqbal, & Shams, 2020), (Powell, Noble, Noble, & Han, 2018).

Source: author's compilation data (2022)

**2. Data Analysis Category**

From data analysis on scientific articles included in the discussion, we found that there were 4 groups of analytical tools used in the selected articles, including: Partial Least Square (PLS) and Structural Equation (SEM) a

total of 22 articles, Descriptive Statistics there was 1 article, Regression Analysis 3 articles, Confirmatory Factor Analysis (CFA) and SEM there is 1 article. From table 2 below it can be concluded that the data analysis that is widely used is PLS and SEM analysis.

**Table 2  
Category Methodology and Data Analysis Techniques(n=27)**

Types of Data Analysis	Author(s)
PLS-SEM	(Minh Ngo et al., 2018), (Marino & Presti, 2018), (Trainor et al., 2014), (Ernst et al., 2011), (Wu & Lu, 2012), (Nisar & Prabhakar, 2018), (Kamboj et al., 2018), (Diffley et al., 2018), (Chatterjee, Ghosh, & Chaudhuri, 2020), (N. A. AlQershi et al., 2020), (N. AlQershi et al., 2020) (Rodriguez & Honeycutt Jr, 2011), (Herman et al., 2021), (Dalla Pozza et al., 2018), (Lebdaoui & Chetioui, 2020), (Foltean et al., 2019), (Valmohammadi, 2017), (Ullah et al., 2020).
Descriptive	(Hillebrand et al., 2011)
OLS Regression	(Haislip & Richardson, 2017), (Yan et al., 2020), (Powell et al., 2018)
CFA-SEM	(Johnson et al., 2012)

Source: author's compilation data (2022)

**3. Category with the Most Number of Quotes**

We grouped the articles with the highest number of citations. From 2010-2021, 27 selected articles were selected, there were 5 articles with the highest number of citations of 447 citations and the lowest of 64 citations. In table 3 it can be explained that the most articles were from the author (Trainor et al., 2014) with

a total of 447 citations. This can show a lot of interest in this article and the 10 years of publication. In the article title Social media technology usage and customer relationship performance: A capabilities-based examination of social CRM explains the positive relationship of technology social media with CRM, CRM is positively related to company performance.

**Table 3**  
**Category according to 5 articles with the highest number of citations (n=27)**

Number of citations	Author(s)	Title	Research result
447	<a href="#">K.J. Trainor (2014)</a>	Social media technology usage and customer relationship performance: A capabilities-based examination of social CRM	Customer-centred management system and social media technology are positively related to CRM, CRM is positively related to company performance
150	<a href="#">H. Ernst (2011)</a>	Customer relationship management and company performance-the mediating role of new product performance	CRM has a positive effect on product performance. New product performance mediates the relationship between CRM and company performance
84	<a href="#">S.Wu (2012)</a>	The relationship between CRM, RM, and business performance: A study of the hotel industry in Taiwan	CRM implementation has a significant and positive effect on the influence of Relationship Marketing, has a positive effect on business performance for hotels and B&Bs
65	<a href="#">B. Hillebrand (2011)</a>	Exploring CRM effectiveness: An institutional theory perspective	CRM is considered an important way to increase customer loyalty and company performance, but has also been criticized for being expensive and not meeting expectations
64	<a href="#">U. Zeynep Ata (2012)</a>	The effect of customer relationship management adoption in business-to-business markets	CRM adoption has a significant positive effect on customer satisfaction and organizational performance in a B2B setting. CRM adoption was also found to significantly affect the organization's marketing performance

Source: author's compilation data (2022)

#### 4. CRM Dimensions

**Table 4**  
**Category Distribution of articles by CRM Dimension (n=27)**

CRM Dimension	Authors
inisiasi pelanggan, pemeliharaan pelanggan penghentian pelanggan.	(Nisar & Prabhakar, 2018); (Kamboj et al., 2018), (Diffley et al., 2018); (N. A. AlQershi et al., 2020); (N. AlQershi et al., 2020); (Rodriguez & Honeycutt Jr, 2011), (Herman et al., 2021), (Dalla Pozza et al., 2018), (Lebdaoui & Chetioui, 2020), (Foltean et al., 2019), (Valmohammadi, 2017), (Ullah et al., 2020).
CRM organization, key customer focus, technology-based CRM and CRM knowledge management	(N. A. AlQershi et al., 2020), (N. AlQershi et al., 2020), (Ata & Toker, 2012), (Chatterjee et al., 2020), (Chen & Wu, 2016)

Source: author's compilation data (2022)

#### 5. The Effect of CRM on Company Performance

From several studies, most of them show that CRM has a significant influence on company performance (MSMEs). Where the influence of customer relationship management (CRM) with the dimensions of customer initiation, customer maintenance and customer termination is shown by (Minh Ngo et al., 2018), (Kamboj et al., 2018), (Diffley et al., 2018), (N. A. AlQershi et al., 2020), (N. AlQershi et al., 2020), (Rodriguez & Honeycutt Jr, 2011), (Herman et al., 2021), (Dalla Pozza et al., 2018), (Lebdaoui & Chetioui, 2020), (Foltean et al., 2019), (Valmohammadi, 2017), (Ullah et al., 2020). While the influence of customer relationship management (CRM) with the dimensions of CRM organization, key customer focus, technology-based CRM and CRM knowledge management by (N. A. AlQershi et al., 2020), (N. AlQershi et al., 2020), (Ata & Toker, 2012), (Chatterjee et al., 2020), (Chen & Wu, 2016).

#### Conclusion

Over the next few years, studies and research on Customer Relationship Management (Customer Relationship Management) are still being carried out. Because of the literature review, it can be seen that CRM has a positive relationship with company performance (MSMEs).

Many studies have been carried out quantitatively with various analyzes and with various dimensions of CRM as well as with dimensions of company performance.

Especially in today's digital era, technology is widely used. Likewise, the use of technology in customer relationship management is very important. From the results of the literature review in this article, it is explained that increasing the quality of customer relationship management can improve company performance (MSMEs).

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