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Improvement of CRM through Database Marketing

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Abstract: ***CRM marketing and database marketing are the most recent marketing concepts; however they serve different purposes. Each are distinct in their own fields, with benefits and disadvantages. Database marketing is classic (1970), but CRM was created in 1990 and cannot function without the assistance of a database.***
CRM marketing services include sales force automation, marketing automation, contact center automation, workflow automation, lead management, and human resource management among others.
Database marketing is a sort of direct marketing in which a company's client databases are utilized to create customized email lists for marketing campaigns, a practice known as customer segmentation.
A customer data platform (CDP) can assist in the consolidation of customer data from many sources such as CRM systems, ERP systems, e-commerce systems, and legacy systems into a single golden record of the customer. The key advantages of this marketing include the ability to identify and segment client groups, the ability to provide appropriate content and customize the consumer experience, increased marketing efficiency, and effective customer loyalty programmed.
This research paper will explain the distinction between these two marketing concepts and how one is dependent on the other and how database helps CRM to run.
Keywords: CRM, DATABASE MARKETING, CUSTOMER,MARKETING, DBMS

I. INTRODUCTION

A database is a systematic or structured collection of linked information that is maintained in a fashion that allows for easy access, retrieval, management, and updating. It is the repository for all data.
It allows you to organize data into rows and columns in the form of a table and it has the capacity not just to store and manage data, but also to build efficient marketing policies. Database marketing plays a role in making this achievable.
Database marketing is described as "a type of direct marketing," according to the marketing site Clevertap.
It entails gathering consumer information such as names, addresses, emails, phone numbers, transaction histories, and customer service tickets, among other things. This data is then examined and used to provide a more tailored experience for each consumer or to attract new customers.
Conventional direct marketing is manufacturing direct mail items such as brochures and catalogues and mailing them to a list of potential or present consumers in the aim of eliciting a favourable reaction. Database marketing expands on that concept by attempting to understand how consumers want to be marketed to and then utilising those insights to meet the customer's desire via the database.
CRM, on the other hand, is demonstrating its versatility in the realm of marketing.
Customer relationship management (CRM) is a set of practises, methods, and technology that businesses employ to manage and analyse customer interactions and data across the customer lifecycle. The aim is to develop customer service relationships, which will help with client retention and sales growth. CRM systems collect customer data from several points of interaction between the customer and the firm, such as the company's website, phone, live chat, direct mail, marketing materials, and social networks. CRM systems may also provide extensive information on consumers personal information, purchase history, purchasing preferences, and issues to customer-facing staff members.
The application of information technology (IT) in marketing is a well-established issue among academics and marketing practitioners.
Database marketing has existed since the 1960s and enjoyed a significant upsurge in the 1980s, when computer technology was extensively utilised.

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Years later, technologically improved relationship marketing i.e. customer relationship management (CRM) — had an even greater influence on the marketing world. In many occasions, it was stated to be the solution to a wide range of firms' sales and marketing challenges.

II. DESCRIPTION

The first stage in database marketing is gathering client information. There are several data collection sources available. Website history, purchase history, campaign response, customer survey, communication history, and so on. The many data sources together form a comprehensive database. Although one assumption should always remain a constant, it is critical to maintain the database up to date. Customer tastes and preferences change. Acquisition data, demographic data, Website/app activity history, Purchase/spend history, Campaign response history, Loyalty programme data, Customer surveys and questionnaires, Correspondence history, Location data, Social media activity, Third-party adtech data, and so on are all sources of customer data for database marketing.
On the other hand what exactly CRM does is that-

- Tracks and manages consumer information actively.
- Allows you to connect your complete team from any device.
- Captures customer emails intelligently.
- Reduces repetitious duties so you can focus on leads.
- Provides immediate insights and recommendations.
- Extends and customises as your company expands.
- Automate the system with the help of AI.

It can be said that CRM encompasses all sales, marketing, and customer support operations in a business, therefore database marketing fits under the CRM umbrella. CRM is a process-driven strategy to improve customer experience, whereas database marketing is data-driven.

A. Pros and Cons

The advantages of database marketing are to have a thorough understanding of the consumer. Customer databases are gathered for marketing goals such as –

- Lead creation
- Lead qualifying
- Market segmentation
- Targeting potential customers
- Customer acquisition, and
- The sale of a product or service

But the preceding statements do not emphasize the importance of developing customer connections (Buttle, 2009). Clearly, database marketing is the process of acquiring information about prospects and generating leads in order to drive new sales (Chopoorian, Khalil, and Ahmed, 2015).
CRM focuses on integrates everything in one place for a particular customer. For that the business gets the advantages of –

- Better Knowledge of Customers
- Better Segmentation
- Enhance Corporate Image
- Retain More Customers
- Controls Customer Defection Rate(frequently shifting from one product to another)

But the challenges with CRM are:

- CRM software is excessively expensive since it comes in various price packages based on the demands of enterprises. It raises total business expenditures and may not be appropriate for small firms.
- It is time-consuming to provide CRM system training to employees.
- Other parties may gain and misuse CRM data. There have been several reports of web hosting firms stealing and selling CRM data to third parties. Different sensitive client data may get into the wrong hands and cause individuals to suffer.

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- CRM has reduced the need for humans because it operates on a totally automated system. CRM software automatically collects and processes all data. Direct engagement between consumers and its personnel may help a company's relationship with its customers. Lack of personal contact may encourage customers to shop elsewhere, lowering sales and income.
- Another significant disadvantage of CRM is the insecurity of data acquired and retained. All of the acquired data is stored in a single centralised place, which is vulnerable to being lost or hacked by someone. Workers may enter incorrect data or alter statistics, resulting in incorrect planning.

So, from the above discussion we can state that CRM is customer-centered, whereas database marketing is market-centered. Additionally, database marketing employs the business processes of influence, development, maintenance, and operation, whereas CRM employs customer attraction and retention as a process. Finally, CRM is concerned with customer satisfaction, loyalty, and staff satisfaction, whereas database marketing is concerned with market share, capital brand, and market impact with higher security.

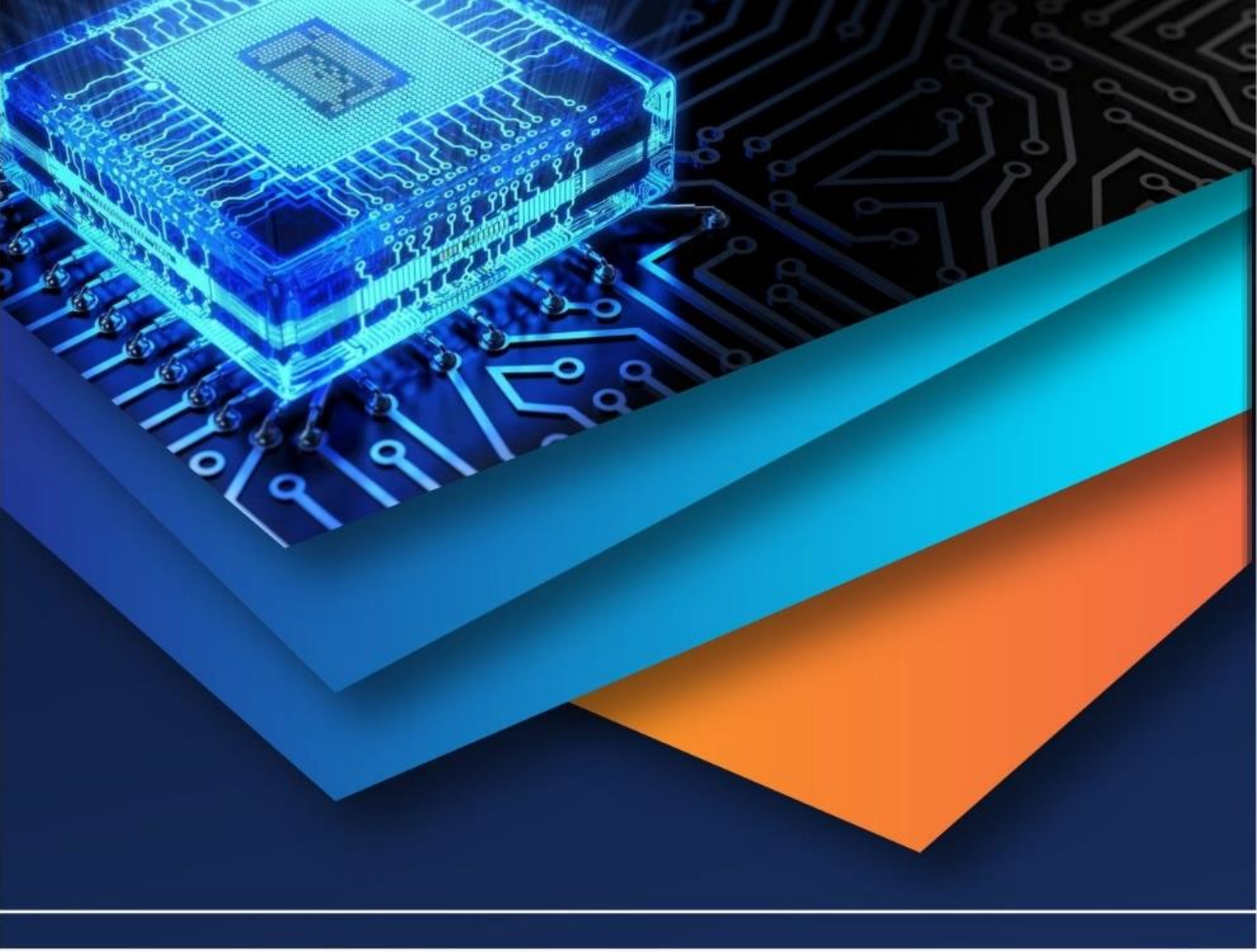
III. CONCLUSION

The conceptual distinctions between database marketing and CRM are at the foundation of the varied Technological implications envisaged for both. To identify these distinctions, one must disconnect from those who assert that connection development is a basic aspect of the database marketing notion. In this context, database marketing is defined as IT-enhanced direct marketing, while CRM is defined as transactional 'marketing-mix marketing through direct methods.'

So can conclude that database marketing is a distinct method of gathering data from many sources in order to segment consumers and explore customer trends, whereas database utilisation in CRM is used to retain customers and establish lucrative connections and as it is differs greatly from transactional marketing and may need sophisticated technological assistance. Direct and database marketing approaches can be effective tools for reaching CRM objectives.

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