Customer Relationship Management and Executive Decision-Making

Harriette Bettis-Outland, hbettiso@uwf.edu

R. Keith Tudor, ktudor@kennesaw.edu

Muhammad Bilal, mbilal2@students.kennesaw.edu

Abstract

CRM and Executive Decision-Making

In today's economy, companies rise and fall at an amazing pace. An error in judgement can be the kiss of death for organizations, both large and small. Coupled with immediate information dissemination brought on by various forms of social media, poor decision-making is all too common. Further, these poor decisions often cannot be hidden or ignored as was possible in the past, prior to the proliferation of social media. Consequently, companies that are able to minimize or quickly respond to judgement errors will have a strategic advantage over its competitors.

Executive decision-making is only as good as the information that is available to make these decisions. Companies that address challenges and opportunities using inaccurate, untimely, irrelevant or distorted information provide the foundation for making poor decision choices. In addition, an over-abundance of information can be just as destructive to executive decision-making. Important information may be held in various data repositories throughout the organization; unless critical information can be "weeded out" in a timely manner, companies that are saddled with an over-abundance of information can also suffer from poor decision-making.

In this paper, Customer Relationship Management (CRM) is proposed as a potential solution to improve executive decision-making. The CRM concept was initially defined as a customer information management tool, used for collecting, cleansing, disseminating and analyzing customer data. CRM has evolved into a system that not only manages customer data, but is also used for company collaboration and customer engagement. Though collaboration implies coordination of efforts among organizational entities, this does not necessarily indicate that collaboration will lead to active decision-making. "Analysis Paralysis" is a frequent outcome of collaboration. However, when CRM is positioned as a system that focuses on decision-making, not just collaboration, then this could produce a mind-set that CRM data should be an integral part of the decision-making process.

Relevance to Marketing Educators, Researchers, and Practitioners:

A conceptual approach to investigate how CRM can enhance company strategy by improving executive decision-making.

Track: Marketing Research

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