***CRM (customer relationship management)***

CRM (customer relationship management) is the combination of practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle. The goal is to improve customer service relationships and assist with customer retention and drive sales growth.

CRM systems compile customer data across different channels and points of contact between the customer and the company. These can include the company's website, telephone, live chat, direct mail, marketing materials and [social networks](https://www.techtarget.com/searchcio/definition/social-network). CRM systems can also give customer-facing staff detailed data on customers' personal information, purchase history, buying preferences and concerns.

The benefits of CRM systems apply to all types of organizations, ranging from small businesses to large corporations. They include the following:

* **Enhanced customer service.** Having customer information, such as past purchases and interaction history, easily accessible helps customer support representatives provide better and faster customer service.
* **Trend spotting.** Collection of and access to customer data let businesses identify trends and insights about their customers through reporting and visualization features.
* **Automation.** CRM systems can automate menial, but necessary, sales pipeline and customer support tasks.

Examples of CRM use vary by the type and purpose of the specific CRM system. Common ones include the following.

### Contact center

Traditionally, data intake practices for CRM systems have been the responsibility of salespeople and marketing departments, as well as contact center agents. Sales and marketing teams procure leads and update the system with information throughout the customer lifecycle. Contact centers gather data and revise customer history records through service calls and technical support interactions.

### Social CRM

Social media in CRM involves businesses [engaging with customers directly through social media](https://www.techtarget.com/searchcustomerexperience/answer/What-are-4-essential-social-CRM-strategies) platforms, such as Facebook, Twitter and LinkedIn. Social media presents an open forum for customers to share experiences with a brand, whether they're airing grievances or promoting products.

To add value to customer engagement on social media, businesses use various social CRM tools that monitor social media conversations. These tools look for everything from specific mentions of a brand to the frequency of keywords used to determine a company's target audiences and which platforms they use. Other tools are designed to analyze social media feedback and address customer queries and issues.

Companies are interested in [capturing customer sentiments](https://www.techtarget.com/searchcustomerexperience/tip/How-to-gather-and-evaluate-customer-sentiment), such as the likelihood they recommend products and overall customer satisfaction to develop marketing and service strategies. Companies try to integrate social CRM data with other customer data obtained from sales and marketing departments to get a single view of the customer.

Another way in which social CRM adds value for companies and customers is through customer communities, where customers post reviews of products and engage with other customers to troubleshoot issues and research products in real time. Customer communities provide low-level customer service for certain kinds of problems and reduce the number of contact center calls. These communities also provide new product ideas and feedback that companies can use in lieu of focus groups.

### Mobile CRM

CRM applications built for smartphones and tablets have become a must-have for sales representatives and marketing professionals who want to access customer information and perform tasks when they aren't physically in their offices. [Mobile CRM](https://www.techtarget.com/searchcustomerexperience/definition/mobile-CRM-mobile-customer-relationship-management) apps take advantage of features that are unique to mobile devices, such as GPS and [voice recognition](https://www.techtarget.com/searchcustomerexperience/definition/voice-recognition-speaker-recognition) capabilities, to give sales and marketing employees access to customer information from anywhere.

### Business-to-business practices

A CRM system in a business-to-business ([B2B](https://www.techtarget.com/searchcio/definition/B2B)) environment helps monitor sales as they move through the [sales funnel](https://www.techtarget.com/searchcustomerexperience/definition/sales-funnel), enabling a business to address any issues that might come up during the process. CRM strategies in the B2B market give sales reps more visibility into leads, increasing efficiency throughout the sales process.

For all the advancements in CRM technology, without the proper management, a CRM system can become little more than a glorified database in which customer information is stored. Data sets must be connected, distributed and organized so that users can easily access the information they need.

Companies might struggle to achieve a single view of the customer if their data sets aren't connected and organized in a single dashboard or interface. Challenges tracking the customer journey also arise when systems contain duplicate customer data or outdated information. These problems can lead to a decline in customer experience ([CX](https://www.techtarget.com/searchcustomerexperience/definition/customer-experience-management-CEM-or-CXM)) because of issues such as long wait times during phone calls and improper handling of technical support cases.l

CRM systems work best when companies clean their existing customer data to eliminate duplicate and incomplete records before they supplement CRM data with external sources of information.

## Will CRM be affected by AI?

CRM systems benefit from nascent trends and technologies in the AI space. Sales forecasting is one area that will benefit. Predictive AI algorithms in a CRM system can analyze historical data about customers and companies to predict future sales outcomes and future market trends to shape an organization's decision-making.

AI also provides automation for routine and repetitive tasks, such as data entry and follow-up emails to customers or potential customers. Advanced chatbots and [sentiment analysis](https://www.techtarget.com/searchbusinessanalytics/definition/opinion-mining-sentiment-mining) capabilities help synthesize information from interactions to better identify customer needs and inform future interactions.

HubSpot and Salesforce are examples of enterprise-grade CRM providers that are integrating up-to-date AI capabilities into their platforms. It remains to be seen how quickly smaller organizations and startups with CRM offerings and significantly less resources will be able to integrate similar AI features. Still, these AI enhancements will become more commonplace in the future..

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