

CUSTOMER RELATIONSHIP MANAGEMENT AND SUPPLIER RELATIONSHIP MANAGEMENT (SRM) (AVOID OF THE IDENTITY THEFT AND ASSUMPTION DETERRENCE ACT)

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Abstract. Customer Relationship Management (CRM) and Supplier Relationship Management (SRM) strategies is essential for firms to succeed. This is used to assess aspects of the company's future performance. The goal of CRM is to provide a good experience to customers by understanding customer needs so that it can increase customer satisfaction. Meanwhile, the aim of SRM is for the company's procurement needs to run more smoothly because it already has suppliers with good quality. Both CRM and SRM aim to maintain good and closer relationship with customers and suppliers. CRM and SRM can influence company performance, especially when viewed from profitability which will have an impact on the company's sustainability. This paper focuses on the results of previous research regarding the influence of CRM on profitability and green supplier selection.

Keyword : Customer Relationship Management, Supplier Relationship Management, Profitability Green Supplier Selection

1. INTRODUCTION

The convention that regulates in detail regarding personal data, the convention is The Council of Europe Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data which was signed by representatives of member countries in 1981 and implemented in 1985 after ratification from a number of countries as required. The aim of this Convention is to protect everyone in the territory of the Council of Europe, regardless of their nationality and place of residence, to respect their fundamental rights and freedoms, especially the right to privacy, in the automatic processing of personal data related (Sibuea et al., 2020). In today's competitive business environment, the implementation of Customer Relationship Management (CRM) and Supplier Relationship Management (SRM) strategies is essential for firms to succeed (Sofiyah et al., 2018). Companies in achieving their goals use various strategies, including customer relationship management (CRM) and supplier relationship management (SRM). To achieve this objective, businesses are utilizing various strategies, including customer relationship management (CRM), which has emerged as a vital tool for organizations to retain and satisfy their customers (Fraihat et al., 2023).

The main goal of CRM is to provide a good experience to customers by understanding customer needs so that it can increase customer satisfaction (Bakar et al, 2021). Apart from that, CRM you can build long-term relationship with them. Meanwhile, the aim of SRM is for the company's procurement needs to run more smoothly because it already has suppliers with good quality. Beside that, SRM can build closer relationship with suppliers so that it can reduce risks. Both of the customer relationship management dan supplier relationship management can influence company performance, especially when viewed from profitability, which will have an impact on the company's sustainability. Therefore, the discovery and development of knowledge regarding customer relationship management (CRM) and supplier relationship management (SRM) has become an important issue for practitioners in the world.

Profitability is a very important indicator in evaluating company performance. If the profitability value is high, it will give an idea that the company has carried out its operational activities well. Based on research result, there are many factors that can influence profitability. One of them is customer relationship management (CRM). The literature studies a variety of factors that affect a company's profitability, such as: sales growth (Lee, 2014; Yoo and Kim, 2015), leverage and company size (Ibhagui and Olokoyo, 2018), CRM (Guerola-Navarro et al., 2021), and others. At the

same time, the results obtained by scholars vary significantly across countries, industries, and time period, especially as new factors emerge that are not yet well understood (Akbar et al., 2021; Shen et al., 2020). However, there are different research results that have been carried out by previous researchers, so researchers are interested in conducting a literature review by looking at the results of research in previous years, especially regarding the influence of CRM on profitability.

SRM provides quantitative data needed in supplier selection strategies. Supplier selection is very necessary for a company that wants to buy goods from suppliers. Supplier relationship management represents an opportunity to build on the success of strategic sourcing and traditional procurement initiatives (Lambert & Schwieterman, 2012). Green supplier selection termasuk strategi yang penting dari supplier relationship management. Supplier selection is necessary for public organizations wishing to procure goods from a supplier (Ograh et al., 2023). Therefore, organizations that have the capacity to search for, acquire and leverage on available green knowledge-based resources can develop capabilities critical to the organizations' value creating processes that can lead to sustainable results (Arfi et al., 2018; Grant, 1996; Nonaka & Takeuchi, 1995). Therefore, researchers are interested in conducting a literature review by looking at the results of research in previous years, especially regarding green supplier selection.

The purpose of this article is to explain how CRM influences profitability and what variables influence green supplier selection based on research results in previous years.

2. LITERATUR REVIEW

2.1. Customer Relationship Management (CRM)

Customer relationship management (CRM) is an information system that is integrated with various activities related to sales, marketing and customer service in an organization. CRM covers all aspects related to potential and current customers. Other CRM tools and technologies may include email marketing platforms, social media monitoring tools, and customer service chatbots (Haniyi et al., 2020; Mahmood et al., 2020; Al-Waely et al., 2021; AlWaely et al., 2021; Lehyeh et al., 2021).

One of the goals of CRM is to increase long-term company growth and company profitability by understanding customer behavior, needs and preferences. Relationship marketing theory emphasizes the importance of customer satisfaction in building long-term customer relationships and generating repeat business, which is essential for the sustainability and profitability of any organization (Khan et al., 2022).

Companies that use CRM can build effective and efficient communication and receive feedback from customers so that customers can increase customer loyalty and satisfaction. This is a form of the company's commitment to providing extraordinary service to customers. Therefore, CRM can maintain longer relationships between companies and customers. Additionally, relationship marketing theory highlights the importance of trust, commitment, and communication in building long-term relationships with customers (Hayati et al., 2020).

One CRM model that is very helpful in understanding the concept of CRM is The IDIC Model which was introduced by Don Peppers and Martha Rogers in 2004. The IDIC Model consists of:

1. Identify. Companies must identify who their customers are and build a deep understanding of their customers.
2. Differentiate. Companies must differentiate their customers to identify customers with certain values that differ between each customer. Differentiation can enable companies to formulate and implement specific customer strategies for different customers or within customer groups.
3. Interact. Companies must interact with their customers to ensure they meet customer expectations. Effective customer interactions provide more insight into customer needs.
4. Customize. Companies must adapt offers and communications according to customer expectations. To involve customers in a relationship, companies must also adjust several aspects of customer behavior based on each customer's individual needs and values.

2.2. Supplier Relationship Management (SRM)

Supplier Relationship Management (SRM) is a comprehensive approach in managing interactions between organizations and companies that supply products and services used by the organization. SRM is defined as a set of suppliers facing practices enabled by a collaborative software suite (Deshmukh, 2006). SRM is related to supplier sources and procurement which includes aspects of planning, management and management of materials and supplier services. Supplier relationship management represents an opportunity to build on the success of strategic sourcing and traditional procurement initiatives. It involves developing partnership relationships with key suppliers to reduce costs, innovate with new products and create value for both parties based on a mutual commitment to long-term collaboration and shared success (Lambert & Schwieterman, 2012).

One of the goals of SRM is to present innovative new products and present them on the market in order to achieve superior company financial performance. This is done by providing cost efficiency to be cost competitive and maintaining closer relationships with suppliers. It involves developing partnership relationships with key suppliers to reduce costs, innovate with new products and create value for both parties based on a mutual commitment to long-term collaboration and shared success (Lambert & Schwieterman, 2012).

SRM started as a part of e-procurement, grew up to include sourcing and then became a comprehensive area for managing suppliers. Sourcing is considered more strategic - the right product, from the right supplier, for the right price. Procurement is considered to be more tactical the objective is to eliminate paperwork and reduce costs (Deshmukh, 2006). SRM supports supplier selection strategies by providing quantitative data. The strategy in selecting suppliers begins with identifying and selecting suppliers then creating negotiation contracts and management contracts.

3. METHODS

This research uses a qualitative descriptive approach where previous literature regarding customer relationship management (CRM) and supplier relationship management (SRM) is collected and analyzed. Data sources were obtained from various Scopus indexed journals using and books. This research will provide an overview of the results of research that has been carried out regarding the influence of CSR on profitability and SRM, especially in supplier selection. Therefore, the methodology used is pure literature analysis, evaluation, and conclusions are drawn from theoretical analysis and discussion results, adding deeper insight to achieve a better understanding.

4. RESULT & DISCUSSION

Based on the results of the search that has been carried out, there will be 3 journals published in 2023 regarding the influence of customer relationship management (CSR) on profitability. One journal published in 2023 is about green supplier selection. Some of the research results are as follows:

Table 1. Research Journal

Researcher Name (Year)	Title
Fraihat et al (2023)	The effect of customer relationship management (CRM) on business profitability in Jordanian logistics industries: The mediating role of customer satisfaction.
Vukovic et al (2023)	The joint impact of working capital and platform-economy on firm profitability: The case of e-business model in transition country.
Hadi et al (2023)	The influence of information technology (IT) on firm profitability and stock returns.
Ograh et al (2023)	Developing green knowledge toward supplier selection: a green intellectual capital perspective.



Based on the table above, the research results can be detailed as follows:

1. Pengaruh Customer Relationship Management (CRM) on Profitability

Implementation of a customer relationship management (CRM) strategy using information technology will provide long-term benefits for the company. The goal by implementing CRM is to improve customer relationships, increase customer satisfaction and increase customer loyalty which ultimately results in higher revenue and profitability. Profitability is a crucial aspect in various companies that has a direct impact on business growth and sustainability.

The increase in profitability by implementing customer relationship management has encouraged several researchers to research the influence of customer relationship management (CRM) on profitability. The results of research conducted by Fraihat et al (2023) using the dimensions of customer identification (CI), customer acquisition (CA), and customer analytics (CAN) state that CRM has a significant and positive impact on business profitability in the Jordanian logistics industry. According to Fraihat et al (2023) that by implementing effective CRM strategies, logistics companies can enhance their ability to identify and acquire new customers while also improving customer retention and loyalty. This, in turn, leads to increased sales, repeat business, and profitability. The results indicate that organizations that effectively use CRM tools are better positioned to understand their customers' needs and preferences, and therefore, can provide tailored services to meet their expectations. This, in turn, leads to higher levels of customer satisfaction and loyalty, which can result in increased profitability and long-term success for the business. Logistics companies that focus on improving customer satisfaction through various strategies, such as improved service quality, timely delivery, effective communication, and personalized service, are more likely to achieve higher profitability.

The results of this research are in accordance with the results of research conducted by Vukovic et al (2023) that customer relationship management with the dimensions of social network, client activity, firm activity has an effect on profitability and only the engagement rate dimension has no effect on profitability. According to Vukovic et al (2023) that this indicator is the ratio between the activity of users and the number of followers of the account, and its high values are achieved with a small number of followers. This is the reason why it doesn't work. The results of the applied models show that retail-oriented companies need to effectively manage their investment share of working capital and expand digital communication with customers via social media to increase their profitability.

The research results from the two studies above are in accordance with the results of research conducted by Hadi et al (2023) which states that information technology investments have an effect on profitability. According to Hadi et al (2023) that the use of information technology has a considerable influence on the amount of money brought in. The total amount of money that an organization brings in as a direct result of its day-to-day activities is referred to as its revenue. The amount of money left over after paying all of the firm's bills is known as the net income, and it may be used to determine how profitable the company is.

Based on several previous research results, it can be concluded that there are different dimensions of customer relationship management so that these dimensions have a significant influence on profitability except for the engagement rate dimension which has no effect on profitability. This adds to knowledge, especially in the field of accounting, that in general CRM has a significant effect on company profitability. Therefore, it is very useful for future researchers who want to research the same research using all dimensions that can influence profitability.

2. Supplier Relationship Management

Green supplier selection (GSS) is an important part of supplier relationship management. Supplier selection is one of the main sources for integrating environmentally friendly criteria into an organization's green sustainability. The development of environmentally friendly knowledge regarding supplier selection is very little or almost non-existent even though research on environmentally friendly knowledge has increased. Research conducted by Ograh et al (2023) regarding developing green knowledge toward supplier selection: a green intellectual capital perspective is considered the first research. Green public procurement (GPP) is a complex concept that requires specific knowledge and skills for someone responsible for selecting suppliers. The

existence of green intellectual capital can provide a competitive advantage for organizations by reducing costs.

Based on the results of research conducted by Ograh et al (2023), that from the coded data, green knowledge emerged spontaneously as a key construct of GIC that influences the adoption of green considerations in supplier selection. Communication emerged from the coded data as a relevant construct connected to the application of knowledge. Communication among procurement practitioners is considered a key component of knowledge application. The results of this research identified four ways to increase environmentally friendly knowledge, namely:

1. In-service training. Therefore, in-service training can improve practitioners' knowledge. Through training, the procurers can upgrade their skills related to GSS, improve their understanding of policy implications and create awareness of the importance of greening the supplier selection process.
2. Collaboration. Through green training workshops, respondents would be able to build a strong social network among themselves. In the opinion of the interviewees, consistency and trust are imperative characteristics to ensure success in collaborative networks.
3. Formal education. Academic programs are identified as one of the main channels through which green knowledge can be acquired. Specifically, those that indicated academic programs as the means of obtaining some level of green knowledge mentioned this with reference to schooling overseas in a developed country. This would allow them to learn from different perspectives.
4. Affiliation with professional bodies. Affiliation with professional bodies was also identified as one of the channels to acquire green knowledge. Affiliation with other professionals gave members the opportunity to get more access to relevant reading materials on green procurement.

The results of this research also identify the main factors of green intellectual capital that influence the accumulation of knowledge regarding green supplier selection, namely:

1. Commitment toward green knowledge development. Green knowledge, which is a component of IC, requires to be enhanced for GSS. Therefore, for green knowledge to be developed, commitment among relevant stakeholders is paramount.
2. Capability issues. Perceptions or concerns about poor integration of green into supplier selection tend to provide the entry point for thinking about capacity development. Therefore, capability emerged in the study as an important construct for knowledge development.
3. Ease of understanding. In GSS, it is important to move from mere knowledge of green sustainability to understanding the application of the concept. Understanding green sustainability is not the result of supplier knowledge but rather simply the result of acquiring more green knowledge.
4. Skills for the application of green knowledge. GSS revolves around the knowledge application of life cycle assessment (LCA) tools and software. The skills in its application can ease the difficulties associated with the application.

Based on the research results above, it can be concluded that research conducted by Ograh et al (2023) found four dimensions to increase environmentally friendly knowledge, namely in-service training, collaboration, formal education, and affiliation with professional bodies. Apart from that, this research found the main factors of green intellectual capital that influence the accumulation of knowledge regarding green supplier selection, namely Commitment toward green knowledge development, capability issues, ease of understanding, and skills for the application of green knowledge. This increases knowledge, especially in the field of accounting for selecting environmentally friendly suppliers. Therefore, it is very useful for future researchers who want to research the same research using all the dimensions of Ograh et al's (2023) research.

5. CONCLUSION

A literature review regarding customer relationship management and supplier relationship management needs to be carried out with the aim of seeing the results of research that has been carried out by previous researchers. The results of previous research can increase knowledge, especially in the field of accounting and encourage future researchers to research using the same dimensions. Even previous researchers have produced new dimensions.

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