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The evolution of CRM Systems: From record-keeping tool to a central element of strategic sales and customer experience management

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Abstract

This article examines the transformation of customer relationship management (CRM) systems from simple digital directories to comprehensive platforms for strategic management. The purpose of the study is to analyze the stages of CRM evolution, identify the technological and methodological factors that drove the shift in their use paradigm, and assess their current role as a central element of business architecture. The methodology includes a historical-genetic analysis of technology development, systematization of functional capabilities at different stages of maturity, and review of implementation cases in international corporations. The results demonstrate that modern CRM platforms integrate big data analytics and process automation, serving as a foundation for decision-making in sales, marketing, and service. The practical significance of the study lies in developing a model for assessing the maturity of a company's CRM strategy and providing recommendations for transitioning from operational record-keeping to data-driven, customer experience-oriented management.

Keywords: CRM systems; CRM evolution; Strategic sales management; Customer experience; Data analytics; Business process automation

1. Introduction

Customer relationship management systems have become an integral part of the technological landscape of modern business. Their journey from specialized tools for the sales department to organization-wide platforms reflects a deeper transformation in management paradigms—a shift from product-centric to customer-centric models. Studying the evolution of CRM is relevant because companies need to consciously invest in technological infrastructure that determines their ability to understand customers, predict behavior, and build long-term profitable relationships.

The aim of this article is a systematic analysis of the stages of CRM development, an exploration of their modern role as a strategic asset, and formulation of principles for their effective use in sales and customer experience management. To achieve this goal, the study addresses the reconstruction of historical stages of development, analysis of functionality expansion, assessment of the impact of new technologies, and examination of CRM integration practices in strategic management.

2. Theoretical Origins and Historical Development Stages

The conceptual foundations of CRM trace back to relationship marketing theories, which since the 1980s shifted the focus from one-time transactions to long-term customer retention. The first technological solutions, emerging in the late 1980s and early 1990s, were sales automation systems. Their main function was to digitize routine tasks: storing contacts, maintaining interaction history, and managing the overall sales pipeline. These solutions were complex to

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configure, required significant investment in local infrastructure, and were primarily used by large corporations. They functioned as isolated record-keeping tools, weakly integrated with other business processes [1].

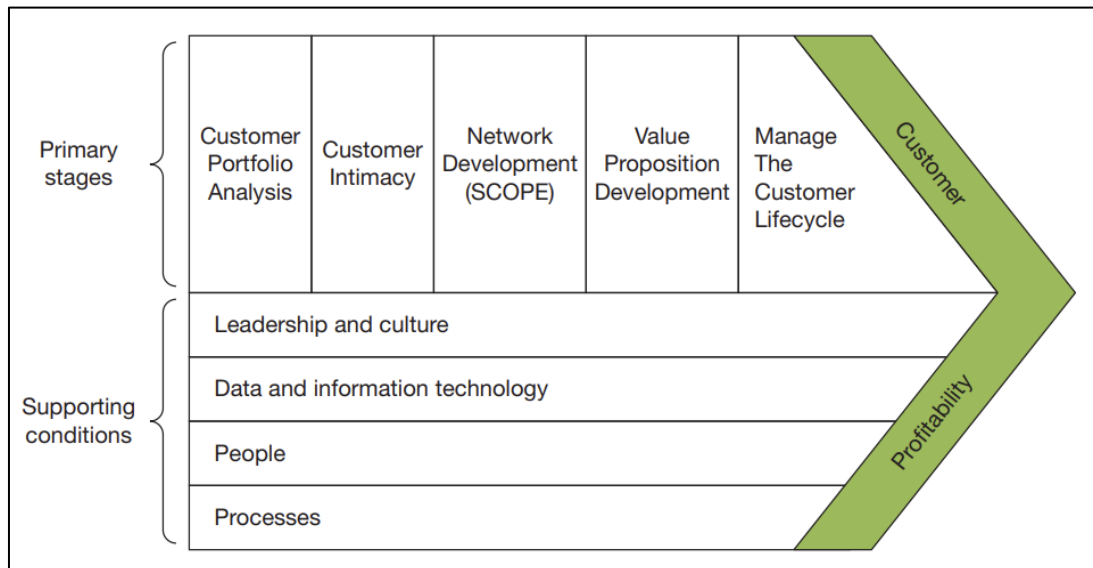


Figure 1 Customer management framework: primary stages and supporting conditions leading to profitability

The next stage of evolution was associated with the spread of the software-as-a-service (SaaS) model and the development of the Internet in the 2000s. The emergence of cloud platforms democratized access to CRM, making it available for small and medium-sized businesses. At this stage, functional expansion occurred: in addition to the basic SFA capabilities, modules for marketing automation and service request management were added. CRM began to be viewed as a unified platform for consolidating customer data from multiple touchpoints, laying the foundation for a more holistic view of the customer journey.

The modern stage, gaining momentum since the 2010s, is characterized by the integration of advanced analytical capabilities. CRM ceases to be a passive database and becomes an active decision-support system. The theoretical basis for this is the data-driven management paradigm, in which strategic and operational decisions are based on the analysis of large volumes of structured and unstructured data. Modern CRM acts as a central hub, aggregating information not only about transactions but also about customer behavior in the digital environment, their social profiles, and market context [2].

3. Modern Architecture: Integration of Analytics and Automation

The architecture of a modern strategic CRM platform is based on three interconnected technological pillars that transform its role within the organization.

The first pillar is advanced analytics and business intelligence. Beyond standard sales pipeline reports, systems now offer predictive analytics. Machine learning algorithms trained on historical data can forecast the likelihood of deal closure, estimate customer lifetime value, identify high-risk churn segments, and recommend optimal communication channels. This allows the sales department to move from reactive to proactive management, focusing efforts on the most promising opportunities and clients [3].

The second pillar is the automation of routine workflows. Automation covers tasks such as lead assignment according to complex rules, sending personalized messages, reminding managers of critical actions, and updating data in customer records. This frees up a significant portion of commercial staff's time for tasks that require creativity and empathy.

The third pillar is seamless integration and ecosystem connectivity. Modern CRMs are not closed systems. They are designed as open platforms with robust APIs, allowing integration of data and processes with ERP systems, marketplaces, collaboration tools, IoT devices, and telecommunication systems. Such integration creates a unified informational space within the company, where every department—from marketing and sales to support and R&D—works with a current and complete picture of the customer [4].

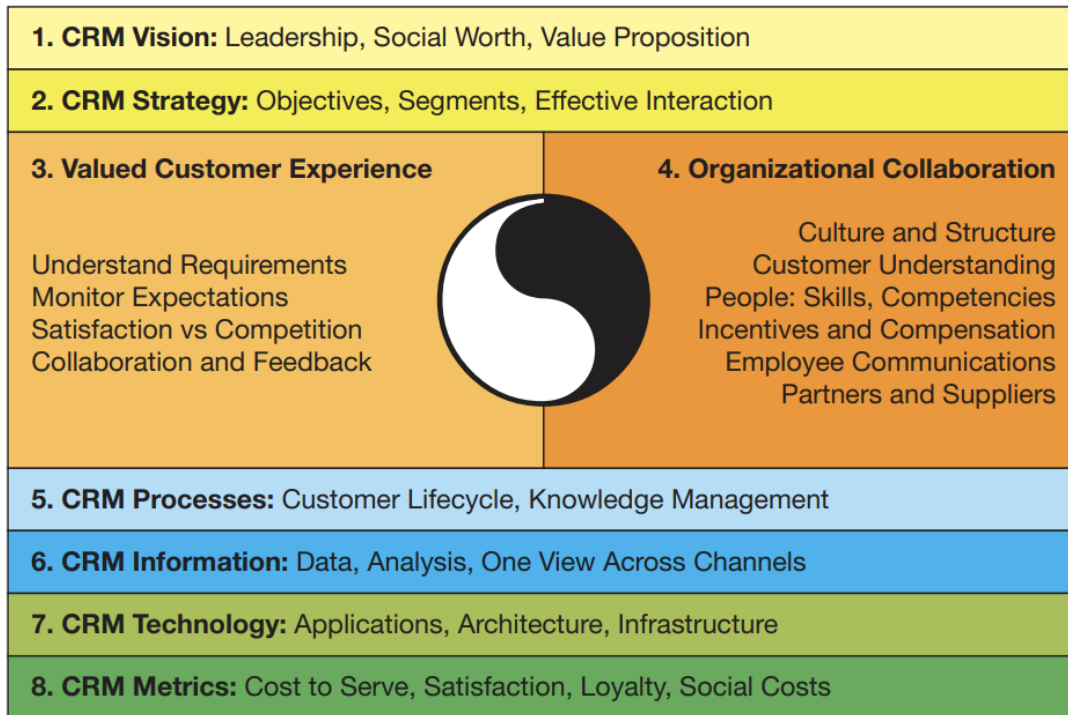


Figure 2 Structural model of CRM: vision, strategy, customer experience, organizational collaboration, processes, information, technology, and metrics

4. Challenges and Success Factors for Strategic Implementation

The transition to using CRM as a strategic element involves significant organizational, not just technological, challenges.

The first challenge is related to data quality. Strategic analytics require clean, complete, and up-to-date input data. Many companies face issues with fragmented or contradictory data, which negates the potential of advanced algorithms. Successful projects begin with a data audit, development of policies for data entry and maintenance, and the assignment of responsibility for information quality.

The second challenge is employee resistance and the need for cultural transformation. Implementing a strategic CRM changes workflows and requires managers to trust the system's recommendations. Success depends on engaging users at early stages of design, creating interfaces that are clear and useful to them, and revising the incentive system. Employee KPIs should encourage not only the volume of data entered but also the use of the system's analytical capabilities to achieve business results [5].

The third challenge is integration complexity and security. Creating a unified data hub increases demands on cybersecurity and compliance with regulatory standards such as GDPR. Managing a complex integration ecosystem requires expertise in architecture and API management.

Key success factors for strategic implementation include leadership from top management that views CRM as an organization-wide strategic asset; an iterative implementation approach starting with pilot projects and demonstrating quick wins; and continuous training and development of internal competencies to work with an evolving platform [6].

The evolution of CRM systems represents a journey from a narrowly specialized accounting tool to a central element of strategic management, integrating sales, marketing, service, and data analytics into a single customer-centric process. This transformation has been driven by the development of cloud technologies and big data analytics methods.

The main conclusion of the study is the recognition of a paradigm shift: modern CRM is not a system for the sales department but an organization-wide platform for managing customer knowledge and making data-driven decisions. Its effectiveness is determined not so much by technical complexity but by the degree of integration into business processes, data quality, and the organization's readiness for cultural change.

Practical recommendations for companies include conducting an audit of the current CRM strategy maturity level, developing a long-term plan for both technological and organizational development, prioritizing projects to improve data quality, and fostering a culture of data-driven decision-making. The developed maturity model can serve as a diagnostic tool for such audits. Strategic principles for using CRM are universal, but specific solutions should be adapted to industry specifics, company size, and the nature of customer relationships.

5. Conclusion

This study analyzed the evolution of CRM systems from isolated record-keeping tools to strategic, organization-wide platforms that integrate sales, marketing, service, and data analytics within a unified customer-centric framework. The results confirm that the effectiveness of contemporary CRM depends not only on technological functionality, but also on the quality of data, the degree of process integration, and the organization's readiness for managerial and cultural transformation. The practical significance of the study lies in its CRM maturity perspective, which may assist companies in evaluating current practices and planning long-term technological and organizational development. By supporting more informed decision-making, improved service quality, and stronger customer relationships, the study contributes to the advancement of sustainable business practices, while further research should examine industry-specific implementation models and the impact of emerging digital technologies on CRM performance.

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