

## **CUSTOMER RELATIONSHIP MANAGEMENT (CRM) IN THE CONTEXT OF THE SHARING ECONOMY: CHALLENGES AND OPPORTUNITIES**

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### **Abstract**

Customer Relationship Management (CRM) plays an important role in the sharing economy ecosystem, where trust and customer relationships are key success factors. This research explores the opportunities and challenges that arise from CRM implementation in the context of the sharing economy. In terms of opportunities, CRM enables companies to build more personalised and in-depth relationships with customers, improve operational efficiency through automation, and leverage data to increase customer satisfaction and loyalty. On the other hand, challenges include customer data privacy concerns, the need for high security, and adaptation to fast-changing market dynamics. Nonetheless, if managed well, CRM implementation can add significant value in creating superior customer experiences and supporting sustainable business growth in the sharing economy.

Keywords: Management, Customer Relationship (CRM), Sharing Economy, Challenges, Opportunities.

### **Introduction**

The rapid development of information and communication technology in this digital era has changed many aspects of human life, including the way business is conducted. One of the emerging phenomena is the concept of the sharing economy, which creates a platform where individuals can share resources, goods or services in a more efficient and affordable way. Platforms such as Uber, Airbnb, Gojek, and Grab are clear examples of how the sharing economy has revolutionised the transportation and hospitality industries.

In the context of the sharing economy, the relationship between service providers and customers is becoming more dynamic and complex. Customer relationship management (CRM) plays an important role in understanding customer needs and preferences, creating personalised experiences and maintaining customer loyalty. (Nabila & Putri, 2024).

Customer Relationship Management (CRM) is a business strategy designed to manage interactions and relationships with customers effectively and efficiently. CRM involves using technology and data to gain deep insights into customers, including their

needs, preferences, and behaviours. The main goal of CRM is to increase customer satisfaction, loyalty, and retention by providing better and more personalised services. (Dixit, 2022). With CRM, companies can understand the customer journey, from the awareness stage to post-purchase, as well as identify further upselling and cross-selling opportunities. (Selchert, 2022).

The importance of CRM in modern business cannot be ignored. In the midst of increasingly fierce competition, building strong and positive relationships with customers is key to maintaining competitiveness. CRM helps companies maintain meaningful long-term relationships with customers, which in turn can increase customer lifetime value. In addition, CRM allows companies to respond quickly to customer needs and feedback, which can improve the overall customer experience. With CRM, companies can also optimise their resources and operational processes, so that they can focus more on building and developing higher quality products or services. (Reddy & Rawther, 2024).

However, implementing CRM in the sharing economy also presents unique challenges. For example, the demographic diversity of customers and service providers, as well as the transient and transactional nature of their interactions, requires a more flexible and adaptive CRM approach. On the other hand, the sharing economy opens up great opportunities for CRM implementation (Alqahtani & Naim, 2022).. By leveraging big data and analytics, companies can gain deeper insights into customer behaviour and satisfaction, which can be used to develop more effective service strategies. In addition, the integration of technologies such as artificial intelligence (AI) and machine learning enables the automation of CRM processes that can improve operational efficiency and service quality. (Doe & Asamoah, 2022)..

However, challenges such as regulation and policy, data privacy and security, and technology adaptation remain significant barriers to optimising the application of CRM in the sharing economy. Therefore, it is necessary to conduct in-depth research to identify these challenges and explore the opportunities, so that companies can develop effective and innovative CRM strategies. (Çakıcı, 2022).

This research aims to examine the application of CRM in the sharing economy, with a focus on the challenges and opportunities faced. Through this research, a comprehensive insight into the optimal CRM strategy to support business success and sustainability in the sharing economy era is expected.

## **Research Methods**

The study in this research uses the literature method. The literature research method is a research approach that focuses on collecting, analysing and synthesising information from existing written sources to answer research questions or test specific hypotheses. These sources can include books, scientific articles, journals, reports, theses, and other documents relevant to the research topic at hand. (JUNAIDI, 2021); (Abdussamad, 2022). The main purpose of this method is to understand the existing knowledge landscape, identify research gaps, and build a solid theoretical foundation to

support further study. Through the literature research method, researchers can examine various views, theories, and empirical findings that have been published previously, so that they can develop new insights and make meaningful contributions to the field of study in question. (Wekke, 2020).

## **Results and Discussion**

### **Application of CRM in Sharing Economy**

The application of Customer Relationship Management (CRM) in the sharing economy is crucial as this business model relies heavily on user interaction and experience. The sharing economy is a system in which assets or services are shared between individuals, either for free or for a fee, usually through a digital platform. Companies like Airbnb, Uber, and Grab are classic examples of the sharing economy that connect service providers with consumers. In this context, CRM helps companies to manage the relationship between service providers, users, and the platform itself to ensure that each party has a positive and satisfying experience. (Blum, 2020).

In the sharing economy, customer data is valuable as it helps companies understand individual needs and preferences. Using CRM, companies are able to track and analyse user behaviour, such as ordering patterns, feedback and ratings. This data can then be used to build detailed customer profiles, enabling better personalisation of services. (Rahimi, 2022). This service personalisation is important to retain customers in the sharing economy ecosystem, where a good customer experience is key to sustainable growth and long-term success. CRM provides the tools to communicate with customers in a timely and relevant manner, and deal effectively with their problems or complaints. (HARUTYUNYAN, 2023).

In addition, CRM applications in the sharing economy also help in increasing customer loyalty. With CRM, companies can identify users who frequently use the service and provide special rewards, such as discounts or exclusive access to certain services. This kind of loyalty programme not only encourages customers to continue using the platform, but also increases their likelihood of recommending the service to others. On the service provider side, the information generated by CRM helps them to understand how to improve their performance and services based on customer feedback received through the platform. (Apriliyanti et al., 2024).

Finally, the application of CRM in the sharing economy supports a proactive approach to customer relationship management. Companies can use CRM systems to predict user needs and resolve problems before they worsen. For example, if CRM data shows that users often experience delays in getting services, companies can immediately make operational adjustments to improve speed and efficiency. (Hakim et al., 2021). This application of CRM, in turn, contributes to increased customer satisfaction and trust, which is crucial in maintaining competitiveness in the dynamic and challenging sharing economy industry.

## **Challenges in CRM Implementation in the Sharing Economy**

The implementation of CRM in the sharing economy is not free from complex challenges. One of the main challenges is the management of large amounts of data coming from various sources. The sharing economy involves interactions between various parties such as service providers, consumers, and the platform itself. Each interaction generates diverse data such as booking information, user feedback, and service usage patterns. Managing and analysing these huge volumes of heterogeneous data requires sophisticated technologies and robust integration systems to provide useful insights to strengthen customer relationships. (Li, 2023).

In addition, the challenge of maintaining the privacy and security of user data is a crucial issue. In the sharing economy, users need to feel secure when sharing their personal information such as location, preferences, and payment details. Data leaks or misuse of information can damage a company's reputation and reduce customer trust. Therefore, companies need to ensure that the CRM systems they use are equipped with strong data protection mechanisms and comply with applicable data privacy regulations. Failure to address this issue can lead to legal consequences and loss of customer base. (Panggabean, 2022).

Another challenge faced is how to utilise CRM to provide a consistent and quality experience to users across different markets and locations. The sharing economy often operates in different regions with different demographic and cultural characteristics. This makes service personalisation more complex as customer preferences and expectations can vary significantly. In addition, differences in technological infrastructure and local regulations can also affect CRM implementation. Companies need to adapt their CRM strategies to fit the local context while maintaining global quality standards. (Trabelsi & Akrouf, 2022)..

Finally, challenges in training and engaging service providers are also aspects that need to be considered. In the sharing economy, service providers are often individuals or small entities that may not have the understanding or resources to utilise CRM systems effectively. Adequate education and training is essential to ensure that service providers can utilise CRM to improve their service quality. In addition, companies need to create mechanisms that encourage active engagement from service providers in providing feedback and participating in loyalty programmes managed through the CRM system.

## **Opportunities and Benefits of CRM in the Sharing Economy**

A key opportunity offered by CRM (Customer Relationship Management) in the sharing economy is the ability to build stronger and more personalised relationships with customers. By collecting and analysing rich customer data, companies can understand individual needs and preferences in greater depth. This enables companies to provide more customised and relevant services, increasing customer satisfaction and loyalty. In addition, personalisation also opens up opportunities for cross-selling and up-selling, which can increase the company's revenue. (Faishal & Ambarwati, 2024).

CRM also offers significant benefits in terms of improved operational efficiency. With an integrated CRM system in place, companies can automate various business processes, such as ticket management, customer service, and marketing. This automation not only saves time and costs, but also ensures that the services provided are consistent and accurate. For example, automated responses to customer requests can provide quick and appropriate solutions, which in turn improves user experience and minimises complaints. (Matosas-López, 2024).

In addition, CRM enables companies in the sharing economy to manage and analyse customer feedback more effectively. Feedback collected from various channels can be processed immediately to identify trends and issues that require attention. By understanding this feedback, companies can make timely improvements and proactive strategies to enhance service quality. It also provides an opportunity to build a more engaged customer community, where customers feel their opinions are valued and considered in business decision-making. (Kumar, 2024).

Finally, CRM also enables companies to maintain a competitive advantage through the continuous delivery of added value. In the highly dynamic sharing economy, having a deep understanding of customers and markets can help companies to continuously innovate and adapt quickly to changing customer needs and expectations. For example, through analysis of customer behaviour and market trends, companies can develop new features or additional services that are more attractive to customers. Ultimately, CRM helps create a more responsive and resilient business environment, which is essential for long-term success in the sharing economy. (Mogili & Natarajan, 2021).

As such, CRM provides a number of significant opportunities and benefits in the sharing economy, ranging from the ability to build more personalised customer relationships to improving operational efficiency through business process automation. With the ability to effectively manage and analyse customer feedback, companies can make timely improvements and build a more engaged customer community. In addition, CRM enables companies to maintain a competitive advantage by continuously innovating and adapting quickly to changing market needs and expectations. Overall, CRM implementation in the sharing economy helps create better customer experiences and more resilient and responsive businesses.

## **Conclusion**

Customer Relationship Management (CRM) in the context of the sharing economy offers a number of significant opportunities for companies operating in this ecosystem. CRM provides the ability to forge more personalised and sustainable relationships with customers, an aspect that is particularly important in a sharing economy model that relies on trust and reputation. By effectively processing customer data, companies can provide more targeted services and increase customer satisfaction and loyalty. CRM technology also enables the automation of interactions, which can improve operational efficiency and allow companies to manage rapid growth without compromising service quality.

On the other hand, CRM implementation in the sharing economy is also faced with unique challenges. Data privacy is one of the main issues that need to be addressed, given that companies have to handle a large amount of customers' personal information. Ensuring security and compliance with privacy regulations is crucial to avoid losing user trust. In addition, companies need to continuously adapt to fast-changing market dynamics, and integrate the various platforms and technologies used by customers to ensure a smooth user experience.

Overall, the successful implementation of CRM in the context of the sharing economy depends largely on a company's ability to balance leveraging data to add value, while maintaining customer trust and privacy. By effectively managing these challenges, companies can optimise the opportunities offered by CRM to drive growth and sustainability. Whether it is strengthening customer engagement or enhancing competitiveness, CRM can contribute significantly to achieving business goals in the growing ecosystem of the sharing economy.

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