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SOCIAL ENTREPRENEURSHIP AND CRM: LINKING THROUGH COMMON FACTORS

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ABSTRACT

Social Entrepreneurship (SE) pertains to execute any business idea for a social, cultural or environmental cause for the benefit to all stakeholders. Customer Relationship Management (CRM) strategies on the other hand focuses on customer acquisition and customer retention. Several research studies proposes that CRM strategies are used by the firm for increasing customer share which is a narrow and short term perspective in market. However, studies on social entrepreneurship suggests that the idea of social entrepreneurship centers around value creation concerning all stakeholders that is broad and long term perspective for any firm. CRM software is developed by the firms only from one perspective of increasing customer base. It will be beneficial for those firms to understand the aspects of SE to develop their products and services with a holistic approach for creating value to all stakeholders rather than just focusing on customer. Accordingly, several research propositions are provided for theoretical understanding on unique features of SE and also the relationship between social entrepreneurship and CRM. Precisely, by reviewing several research papers, we propose the adaptable learning, finding new opportunities to increase its customer base, focus on product and service analysis and networking ability are unique features of social entrepreneurship and innovation, value creation, social value, use of technology for mass customization, employee engagement by building good leadership qualities among employees, knowledge about the customers and continuous learning are unique features of CRM. A systematic study and a conceptual framework have been proposed by authors to develop a link between SE and CRM by investigating common factors between two.

1. INTRODUCTION

In the last two decades the most common buzz words in the business are Customer Relationship Management (CRM) and Social Entrepreneurship (SE). CRM is aimed to empower and retain the customers and Social Entrepreneurship is to create value to its stakeholders including customers.

Although there is growing interest of firms to implement CRM to increase customer base but only few make their footprints in the market in long run. Many fail to sustain due to their myopic vision of growing business from only one perspective of increasing customer base. Many Social Enterprise are successful in creating value for all stakeholders missing out on aggregating its customer base. There are some best practices of CRM and similarly there are some best practices of SE. In this context the following research questions are identified for the purpose of the study. (i) Are there any common practices among CRM approach towards customers and Social Entrepreneurship approach towards its stakeholders? (ii)What are the unique practices of Social Entrepreneurship? And (iii) what best practices CRM companies can learn from the Social Entrepreneurship?

2. OBJECTIVES OF THE STUDY

- To identify the factors which are unique to Social Entrepreneurship?
- To identify the factors which are unique to CRM?
- To identify the common factors between Social Entrepreneurship and CRM.

3. METHODOLOGY

The authors had used the prevailing literature relevant to Customer Relationship Management and Social Entrepreneurship. The research is based on the secondary data. The required data pertaining to social entrepreneurship and Customer Relationship Management has been sources from various journal publications, published thesis and scholarly articles as well.

The study is organized in four sections. In the first section, the author presents the theoretical background to understand the features that are unique to CRM and SE. Then common features of both approaches have been presented. In the third section, a conceptual framework has been proposed to lay down a foundation of potential research that can be investigated empirically. Finally, the authors have stated impending study and conclusion to the study.

4. THEORITICAL BACKGROUND

4.1. SOCIAL ENTREPRENERUSHIP

Social entrepreneurs play a vital role as change agents to create and sustain social value in the social sector. Social entrepreneurs recognize the importance of engaging the customers, developing a process for continuous innovation, adaptation, and continuous learning is the identified tools for the success (Dees, 2001).

Differences between social entrepreneurship and commercial entrepreneurship include the relative competitive advantages, disadvantages, and interactive dynamics in the market area, the entrepreneurial process of identifying opportunities. Intellectual and social value has to be created for social entrepreneurship. (Austin, Austin, Stevenson, & Wei-Skillern, 2006).

The determinants of social entrepreneurship are classified into three factors internal environmental factors, external environmental factors and personal factors. The internal environmental factors are uncertainty & risk, funding, resources and management efficiency. The external environmental factors include new opportunities, innovations, social welfare, value, community entrepreneurship, social change agent, Institutional entrepreneurs, social ventures and social enterprise. The Personal factors include leadership quality, knowledge, education, skills and experiences, entrepreneurial ability, social innovation capabilities, enthusiasms and willingness(Omar Faruk, Hassan, & D Islam, 2016).

Shaw & Carter(2016) addressed the emerging practices of social entrepreneurship by exploring the historical and theoretical antecedents of social enterprise and its contemporary practices and drawn the comparisons between "for-profit" and social entrepreneurs. The findings based on in-depth interviews revealed five key themes for differentiation. These included the entrepreneurial process, in particular, opportunity recognition, network ability, the nature of financial risk and profit, the role of individual versus collective action in managing and structuring enterprises and creativity and innovation. Findings suggest that while the contemporary practices of social enterprises share many similarities with their for-profit counterparts, significant differences can be found when comparing these practices with extant entrepreneurship research.

Creating innovative business model appears to be possible with scarce resources and thus aiming for social capital. Financial capital in the equity is necessary condition for responsible innovation and varies from technological and innovative business models (Halme M, 2014).

Social entrepreneurial ideas are for improving the business environment of the country and to solve the social problems. It is necessary to ensure awareness and promotion for the benefits of social enterprises for holistic development of the nation (Jain, 2016).

The scope of social entrepreneurship includes nutrition, education, health care and financial inclusion. Social enterprises should educate the consumer and set market standards by following network approach. Knowledge about the customer will add value for the enterprise (Singh, Dr. Partap Singh 2016).

The social and economic hardships in India can be overcome through identifying and promoting best practices and positive models as well as by spreading good examples of social entrepreneurship and social responsibility amongst the society (Dr. Reena Mehta, 2016).

The possible reasons for a transition towards social entrepreneurship in India are employment generation. On an average entrepreneurship create employment for two or three, while social entrepreneurship creates employment for fifteen to seventeen. Social impact assessment will no longer be an alternative to the organizational tool for assessment, but an integrated and essential feature of any product or service analysis (Bulsara, P. Bulsara, Gandhi, & Chandwani, (2015).

5. CUSTOMER RELATIONSHIP MANAGEMENT

The identified important principles of CRM include continuous learning about the customers, anticipating the customer needs and providing solutions to fulfil them. Companies which are implementing CRM have to create more value for its customers and company has to focus on customer retention than on reducing costs. Organizations have to empower its agents by

providing information knowledge and training to create value in the value chain (Cleveland, 2018).

Value creation process to the customer should include both explicit value and implicit value which is superior to and more profitable than of its competitors. Value creation and delivering the value to the customer are equally important for building the relationship with the customer. The company has to ensure that customer preposition is relevant and attractive about the value delivered (Payne, 2012).

Building value-based customer relationship is critical in value creation and delivery of a firm's products and services to its customers. It is found that many companies that implement CRM as a strategy have forgotten mass customization. Technology could help in mass customization. CRM should focus on "customer share" than "market share". It was suggested that companies to define value add CRM approach to avoid the risk in losing their competitive advantage to the competitors (Kanooni, 2006).

According to Drucker, capability to learn innovation will make successful enterprises. Joseph Schumpeter has classified innovation into four kind's product innovation, process innovation, marketing innovation and organizational innovations. It was stated that CRM is an imperative strategy for improving the organization's innovation capabilities. Innovations might be possible information sharing and exchanging with customer, customer involvement, long-term partnership and joint problem-solving (Peyman Ghafari, 2011).

Social media plays a vital role in developing the relationships with the customers and publicity of their products. Social CRM is an opportunity for organization to become customer centric. This new medium will be helpful to improve the existing business and to get closer to customer with lower cost and with increased efficiency. Embracing social media for virtual communities have paved a way to improve customer service (Patil).

Employee engagement is the starting point of retaining good customers. It was found that highly engaged employees are more than three times as likely to do something good for their employer. Engaged employees will stay (2.5 times more) late at work if something needs to be done and more than two times as likely to help someone else at work. The engaged employees will engage the customers (Temkin, 2015).

The intersection of a CRM strategy & employee engagement is a fascinating area. Lot of efforts were made to acquire customers, similar efforts were made to retain them where employees play an important role. Every CRM strategy needs to have employees engagement at its' heart, anything less just dilutes the strategic effort spend on any CRM initiative undertaken (Beard, 2014).

6. FINDINGS

After analyzing the above literature, the following findings are made.

Table 1 common factor that link SE and CRM

Authors	Identified areas in Social Entrepreneurship	Authors	Identified Areas in CRM	Interpretation Common practices among CRM and SE	Learning from SE
Dees, 2001	Continuous innovation, adaptable learning	(Peyman Ghafari, 2011)	Innovations	Innovation is considered as essential for both Social Entrepreneurship and CRM	Adaptable learning has to be there for CRM companies
Austin, Austin, Stevenson, & Wei-Skillern, (2006)	Social value, New opportunities	(Cleveland, 2018) (Payne, 2012) (Kanooni, 2006)	Continuous learning about customers will increase economic value of customers through value creation process	social value and economic value are common among both SE and CRM for creating value	CRM companies need to find new opportunities regularly to increase its customer base
Halme M, (2014)	Innovation and Technology	(Kanooni, 2006) (Peyman Ghafari, 2011)	Technology for mass customization and innovation	Technology for mass customization is common elements among both SE and CRM	
Bulsara, P. Bulsara, Gandhi, & Chandwani, (2015)	Product and service analysis	(Kanooni, 2006)	Customer share rather than market share		CRM will focus on only customer share while SE will focus on product and service analysis
Omar Faruk, Hassan, & D Islam, (2016)	New opportunities, Innovation, social innovation, Capabilities and Leadership qualities	(Peyman Ghafari, 2011) (Beard, 2014)	Innovations Employee engagement	Employee engagement by building good leadership qualities among employees is common among both.	
Shaw & Carter, (2016)	Opportunity recognition, Network ability, creative innovation	(Peyman Ghafari, 2011) (Patil)	Innovations Relationships		Networking ability is the one element CRM companies can learn from SE
Jain, (2016)	Solutions to social problems				CRM companies can focus to identify solutions for Social problems
Singh, Dr. Partap Singh (2016)	Know your customer, Education of the customer through networking	(Cleveland, 2018) (Patil)	Continuously learn about your customers, increasing value for customer Long term relationships	Knowing about the customer and educating the customer is common among both.	

In order to comprehend common construct that can help firms to improve their efficiency holistically, a conceptual framework have been posit in Table 2.

6.1. Conceptual framework

Table 2 A conceptual frameworks of common factors of CRM & SE
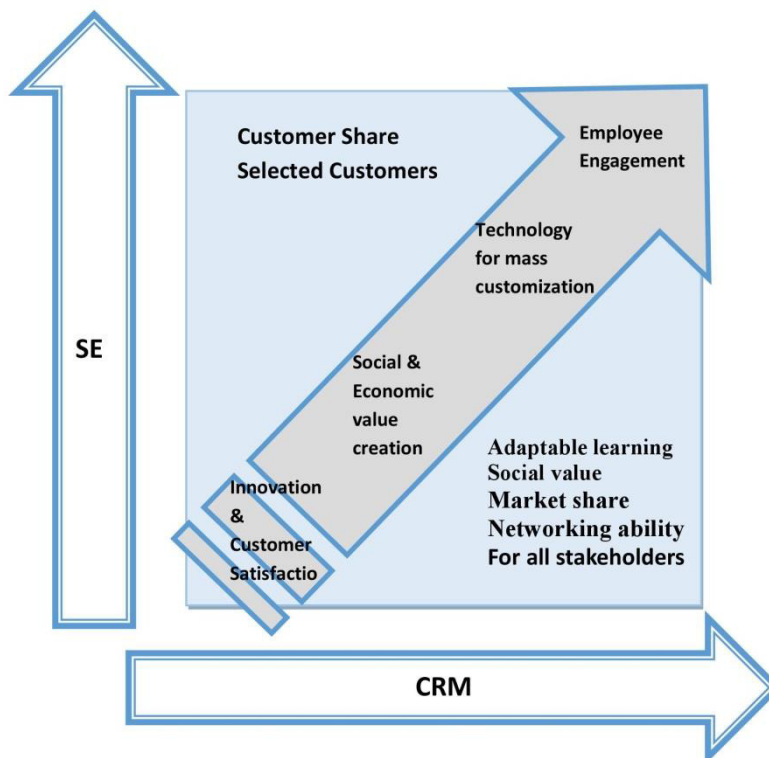
By reviewing pertaining literature, unique features of CRM and SE were identified and a conceptual framework has been proposed to identify common elements between SE and CRM. This conceptual framework presents important elements of SE and CRM to specify some common elements that can help firms improve their efficiency.

7. DISCUSSION AND CONCLUSION

The identified common factors among both Customer Relationship Management and Social Entrepreneurship are innovation, value creation including both social& economic value, use of technology for mass customization, employee engagement by building good leadership qualities among employees, empowering customers through knowledge sharing, value creation for customer through continuous learning. The unique features of Social Entrepreneurship when compared to CRM are adaptable learning, to find new opportunities continuously to increase its customer base. CRM will focus on only customer share while SE will focus on product and service analysis. The following are possible practices CRM companies can learn from social entrepreneurs, adaptable learning, finding new opportunities continuously to increase its customer base and networking ability. CRM companies can focus to identify solutions for Social problems.

There are common concepts among CRM and Social entrepreneurship. As Social entrepreneurship is broad concept than CRM, CRM companies can learn certain things from social entrepreneurship as mentioned above. Future research can further explore this realm of analysis to examine it empirically to create greater economic and social value for the firms. Future research can further explore this realm of analysis to examine it empirically to create greater economic and social value for the firms.

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