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Homework #1

1. What is this information system (definition and purpose)?

A Customer Relationship Management System is a system that manages all company's interactions with customers to improve business relationships and profitability. It analyzes consumer data to give the company detailed information on current and potential consumers.

2. Describe examples of this system that you have seen / worked with / know of / etc.

Since CRM includes finding new customers and winning their business, one example that demonstrates CRM is targeted ads. Targeted ads use a system to find potential customers by following their histories on the web. Then, the company can place particular ads that in front of specific groups to target the certain needs of the potential customer. This increases the likelihood the user will click on the ad and purchase something from the business, and thus the goal of improving profitability is reached.

CRM also stores customer information such as contact information. This is useful when companies send out letters to different houses and advertise their products. Although this might sound similar to targeted ads, these letters or coupon books do not need to be targeted to specific needs. Furthermore, this form of advertising can also target people who do not use technologies that much such as the older generations. Thus, the contact information stored in CRM is extremely useful to achieve the company's goal.

3. Describe one main advantage an organization should consider before implementing this type of solution.

One advantage is to consider using a cloud-based CRM before implementations. Cloud-based CRM is very beneficial because employees can work from anywhere. Thus, when the sales team is out for business, they can check the status and stay up to date. Furthermore, a cloud-based CRM is easy to install and companies don't need to pay the extra costs to transport information to different places, thus saving the company money.

4. Describe one main risk an organization should consider before implementing this type of solution.

One main risk an organization should consider thoroughly before implementing CRM is privacy concerns. By storing consumer's information, there can be sensitive content that the customer doesn't want to be leaked. If the system is hacked, there is a risk of the information leaking to the public, which can cause unimaginable damages to the customer. Therefore, before implementing CRM, the organization should have security protections that prevent hacking and leakage of information.

5. Drawing from your reading homework, apply one of Postman's considerations about technical change – how does his argument relate to this type of information system? Include an example of how this relates.

Postman's second idea is that there are always winners and losers relate to CRM. As Postman conveyed, the private information of the people is becoming more accessible with the advancement of computers. Thus, people can be easily controlled and targeted. This relates closely to CRM because CRM's primary role is to store customers' data to better profit the company. Thus, they are observing each customer's data closely to look for each potential opportunity to gain profit. Postman also brought up the idea of winners and losers. He stated that winners are usually the larger organizations while the losers are the laypeople. This idea can be seen in targeted ads the CRM can provide. After CRM provides information on the interests of potential customers, the team can then place certain ads in front of specific groups to lure the customers in and increase profit. In this case, the company is the winner because they are controlling and using all the information, and the potential customers are the losers because they are being tempted by the company. Therefore, this also corresponds to Postman's idea of organizations taking advantages of the losers.

6. What sources did you use to find this information (e.g., textbook, Wikipedia, etc.)?

The sources I used are the textbook and websites.

<https://www.salesforce.com/crm/what-is-crm/>

<https://searchcrm.techtarget.com/definition/CRM>