CUSTOMER RELATIONSHIP MANAGEMENT, MARKETING ETHICS, AND HUMAN MARKETING – WHAT DO THEY ALL HAVE IN COMMON?

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Abstract - This article conducts an inventory of three main concepts in marketing: customer relationship management, marketing ethics, and human marketing. By analyzing the definitions and key principles of these concepts, the article aims to discover the common feature that ties them together. The analysis reveals that all three concepts prioritize the well-being and satisfaction of the customer, and seek to build strong, positive relationships with them. Customer relationship management (CRM) involves personalized experiences and solutions that meet customer needs. Marketing ethics treats customers with respect and integrity, avoiding deceptive or harmful practices. Human marketing prioritizes the well-being and empowerment of the customer, creating mutually beneficial relationships. All three concepts prioritize treating people with humanity and respect and prioritize their needs and satisfaction. By adopting this approach, businesses can build trust and loyalty with their customers, leading to long-term success.

Keywords - Ethics; Marketing; Human Marketing

Marketing has currently become the key area where business across the world can make a difference in the outcomes that they get on the marketplace. Identifying the right consumers, establishing the most efficient strategy, building the strongest message are all clearly becoming the main focus of marketing efforts of business across the world. Along with this increased focus on marketing efforts, philosophy, strategies and tactics, there is a growing concern related to the growing trend of consumerism, ethical concerns and questions related to where the human side of marketing is. This article is aimed at bringing more clarity and a wider understanding over what ethics in marketing and human marketing are all about and what is the link between human marketing, customer relationship management and ethics in marketing. In the end, we are pointing out to a possible future (or is it already the present) direction of marketing – the human-to-human connection basics.

I. CUSTOMER RELATIONSHIP MANAGEMENT

Compressive loads and more frequent Customer relationship management (CRM) refers to the practices, strategies, and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving customer service relationships and increasing customer retention and loyalty (Solomon, 2017). CRM systems can help companies to effectively track, manage, and analyze customer interactions and data, such as email and social media communications, phone calls, and other forms of customer contact (Ferrer-Estévez&Chalmeta, 2022).

One key aspect of CRM is customer segmentation, which involves dividing customers into groups based on shared characteristics such as demographics, behavior, and needs. This allows companies to tailor their marketing and customer service efforts to the specific needs and preferences of each customer segment, leading to more personalized and effective communication and engagement with customers (Frow& Payne, 2009). Another important aspect of CRM is customer data management, which involves collecting and storing customer data from various sources and using it to create a single, unified view of the customer (Medjani& Barnes, 2021). This can help companies to better understand their customers and their needs, as well as to identify trends and patterns in customer behavior.

CRM also involves the use of various tools and technologies to support customer interactions and communication, such as customer relationship management software, customer service portals, and live chat platforms (ElFarmawi, 2019). These tools can help companies to manage customer interactions, resolve customer issues, and track customer feedback and satisfaction more efficiently and effectively (Pynadath et al., 2022).

In order to be effective, CRM requires a customer-centric approach to business, in which the needs and preferences of customers are the top priority (Selvalakshmi&Suganthi, 2020). This can be achieved through the development of customer-centric policies and processes, such as personalized marketing campaigns and tailored customer service experiences. Effective CRM can also lead to improved customer loyalty and advocacy, as customers who feel valued and well-served are more likely to remain loyal to a company and to

recommend its products or services to others (Al-Dmour& Hayat, 2019). This can have a positive impact on a company's bottom line, as customer loyalty and advocacy can lead to increased sales and revenue.

There are several factors that can impact the effectiveness of CRM initiatives. One such factor is the quality of the data that is collected and analyzed, as accurate and up-to-date customer data is essential for effective segmentation and personalized communication (Woodburn, 2002). Another factor is the integration of CRM systems and processes with other business functions, such as marketing, sales, and service, as a siloed approach to CRM can lead to a fragmented customer experience (Tsui et al., 2015). Additionally, the adoption and use of CRM tools and technologies by employees is critical to the success of CRM initiatives. In order to effectively implement and utilize CRM, companies must ensure that their employees are properly trained and have the necessary resources and support to effectively use CRM tools and technologies (Orenga-Roglá&Chalmeta, 2016).

Overall, customer relationship management is a key aspect of modern business, as it allows companies to effectively manage and analyze customer interactions and data, leading to improved customer service, loyalty, and advocacy (Wang et al., 2004). By adopting a customer-centric approach and utilizing the appropriate tools and technologies, companies can effectively implement and benefit from CRM initiatives.

II. MARKETING ETHICS

Before debating on the ethics principles in the marketing area, setting the ground for the ethical perspective is needed. It all starts with the early education, before growing into adults, when we are forming our ethical beliefs (Laczniak& Murphy, 2019) that later on define how we perceive different things, situations and contexts from an ethical point of view. Ethics are related to higher standards than law, as it is related to assuming more duties than law (Murphy et al., 2017), growing into even meta-ethical theories as inventoried by Fraedrich (2011). Even more than that, ethics relate to the so-called „the golden rule: act in a way that you would hope others would act toward you" (Murphy et al., 2017). In extenso, there are 3 major principles to be followed in ethics: '1. Only follow the rules that are unchanging laws of nature (Universality formulation). 2. Never use a person's humanity as merely a tool to an end; instead, respect them as such (Human dignity formulation). 3. Act as if you are a part of a perfect kingdom of ends where you are both a subject and a sovereign (Moral community formulation)' (Murphy et al., 2017).

The systematic examination of how moral principles are applied to marketing decisions, actions, and organizations is known as marketing ethics (Murphy et al., 2017). So when narrowing it down to the marketing environment, marketing ethics is defined as the „systematic study of how moral standards are applied to marketing decisions, behaviors and institutions" (Laczniak& Murphy, 1993). The term "marketing ethics" refers to business practices that prioritize openness, reliability, and accountability in individual and/or organizational marketing policies and actions, as well as fairness to customers and other stakeholders (Murphy et al., 2017).

The focus on marketing ethics is currently growing as there is a growing understanding of the fact that marketing experts are responsible for both the intent, the methods and the outcomes of their actions (Murphy et al., 2017). Brinkmann (2002) goes into further details, arguing that marketing ethics focuses on marketing and marketing morality that is related to the elements of the marketing mix, dealing with issues like 'unsafe products, deceptive pricing, deceptive advertising or bribery, discrimination in distribution, exploitation of consumer weakness or using PR for preventing critical journalism and public debate'. Growing skepticism of any dishonest marketing strategies, such as greenwashing and fauxminist (false female empowerment), including fake femvertising (feminist advertising), has resulted from advancements in education and shifting societal standards (Eagle et al., 2020).

When in doubt whether a certain behavior is ethical or not, Laczniak& Murphy (1993) suggest a set of eight questions to be addressed:

- 'Is it legal?
- Is it contrary to society's generally accepted moral obligations?
- Is it contrary to moral obligations that are specific to that particular organization?
- Is the intent harmful?
- Is the result harmful?
- Is there an alternate action that produces equal or better benefits, and by implication, will cause fewer negative consequences?
- Will it infringe on the rights of the organization's stakeholders?
- Will it leave any person or group poorer? Will it especially reduce the well-being of an already underprivileged group?'

Marketing ethics relates first of all to the attitude that companies instill in their managers and employees (Murphy et al., 2017). When connecting marketing ethics with applied ethics, the marketing area is a component of the business ethics that is concerned with human resources, finance, accounting and research questions (Laczniak& Murphy, 2019). And of course, that there is also movement on the ethical behavior of consumers as well. This takes the form of mindful consumption, avoiding flight services, meat consumption or car usage moving towards a more sustainable and aware consumption (Eagle et al., 2020). Also, international marketers must decide

whether their activities and procedures are morally appropriate in light of the setting in which they operate because what is viewed as ethical in one place may be seen as a highly unethical act in another (Eagle et al., 2020).

Murphy et al. (2017) claim that ethical marketing prioritizes individuals, which encapsulates the concept's core. Basically, the core principle is to never regard people as solely a means to an advantageous end, especially the consumers in a commercial transaction (Murphy et al., 2017). After setting the ground for marketing ethics theory, shifting our attention to understanding human marketing is needed so as to discover the link between these two concepts, these 2 domains.

III. HUMAN MARKETING

Marketing is constantly evolving, constantly changing, constantly moving to new areas, new approaches, new principles. So, in this context, the concept of human marketing is currently growing, as the path toward bringing more empathy, more humanity in marketing activities. This shift is emerging on a foundation that consisted of product-driven marketing and then customer-oriented marketing (Kotler, Kartajaya, et al., 2021). One of the catalysts of this change relates to service-dominant logic that seems to bring a more humanistic approach by emphasizing the co-creation of value as households and individuals are viewed as resource-integrating, value-creating organizations, just like conventional firms (Williams & Aitken, 2011). Brodie et al. (2019) emphasize further that service-dominant logic states that operant resources are the fundamental source of competitive advantage and that service is the essential underpinning of exchange; therefore, every social and economic actor integrates resources, and the recipient always determines value in a unique and phenomenological way. Basically, the core philosophy of service-dominant logic is reciprocal service is defined as application of expertise for another party's benefit: 'service is exchanged for service' (Gummesson et al., 2010) and customers are no longer customers, but people or citizens (Horne et al., 2016).

Starting form the idea that every economy is a service economy where the customer is always a co-creator of value (Vargo &Lusch, 2008), marketing thinking had to shift (Kotler, Pfoertsch, et al., 2021). Philip Kotler was one of the first thought leaders that pinpointed the concept of human-centric marketing or human-to-human marketing. Human-to-human marketing places human being at the center of marketing, and with this new approach there was the realization that many of the conventional marketing tools do not achieve the goals of this new human-to-human mindset (Kotler, Pfoertsch, et al., 2021).

One of the most important enablers for this new mindset was the growth of Internet, AI, NLP, sensors, robotics, augmented reality (AR), virtual reality (VR), IoT, and blockchain (Kotler, Kartajaya, et al., 2021). In this new digital world, customer knowledge, customer pull, or even user-generated content are playing a major role (Kotler, Pfoertsch, et al., 2021) and marketers need to reshape their mindset in order to stay relevant. Schaefer (2019) describes this shift as the third rebellion where there are no secrets to be kept from consumers, no control to imagine that we can hold as providers on the market. In its core, human marketing is empowered by technology leading the way to marketing 5.0 defined as the use of technology that mimics human behavior to develop, provide, and improve value throughout the customer journey (Kotler, Kartajaya, et al., 2021). In the end, human marketing is all about shifting from consumers to human being, caring for humans, connecting with them, engaging them in the service exchange that occurs on the market. Having a human-centric mindset is likely to be the future of marketing, of market exchanges, as technology is enabling us to this this easier, faster, and smoother than ever.

IV. DISCUSSION AND CONCLUSION

Customer relationship management, marketing ethics, and human marketing all place the consumer at the heart of business. In customer relationship management, the focus is on building and maintaining strong, lasting relationships with customers by understanding their needs and preferences and providing personalized experiences and solutions. This requires companies to take a customer-centric approach, in which the needs and interests of the consumer are the top priority. Marketing ethics similarly emphasizes the importance of treating customers with respect and integrity and avoiding practices that are deceptive or harmful to consumers. This includes being transparent about the products or services being offered, honoring commitments and promises made to customers, and protecting customer privacy. Human marketing, also known as humane marketing, similarly focuses on the well-being and empowerment of the consumer, and seeks to create positive, mutually beneficial relationships between businesses and customers. All of these approaches recognize that the consumer is the driving force behind business success and prioritize their needs and satisfaction above all else. By placing the consumer at the heart of business, companies can build trust and loyalty, leading to long-term success and growth.

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