APPLICATION OF DATA MINING FOR CUSTOMER RELATIONSHIP MANAGEMENT

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ABSTRACT

In recent years, the advent of information technology has transformed the way marketing is done and how companies manage information about their customers. The availability of large volume of data on customers, made possible by new information technology tools, has created opportunities as well as challenges for businesses to leverage the data and gain competitive advantage. On the other hand, the intense competition and increased choices available for customers have created new pressures on marketing decision-makers and there has emerged a need to manage customers in a long-term relationship. Customer Relationship Management (CRM) in recent years is a concept for business that focuses on customers. After initially extraordinary expectations, numerous CRM projects fail. Thereby as one of the major reasons an overestimated and poor data quality is very frequently mentioned. Many organizations are using data mining to help manage all phases of the customer life cycle, including acquiring new customers, increasing revenue from existing customers, and retaining good customers.

KEYWORDS: CRM, IT, DATA MINING.