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REDIFY

# What is a CRM

Meaning, platform types and when it makes sense to switch solutions.



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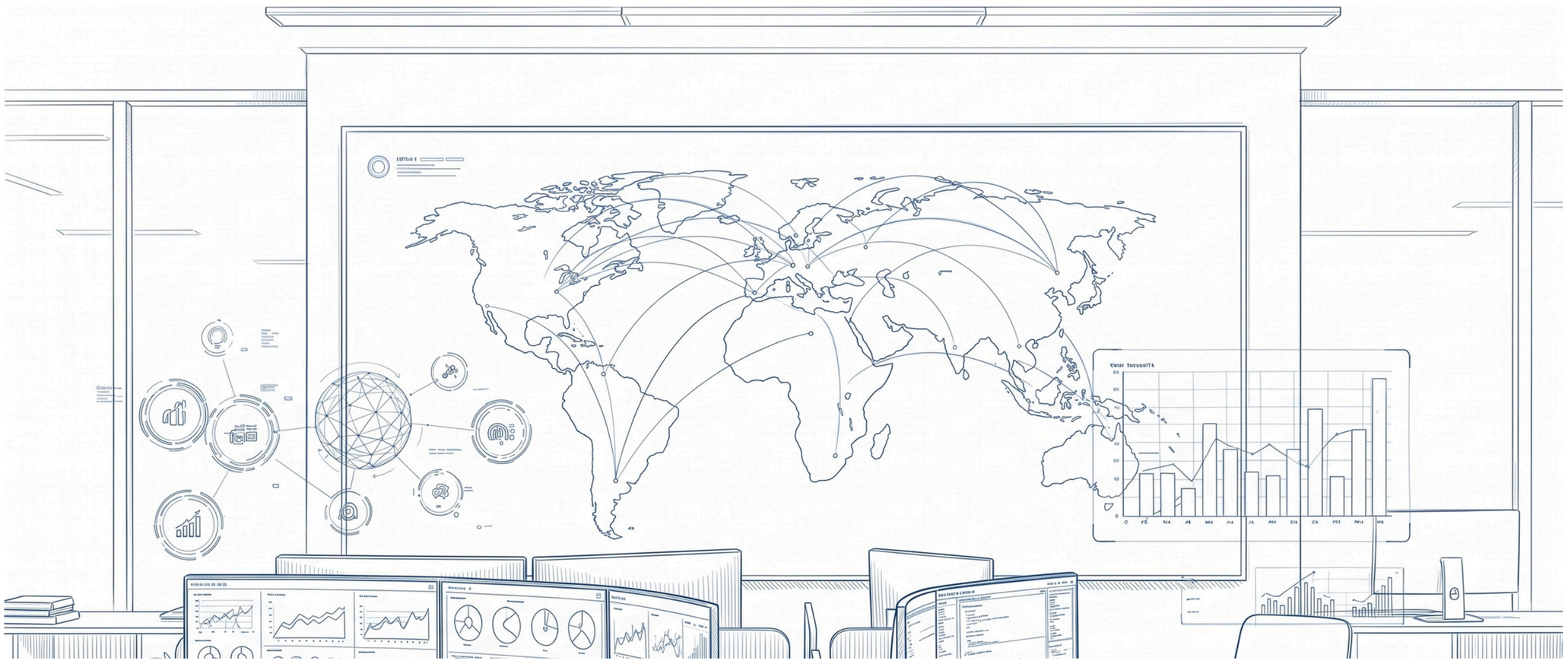
# 1. What is a CRM: meaning of the term and definition

A CRM is not simply software for managing contacts: it is a system that should make a company's relationships, data, processes and decisions more legible. The problem, for many organizations in retail, fashion, luxury and manufacturing, is not whether they have a CRM, but understanding whether the platform in use still supports growth, orchestration and operational continuity between marketing, sales and customer service.



CRM stands for Customer Relationship Management. According to Gartner, it is "a business strategy designed to optimize profitability, revenue and customer satisfaction," achieved through coordinated behaviors, processes and technologies supporting customer interactions across all channels. Wikipedia defines CRM as "a strategic process that organizations use to manage, analyze and improve customer interactions." The key point, often overlooked, is that CRM originates as a business strategy and only later translates into software: technology enables the strategy, it does not replace it.

> **A customer relationship management system is, in the more operational definition provided by HubSpot, "a technology system that helps companies manage interactions with current and potential customers by organizing, automating and synchronizing sales, marketing, customer service and technical support processes." Salesforce describes it as "a system for managing all of a company's interactions with current and potential customers."**

This definition clarifies a relevant point for anyone evaluating an enterprise system: a CRM system always includes three dimensions: data, processes and coordination between functions, not just the storage of contact information.

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# 2. CRM system: why it's not just a contact database

Defining a CRM system merely as a contact database is a simplification that leads to wrong platform choices. According to Salesforce, a CRM acts as a "central hub for storing and organizing critical customer data," but its value emerges when it "turns customer data into insight" and "breaks down the silos that exist between teams such as sales, marketing, customer service and commerce."

It is interesting to note that this definition is also sought and formulated in English in international vendor documentation: queries like crm meaning, describe crm, crm explanation or customer relationship management crm definition recur in Anglo-Saxon technical literature because the terminology standardization of the CRM sector originated in English-speaking contexts, and Italian CTOs and CIOs often cross-reference sources in both languages to validate technical evaluation criteria.

> The value of CRM emerges when it turns customer data into insight and breaks down the silos that exist between teams such as sales, marketing, customer service and commerce.

# 3. What a CRM software actually does

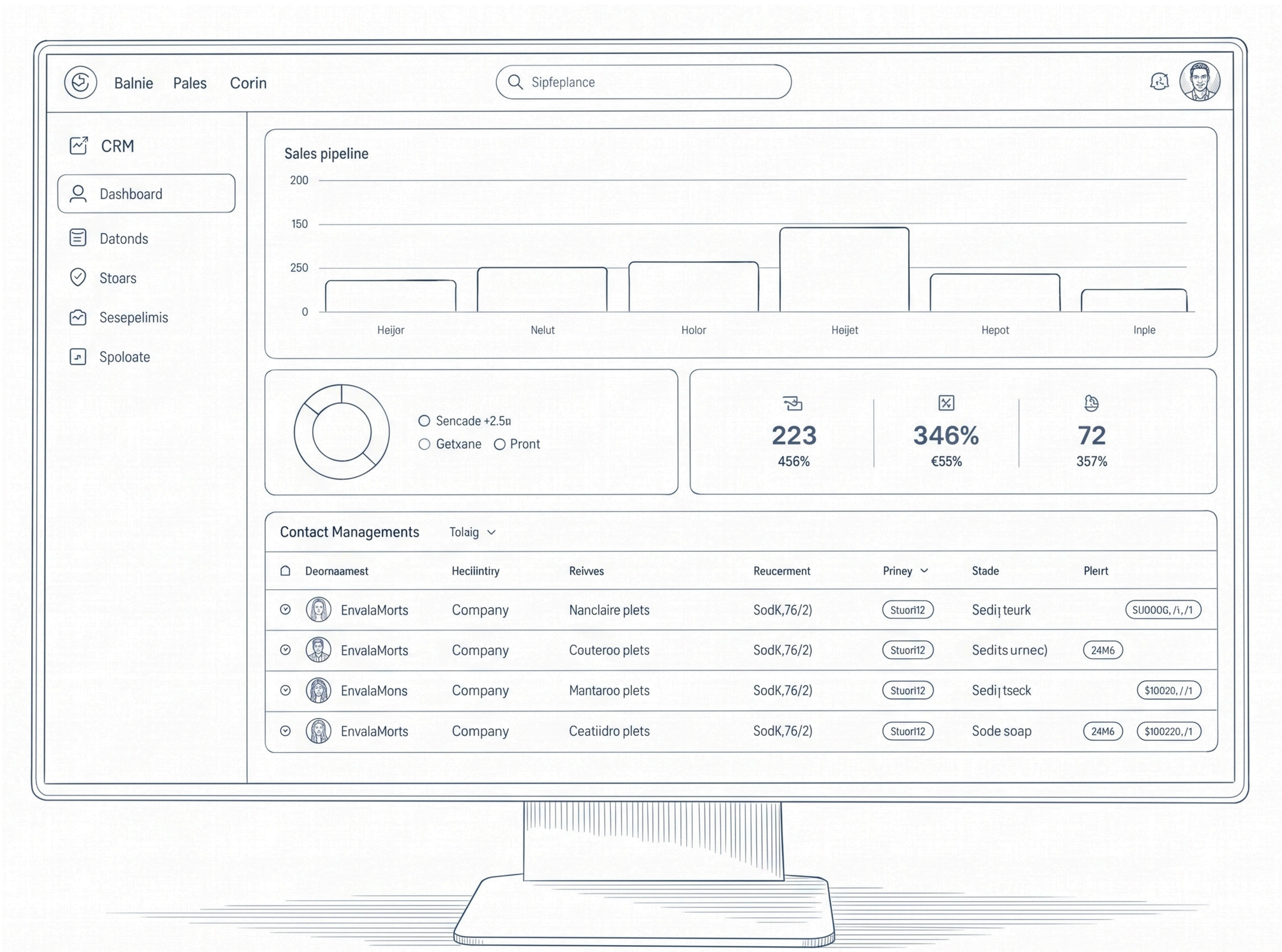
An operational CRM manages the entire contact lifecycle: from lead to deal, from account to repeat purchase. HubSpot identifies four founding components present in every CRM: contact management (profiles with complete history), deal pipeline (visualization of opportunities), activity tracking (automatic log of interactions) and analytics & reporting. This component-based architecture is useful for an Ecommerce Manager because it shows where friction points arise when data doesn't flow correctly between modules.

**Contact management**
profiles with complete history

**Deal pipeline**
Visualization of opportunities

**Activity tracking**
Automatic log of interactions

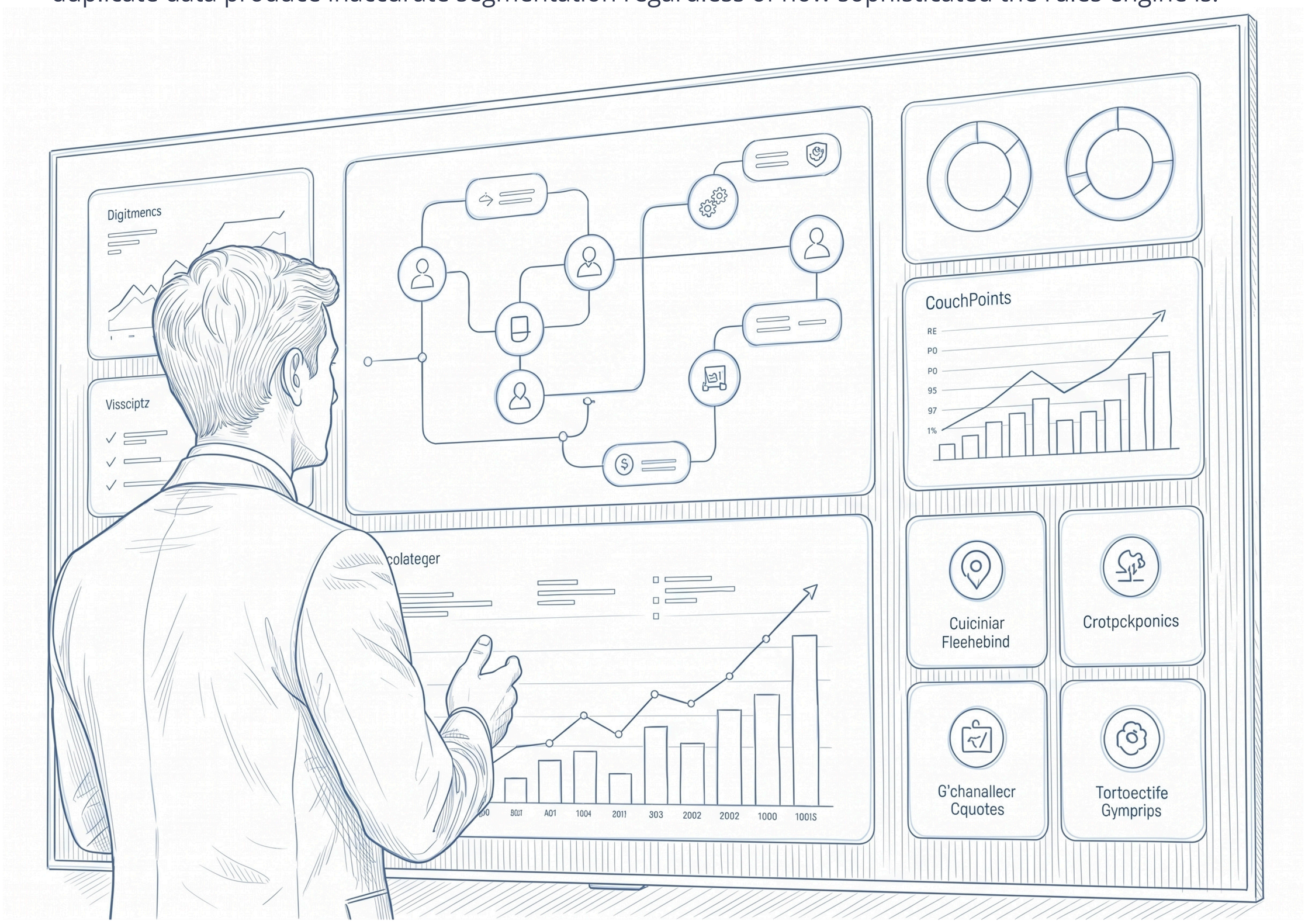
**Analytics & reporting**
Data for business decisions



# 4. CRM as a system, strategy and technology

A CRM system should provide "a single view of each customer's journey," capturing every interaction from first contact to after-sales support. Salesforce emphasizes that this unified view enables delivering personalized experiences that foster loyalty and satisfaction. Without this continuity, the customer journey breaks into isolated segments by channel, a recurring problem in multi-brand or multi-market companies.

Automation and segmentation features make it possible to route leads, personalize communications and reduce repetitive manual work between sales and marketing teams. However, the quality of these automations depends on the quality of the underlying data: automations built on incomplete or duplicate data produce inaccurate segmentation regardless of how sophisticated the rules engine is.



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# 5. Types of CRM: operational, analytical, collaborative and strategic

OPERATIONAL CRM

## Automate sales, marketing and service

Operational CRM is the customer-facing component designed to make sales, marketing and service processes efficient. It provides a complete view of each customer's communication history with the organization and is the layer that sales teams interact with daily. It is the first layer that collects raw interaction data, feeding the subsequent layers.

ANALYTICAL CRM

## Use data for better decisions

Analytical CRM is the back-office component that analyzes the large volumes of data collected by the operational CRM to generate insights on behavior, segmentation, churn and customer lifetime value. Its primary goal is to understand the customer at a deeper level, turning raw data into measurable business decisions.

COLLABORATIVE AND STRATEGIC CRM

## Align departments and goals

Collaborative CRM facilitates communication and cooperation among all stakeholders involved in the customer relationship, ensuring that every function — sales, marketing, service, logistics — works from the same information to guarantee a consistent experience across all touchpoints. The three types work as an integrated system: operational collects the data, analytical turns it into insight, and collaborative makes it available and coordinated across teams.

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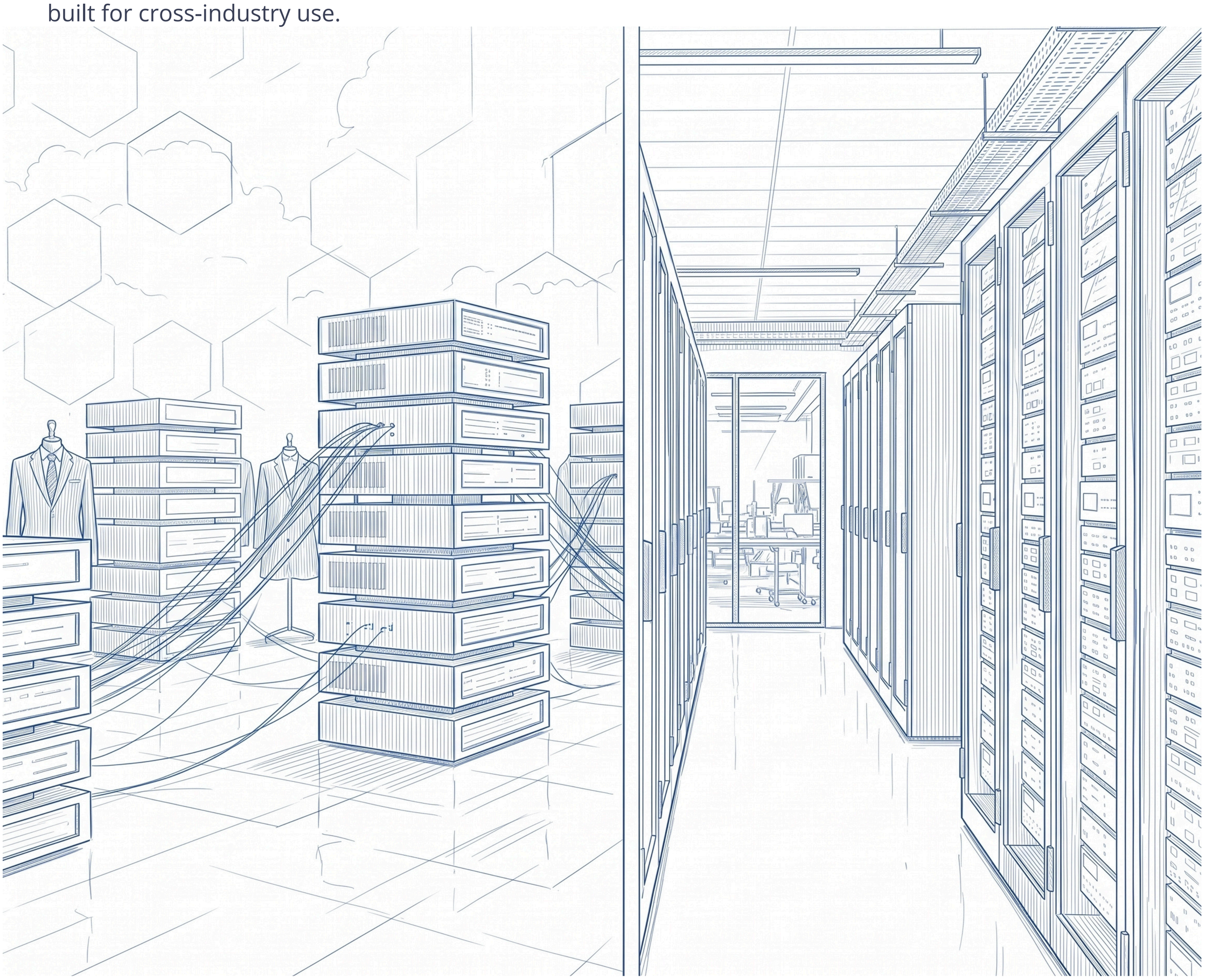
# Cloud, on-premise and industry-vertical platforms

General-purpose CRM platforms offer broad, configurable functionality suited to a variety of industries, while vertical platforms are designed around the specific processes of a given industry (for example, managing seasonal collections in fashion, or the relationship between the sales network and end customer in manufacturing). The choice between the two categories is never purely a technological one: it depends on how far a company's business processes diverge from generalist standards, and how costly it would be, in terms of ongoing customization, to force a vertical process onto a platform built for cross-industry use.



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# 6. CRM in B2C: from contact management to unifying the customer view

In B2C, understanding what CRM means and choosing the right CRM platform is not a theoretical question but a daily operational challenge for companies managing thousands of customers across multiple channels. A CRM system designed merely to store contacts is no longer sufficient in retail, ecommerce and service contexts, where CRM solutions are needed that can integrate purchase data, digital behavior and customer care requests into a single CRM system shared across teams.

CRM management in generalist B2C requires the platform to support segmentation, targeted campaigns and sales CRM without losing control over data quality: when CRM tools fail to communicate with one another, the customer view fragments and the customer relationship tends to become standardized, reducing the company's ability to distinguish between segments of different value.

This is where choosing an integrated CRM platform capable of connecting ecommerce, point of sale and marketing automation becomes a competitive criterion rather than a purely technical one: customer relationship management stops being an abstract definition and becomes a concrete investment in continuity, data consistency and the company's ability to understand its customers over time, throughout the entire customer journey.

In a high-volume B2C context, the difference between a CRM that merely records interactions and a CRM system that truly enables decisions is measured by how quickly marketing, sales and customer service teams can act on an updated, unified customer view, rather than having to manually reconstruct it by cross-referencing exports from different systems.

CRM STANDALONE VS INTEGRATED

## CRM standalone vs integrated CRM

### CRM standalone vs integrated CRM

A standalone CRM operates as an isolated system, with one-off integrations to other tools.

### Integrated CRM

An integrated CRM, embedded within a broader ecosystem, is instead designed to exchange data continuously with ecommerce, ERP, CMS and marketing automation tools, becoming part of a shared data architecture. This distinction is central for a CTO or CDO: the long-term sustainability of a CRM is measured less by the native features of the product than by the quality of its interoperability.

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# 7. When it makes sense to switch CRM: warning signs not to ignore

ORGANIZATIONAL SIGNALS

## The CRM isn't being used by teams

A recurring sign is the presence of duplicate or inconsistent customer records across ecommerce, customer care and marketing automation tools. Consider, as an anonymized illustrative scenario, a retail company where customer data remains scattered across the ecommerce platform, customer care system and marketing automation tool without a reliable synchronization flow: the result is a partial customer view, leading to redundant or contradictory communications across channels. When fragmentation exceeds a certain level, the inefficiency is no longer the responsibility of individual teams, but a structural limitation of the data architecture.

TECHNOLOGICAL SIGNALS

## Integrations, performance and security

Automations configured years earlier, when processes were simpler, often become a constraint when the company introduces new channels or markets. Modifying them requires specialized technical intervention, slowing down the ability of marketing and sales teams to respond quickly to new operational needs.

A fashion brand with a customer view fragmented across markets and channels, for example, may have a CRM that is technically functional but isolated from the CMS managing localized content or the ERP handling orders and stock. In this scenario, the CRM platform continues to "work" in the strict sense, but stops being the point of continuity for the digital system, generating manual reconciliation work between departments.

When CRM reporting requires manual exports, spreadsheet cross-referencing or cross-checks with other systems before it can be considered reliable, the CRM has stopped performing one of its core functions: providing reliable analytics and reporting for fast business decisions. A manufacturing company with a CRM poorly integrated with its sales processes, for example, may find itself manually rebuilding the sales pipeline every quarter because the system doesn't reflect the real-time status of ongoing deals.

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STRATEGIC SIGNALS

# The CRM no longer supports the way you sell

Phase 1

### Business growth and increased operational complexity

Growth in channels, markets and processes to orchestrate increases the load the CRM must support. It's not growth itself that makes a platform change necessary, but the point at which the existing CRM stops scaling with the complexity that has built up over time.

Phase 2

### New markets, new channels, new processes to orchestrate

Entering new markets often comes with different requirements in terms of localization, data compliance and sales channels. If the CRM platform isn't natively designed to handle multi-market or multi-channel configurations, every new expansion generates incremental technical debt.

Phase 3

### Scalability limits, hidden costs and operational debt

The hidden costs of a CRM that's no longer fit for purpose rarely show up in the license fee, but rather in the time teams spend on workarounds, manual reconciliations and fragile customizations. This buildup, which can be defined as operational debt, is often the most concrete indicator - more than simple dissatisfaction with the interface - that the platform has reached a structural limit.

ASSESSMENT

# When it's a real need and when it isn't

Phase 1

### A real need

Switching CRM platforms is a real need when the limitations concern the underlying architecture: missing or unstable integrations, a rigid data model, or the inability to scale processes.

Phase 2

### It's not a real need when

It's not a real need when the main problem is poor internal adoption, poorly configured processes or lack of training: in these cases, addressing configuration and processes is more effective - and less risky - than replacing the entire system.

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# 8. How to choose the new CRM platform for B2B

TECHNICAL CRITERIA

## Mapping processes and requirements before selecting software

From a technical standpoint, the decisive criteria include the quality and breadth of native integrations with ecommerce, ERP and CMS, the platform's ability to ensure data quality and consistency across systems, the flexibility of the data model with respect to specific vertical processes, and the robustness of governance mechanisms around access, permissions and regulatory compliance. Salesforce notes that integration with other tools already in use "reduces complexity and increases productivity," a key criterion for CTOs and CIOs evaluating multi-vendor environments.

INTEGRATIONS AND ROI

## Evaluating integrations with marketing automation, ERP and BI

Time to value - meaning the time it takes for the new platform to generate measurable value - is a criterion that often risks being underestimated compared to the features showcased during sales demos. It's always advisable to evaluate return on investment by comparing total costs and benefits over time, along with the long-term strategic value tied to competitiveness and business resilience. Continuity of processes during migration is equally important: a CRM switch that disrupts the sales pipeline for weeks generates a real cost that should always be weighed against the expected benefit.

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MIGRATION AND CHANGE MANAGEMENT

# Planning data migration, onboarding and change management

Choosing a CRM platform inevitably involves multiple functions: CTOs and CIOs for the architectural and data governance component, CMOs and Heads of Digital for continuity across marketing, content and customer experience, and Ecommerce Managers for the operational impact on the customer journey. Excluding any of these perspectives from the selection process is one of the most common causes of weak adoption after go-live.

**CTO and CIO**

Architectural and data governance component

**CMO and Head of Digital**

Continuity across marketing, content and customer experience

**Ecommerce Manager**

Operational impact on the customer journey



# 9. Conclusions: the role of CRM in business growth

RETAIL E LUXURY

## Relationship, segmentation and omnichannel

In retail and luxury, the CRM is where purchase data, preferences and service interactions converge, fuelling segmentation and experience personalisation across multiple channels. Salesforce notes that a well-integrated CRM makes it possible to "deliver personalised experiences that drive loyalty and satisfaction" by turning data into insights shared across teams. When a CRM fails to maintain this continuity between physical and digital channels, omnichannel remains a stated goal rather than an operational reality.

FASHION

## Operational speed, customer insight and cross-channel coordination

In fashion, where collections change seasonally and markets multiply rapidly, the CRM must support operational speed and cross-channel coordination without losing the consistency of the central customer view. The typical challenge is not data collection, but its timely synchronisation across markets with different commercial calendars.

MANUFACTURING

## Customer data, commercial processes and continuity between marketing and sales

In manufacturing, the CRM often plays a more B2B-centric role: managing complex accounts, long sales cycles and continuity between marketing activities and distributed sales teams. The most common challenge is integration with ERP systems and existing commercial processes, which in manufacturing tend to be more entrenched and less standardised than in retail.

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# A CRM adds value when it makes the system more readable, not more complex

The value of a CRM lies in its ability to make relationships, data and processes more readable over time, not in the number of features available. A CRM is part of a broader digital ecosystem that includes the customer journey, content, automation, experience, integrations and operational processes: evaluating it in isolation from the rest of the architecture leads to decisions that are technically correct but organisationally ineffective.

Anyone assessing the limitations of their CRM platform, the quality of their integrations, or the real opportunity to switch solutions can turn to Redify as a partner able to read the problem systemically, across architecture, processes, data and growth. Contact Redify.

