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# Leveraging cloud-based CRM for enhanced customer relationships in the beauty and grooming industry

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**Abstract**
The research aims to evaluate the effectiveness of cloud-based CRM by analyzing its key functionalities, including appointment scheduling, client data management, marketing automation, and inventory control. The study will assess how these features contribute to enhanced customer relationships, personalized services, and improved client retention. Additionally, it will examine the specific benefits of cloud-based solutions, such as scalability, accessibility, and cost-effectiveness, in contrast to traditional on-premise systems.
This study employs a mixed-method approach, combining quantitative data from surveys and qualitative insights from case studies and interviews with salon owners, spa managers, and industry professionals. It will also explore the challenges faced during the implementation of these systems, such as data privacy concerns, employee training, and seamless integration with existing business processes. The findings are expected to demonstrate that cloud-based CRM systems are a crucial tool for modern beauty and grooming businesses. They enable a more data-driven approach to client management, leading to hyper-personalized services, more effective marketing campaigns, and streamlined operations. The study will provide valuable insights and practical recommendations for business owners looking to leverage technology to build stronger customer relationships and gain a competitive edge in the dynamic beauty and grooming market.

**Keywords:** CRM, dynamic beauty, grooming market, mixed-method approach, combining quantitative, grooming industry, enhanced customer relationships, leverage technology

## Introduction

Cloud based CRM stands for "cloud customer relationship management" which essentially refers to any cloud-based technology that streamlines and harnesses a company's customer data for improved customer service and overall revenue.

Customer relationship management is a term that refers to the system through which businesses market, sell, and deliver services to clients. Various CRM solutions are available from different providers that can be tailored to the needs of the business, whether it is a small to mid-sized business or an enterprise organization.

Enabling companies of any size to capture customer information and analyze the data to achieve better product deliverance and ultimate customer service, CRM solutions used to only be stored in central databases consisting of hardware and network infrastructure. Now, with the advancement of cloud technologies, many companies are drifting away from the hard locations of data and moving to Internet-based solutions.

"Cloud-based" simply means that the technology does not live in an IT-based environment such as a hard database, accessible through desktop only. Cloud based CRM can now be delivered through the Internet which means that agents, supervisors, and executives can all access the same information in real time.

As long as a user has an Internet connection, he or she may access the Cloud based CRM applications and software, making customer interactions more timely and less costly. Putting CRM in the cloud means businesses do not have to purchase expensive hardware or software, and the solutions are much less time-consuming to maintain. Retrieving support is fairly easy, since providers of Cloud based CRM have the same access to the software from wherever their headquarters are located.

Ultimately, the cloud is a growing trend amongst businesses hoping to take advantage of the ability to host technology without having to maintain the cumbersome database, and the CRM industry is steadily coming into play in the cloud-based arena.

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## Need for the study

Cloud computing is often held up as a great way for businesses to save money. As companies become increasingly price conscious and space conscious, the cloud allows organizations to use only the applications and hardware capacity they need without paying for idle computing resources.

The cloud simplifies your small business's CRM strategy and saves you time and energy. You don't have to order software and install it within your network. The vendor provides your business software use for a package price and manages the software for your company.

The provider also upgrades the software as necessary, freeing up your employees' time for other business activities. If technical glitches arise in the software, simply contact the vendor. Common ways to contact your service provider for help are telephone, email, and live online chat. The provider can even provide software training materials if CRM strategy is outside your comfort zone.

Through this study, the researcher tries to identify the key areas to be enhanced to improve the user satisfaction of the Cloud based CRM by engaging them in evaluating it. This will help the management of Toni and Guy Essensuals to make the Cloud based CRM successful and increase the business efficiency.

## Objectives of the study

- **To understand the current state of customer relationship management:** Assess the existing methods and challenges in managing customer relationships within the beauty and grooming industry, from small salons to large brands. This includes identifying pain points with traditional, manual, or on-premise systems.
- **To identify key customer data points for personalization:** Determine which customer data (e.g., service history, product preferences, skin/hair type, birthday, communication history, loyalty points) are most crucial for creating a personalized and engaging customer experience in this specific industry.
- **To analyze the impact of cloud-based CRM on customer loyalty and retention:** Investigate how a cloud CRM's ability to provide a 360-degree view of the customer and automate personalized communication directly contributes to increased customer loyalty and retention rates.
- **To evaluate the role of cloud CRM in personalizing marketing and communication:** Examine how cloud CRM enables the creation of targeted marketing campaigns, such as sending personalized offers, appointment reminders, and birthday greetings, to improve customer engagement and drive repeat business.
- **To measure the effect of cloud CRM on operational efficiency:** Analyze how cloud-based CRM streamlines business processes, such as appointment scheduling, inventory management, and staff performance tracking, which in turn enhances the overall customer experience by reducing wait times and improving service quality.
- **To assess the scalability and accessibility of cloud-based solutions:** Study how cloud CRM's flexible, accessible, and scalable nature allows beauty and grooming businesses to grow and manage multiple locations or a larger client base without significant IT infrastructure investment.
- **To explore the integration of cloud CRM with other technologies:** Investigate how a cloud CRM platform can be integrated with other essential technologies, such as e-commerce platforms, payment gateways, and social media, to create a seamless, Omni channel customer journey.
- **To examine the role of data analytics in strategic decision-making:** Determine how the reporting and analytics features of cloud CRM provide valuable insights into customer behavior, popular services, and market trends, empowering businesses to make data-driven decisions for future growth. To Analyze the Security and Privacy Concerns: Address the common concerns regarding data security and privacy when moving to a cloud-based system and evaluate how businesses can ensure the protection of sensitive customer information.
- **To develop a framework for successful cloud CRM Implementation:** Based on the findings, create a set of best practices and a strategic framework for beauty and grooming businesses to successfully select, implement, and leverage a cloud-based CRM to achieve their customer relationship goals.

## Review of Literature

Organizations have to manage their customer relationship by a more measurable and observable way if they want to face the changing nature of customers. Thus, CRM has become a compulsory for companies to prosper. Yet, in order to satisfy customers, to keep them loyal and retrieve information about them, the use of dedicated software has become a necessity.

SMEs are the most important organizations in every economy. In spite of the fact that CRM is an obligation for them as well, to develop and implement a CRM in such organizations is difficult as they lack budget. Therein, open source software is a potential solution. However, one can deem this type of software as solutions for specialists. Therefore, SMEs have a strong need of guidance as they often lack expertise regarding open source software.

In this study, a new method to evaluate software is proposed. Yet, it is applied to evaluate the top 10 open source CRM software which constitutes a useful tool for SMEs to select the best solution which match their needs.

## Research Methodology

Fundamental to the success of any formal marketing research project is a sound research design. A good research design has the characteristics of problem definition, specific methods of data collection and analysis, time required for research project and estimate of expenses to be incurred. The function of a research design is to ensure that the require data are collected accurately and economically. A research design is purely and simply the framework or plan for an analysis of data. It is a blue print that is followed in completing a study. It resembles the architect`s blue-print (map) for constructing a house. It may be worthwhile to mention here that a research design is nothing more than the framework for the study ensures that the study will be relevant to the problem and the study will employ economical procedures.

Claire seltizetal defines Research Design as "Research design is a catalogue of the phases and facts relating to the

formulation of a research effort. It is the arrangement of collection and analysis of data in a manner that aims to combine relevant to the research purpose with economy in procedure".

**Three important about research design are**
- The design of investigation should stem from the problem
- Whether the designs are productive in a given problem setting depends on how imaginatively they are applied. An understanding of the basic design is needed so that they can be modified to suit specific purpose

**The three basic design are as follows:-**
- Exploratory Research design
- Descriptive Research design
- Casual Research design

The research design used in the study is descriptive research design.

**Research Design**
Descriptive research design is also called explanatory design. This is the one that simply describes something such as demographic characteristics. The descriptive study is typically concerned with determining frequency with which something occurs or how two variables vary together.

**Fried man test**
- **Null hypothesis:** There is no significance difference between towards retaining the customers and retention of customers
- **Alternative hypothesis:** There is significance difference between towards retaining the customers and retention of customers.

**Table 1:** Showing the significance about the retaining of customers and retention of customers

| Hypothesis Test Summary | | | | |
|---|---|---|---|---|
| | Null Hypothesis | Test | Sig.[a,b] | Decision |
| 1 | The distributions of retaining of customers and relationship with customer through CRM are the same. | Related-samples Friedman's two-way analysis of variance by ranks | .000 | Reject the null hypothesis. |
| a. The significance level is.050. | | | | |
| b. Asymptotic significance is displayed. | | | | |

**Retaining of customers, relationship with customer through CRM**

**Table 2:** Summary statistics of related-samples Friedman's two-way analysis of variance by ranks

| Related-samples Friedman's two-way analysis of variance by ranks summary | |
|---|---|
| Total N | 120 |
| Test Statistic | 111.000[a] |
| Degree Of Freedom | 1 |
| Asymptotic Sig.(2-sided test) | .000 |

a. Multiple comparisons are not performed because there are less than three test fields.

**Chi-Square:** Chi-square Test is a useful measure of comparing experimentally obtained results with those expected theoretically and based on hypothesis. The Expected frequencies are the frequencies that should be uniformly distributed over a given period of time.

$$X^2 = \sum [\ (O-E)^2/E\ ]$$

**Null Hypothesis**
**H0:** There is no association between the experience and the advantages in using Cloud based CRM in Toni and Guy Essensuals

**Alternative hypothesis**
**H1:** There is a association between the experience and the advantages in using Cloud based CRM in Toni and Guy Essensuals.

**Table 3:** Chi-square test results showing association between experience and advantages in using cloud-based CRM at Toni and Guy Essensuals

| Chi-Square Tests | | | |
|---|---|---|---|
| | Value | DF | Asymp. Sig. (2-sided) |
| Pearson Chi-Square | 17.962[a] | 12 | .117 |
| Likelihood Ratio | 23.392 | 12 | .025 |
| Linear-by-Linear Association | 1.932 | 1 | .165 |
| N of Valid Cases | 120 | | |

a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is.23.

**Table 4:** Cross tabulation of respondents' experience and perceived advantages of using cloud-based CRM at Toni and Guy Essensuals.

| Experience * Advantage in using cloud based CRM In Toni And Guy Essensuals Crosstabulation | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | Advantage in using cloud based CRM in Toni and guy Essensuals | | | | Total |
| | | | Improves Sales productivity | Improves customer relationship | Increases the revenue | Gain Business Insights | |
| Experience | 0-1 year | Count | 23 | 11 | 0 | 0 | 34 |
| | | % Within Experience | 67.6% | 32.4% | .0% | .0% | 100.0% |
| | | % within advantage in using cloud based CRM in Toni and guy Essensuals | 26.1% | 50.0% | .0% | .0% | 28.3% |
| | | % of Total | 19.2% | 9.2% | .0% | .0% | 28.3% |
| | 1.1-3 years | Count | 37 | 8 | 4 | 4 | 53 |
| | | % Within Experience | 69.8% | 15.1% | 7.5% | 7.5% | 100.0% |
| | | % within advantage in using cloud based CRM in Toni and guy Essensuals | 42.0% | 36.4% | 66.7% | 100.0% | 44.2% |
| | | % of Total | 30.8% | 6.7% | 3.3% | 3.3% | 44.2% |
| | 3.1-6 years | Count | 13 | 3 | 2 | 0 | 18 |
| | | % Within Experience | 72.2% | 16.7% | 11.1% | .0% | 100.0% |
| | | % Within advantage in using cloud based CRM in | 14.8% | 13.6% | 33.3% | .0% | 15.0% |

| | | Toni and Guy Essensuals | | | | | |
|---|---|---|---|---|---|---|---|
| | | % of Total | 10.8% | 2.5% | 1.7% | .0% | 15.0% |
| | 6.1-10 years | Count | 7 | 0 | 0 | 0 | 7 |
| | | % Within Experience | 100.0% | .0% | .0% | .0% | 100.0% |
| | | % Within advantage in using cloud based CRM in Toni and Guy Essensuals | 8.0% | .0% | .0% | .0% | 5.8% |
| | | % of Total | 5.8% | .0% | .0% | .0% | 5.8% |
| | More than 10 Years | Count | 8 | 0 | 0 | 0 | 8 |
| | | % Within Experience | 100.0% | .0% | .0% | .0% | 100.0% |
| | | % Within advantage in using cloud based CRM in Toni and Guy Essensuals | 9.1% | .0% | .0% | .0% | 6.7% |
| | | % of Total | 6.7% | .0% | .0% | .0% | 6.7% |
| Total | | Count | 88 | 22 | 6 | 4 | 120 |
| | | % Within Experience | 73.3% | 18.3% | 5.0% | 3.3% | 100.0% |
| | | % Within advantage in using cloud based CRM in Toni and Guy Essensuals | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| | | % of Total | 73.3% | 18.3% | 5.0% | 3.3% | 100.0% |

## Outcome
- As the p-value is greater than 0.05
- P-Value is =0.117
- Accept null hypothesis

## Inference
There is association between experience and advantage in using cloud based CRM in Toni and Essensuals.
Null hypothesis is rejected.

## One Way ANOVA
The ANOVA tests the null hypothesis that samples in two or more groups are drawn from populations with the same mean values. To do this, two estimates are made of the population variance. The ANOVA produces an F-statistic, the ratio of the variance calculated among the means to the variance within the samples. If the group means are drawn from populations with the same mean values, the variance between the group means should be lower than the variance of the samples, following the central limit theorem. A higher ratio therefore implies that the samples were drawn from populations with different mean values.

All of this sounds like a lot to remember, and it is. However, there is a table which makes things really nice.

## Null hypothesis ($H_0$)
There is no significance difference between the duration of providing Toni and Guy Essensuals training and the effectiveness of training materials.

## Alternate hypothesis ($H_1$)
There is a significance difference between the duration of providing Toni and Guy Essensuals training and the effectiveness of training materials.

**Table 5:** One-way ANOVA results on duration of training provided and effectiveness of training materials at Toni and Guy Essensuals

| Duration of Providing Toni and Guy Essensuals Training | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | Sum of Squares | DF | Mean Square | F | Sig. |
| Between Groups | (Combined) | | .031 | 2 | .015 | .064 | .938 |
| | Linear Term | Unweighted | .004 | 1 | .004 | .017 | .896 |
| | | Weighted | .002 | 1 | .002 | .009 | .924 |
| | | Deviation | .028 | 1 | .028 | .119 | .731 |
| Within Groups | | | 27.836 | 117 | .238 | | |
| Total | | | 27.867 | 119 | | | |

Hence, the Null hypothesis is accepted.

## Inference
There is no significance difference between the duration of providing Toni and guy Essensuals training.

## Findings
- It is found that, 15% of Majority of the respondents prefer structured data and automated sales employees and 35% of Majority of the respondents prefer increased productivity. Most of Majority of the respondents prefer increased productivity.
- It is found that,8% of Majority of the respondents can retain customers 100% after implementing Cloud based CRM and 46% of Majority of the respondents can retain customers 70% after implementing Cloud based CRM. Most of Majority of the respondents can retain customers 80% after implementing Cloud based CRM
- It is found that, 61% of Majority of the respondents feels security of data as drawback and 6% of Majority of the respondents feels loss of data as drawback and 33% of Majority of the respondents feels data migration. Most of Majority of the respondents feel security of data as drawback.
- It is found that, 63% of Majority of the respondents are provided Toni and Guy Essensuals training only once in a year and 37% of Majority of the respondents are provided Toni and Guy Essensuals training for every new updates. Most of Majority of the respondents are provided Toni and Guy Essensuals training only once in a year.
- It is found that, 7% of Majority of the respondents choose internal type of trainers for conducting the training programme and 89% of Majority of the respondents choose external type of trainers for conducting training programme and 4% of Majority of the respondents choose both the type of trainers for conducting training programme. Most of Majority of the respondents choose external type of trainers for conducting training programme

- It is found that, 26% of Majority of the respondents are adequate in the effectiveness of training materials and 36% of Majority of the respondents are covered few related information in the effectiveness of training materials and 38% of Majority of the respondents are inadequate in the effectiveness of training materials. Most of Majority of the respondents are inadequate in the effectiveness of training materials.
- It is found that, 51% of Majority of the respondents choose yes that they get additional business through the power of Cloud based CRM and 28% of Majority of the respondents choose no that they get additional business through the power of Cloud based CRM. Most of Majority of the respondents choose yes to get additional business through the power of Cloud based CRM.
- It is found that, 39% of Majority of the respondents are dissatisfied about the Cloud based CRM, 20% of Majority of the respondents are highly satisfied about the Cloud based CRM and 46% of Majority of the respondents are dissatisfied with the Cloud based CRM training. Most of Majority of the respondents are dissatisfied about the Cloud based CRM
- It is found that, 7% of Majority of the respondents strongly agree that the main factor motivating the usage of Cloud based CRM is around the clock data availability. 57% of Majority of the respondents disagree that the main factor motivating the usage of Cloud based CRM is revealing the key performance indicators. 45% of Majority of the respondents agree that the main factor motivating the usage of Cloud based CRM is centralization of information. 11% of Majority of the respondents strongly disagree and neutral that the main factors motivating the usage of Cloud based CRM is improving sales and profit

### Suggestions
- Some respondents are dissatisfied with overall benefits offered by Cloud based CRM this may due to the ineffective training
- Some respondents prefer better customer relationship of Cloud based CRM. The company can take some necessary steps to build a best relationship with the customers of cloud CRM which will also help in the future business.
- Some respondents feel procedure to update customer data is difficult the company can provide the customers with adequate information and training to the customers.
- Some are dissatisfied with the Cloud based CRM training because the Toni and Guy Essensuals training is given only once in a year. Management of Toni and Guy Essensuals can conduct periodical training on Cloud based CRM
- There is an inadequate in the effectiveness of training materials the company is suggested to provide adequate training materials to the company.

### Conclusion
Putting CRM in the cloud means businesses do not have to purchase expensive hardware or software, and the solutions are much less time-consuming to maintain. Retrieving support is fairly easy, since providers of Cloud based CRM have the same access to the software from wherever their headquarters are located. As long as a user has an Internet connection, he or she may access the Cloud based CRM applications and software, making customer interactions timelier and less costly.

This study has been undertaken to understand the overall effectiveness of the Cloud based CRM been implemented in Toni and Guy Essensuals. For this purpose, responses from the employees have been collected and analyzed. Based upon the findings out of the research, few valuable suggestions have been given to the management of Toni and Guy Essensuals to improve the overall effectiveness of the Cloud based CRM.

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