CUSTOMER RELATIONSHIP MANAGEMENT (CRM) AND ITS IMPACT ON PERFORMANCE IMPROVEMENT OF COMPANIES IN IRAN TELECOMMUNICATIONS

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Abstract

Today, climate of international business environment has changed and businesses are going to electronics. Role of customer relationship management is dramatic in e-commerce. Despite the significant growth of electronic commerce, internet sales is low and people tend to buy some online retailers so should done an attempt to identify factors that have an impact on online shopping and online sales. Implementation of customer relationship management projects is associated with high risk and uncertainty. It is therefore important to do proper planning before implementation; reduced risk intended to achieve the best way the benefits. Customer relationship management is vision that emphasize on collaboration between the exchanges in order to create the value. This view is effect of recent advances in information technology, by collect and organizes the data of customer in databases is and responding faster and better to their needs and demands and as result is stability of customer relationship and survival of the organization and the ultimate goal is to become these interactions to more profitable by increasing repeat purchases and decreasing customer acquisition costs. Therefore, Customer Relationship Management (CRM) and cooperation between businesses (B2B) are two main critical factors in the success of modern business.

Keywords: CRM, Readiness Assessment Model, Electronic Commerce, Strategy, Internet Retail

1. INTRODUCTION

In the current situation of Telecommunications Company in Iran following the privatization and in competition with the second operator (MTN) in mobile, third operators and Righ Tel Company and other competitors implement the principles of relationship marketing by using practical program "Customer Relationship Management" technology-based strategy. Customer relationship management is a continuous process and includes the creation and application of market knowledge intelligence to create and maintain a portfolio of customer relationships that can be more efficiently (Abasinasab, 2010). Although CRM implementation can have many benefits for the company and customers, but a recent study estimated that 70 percent of companies fail eventually and these companies generally have ignored the complexity of CRM and about organization's readiness to implement CRM have not done careful examination. Thus, a series of circumstances, situations, challenges is leading to the ultimate success or failure of CRM implementation (Ebrahimzadeh Esfahani, 2005).
2. LITERATURE REVIEW

Research about assessment readiness for the implementation of electronic customer relationship has been limited in our country and has provided certain factor and index and it investigation is no exception in the Telecommunication Company of Iran. Assessment models readiness for the implementation of customer relationship management in internal and external research and other research in problem field explains by providing a comprehensive model that factors and indicators of Model include (Ziabari, 2004):

1 - The leadership factor: (introduction with project aspects of senior manager, support, commitment and support of senior management, the desire to exploit new technology senior manager, leadership).

2 - Strategic factors: (operating value creation, customer engagement strategy, defines the vision, strategy of information management, competitor analysis, customer strategy, strategic alignment).

3 - Technology factor (IT of companies, technology integration, technology readiness of state and government)

Technology integration means overall system architecture is integration between various systems of CRM (Rafiei; Amini, 2007)

Government readiness in terms of expands positions, rules, trust and legitimacy of e-business applications and also country readiness in terms of provides resources and information technology infrastructure in the customer area are effective on the Evaluation readiness (Tarokh, 2008).

1 - Company culture factor (variability culture, flexibility culture, collaboration and knowledge-sharing culture, learning culture, adopting investor, trust -based culture, understanding and accepting clients)

Investors awareness about the use and benefits of CRM and their understanding of information technology and customer acceptance with Improving organizational processes in term of an understanding of CRM and implementation of CRM and its benefits by customer is also an effective readiness assessment (Ahmad & et al,2008).

1 - Process factor (customer problem management, service quality, get familiarity with customer, organizational process integration, customer development, customer welcome, the goal setting on customers)

Acquisition of familiarity with customer means to familiarity and get more information from customers that have become potential to actual and includes information about the attitudes, satisfaction and customer trust and also identify key customers and .... (Ekhlasi, 2006).

Goal setting means to correctly distribution of offers defined in the activities of planning to group's potential and actual customers. After understanding of the customer is done developing customers, this means that more investments are done on relationships that create highest mutual value. This process consists of market development strategy and, UP selling, Cross selling.... (Ebrahim Skandari, 2006).

2 - People factor: (employee training to employee satisfaction, hiring qualified employees, employee skills, employee participation, and appropriate reward systems and based on customer orientation)

2- The measuring and control factor (measuring available factors in the field of marketing, planning and control of project, evaluation available factors in the field of finance, risk management, evaluating available factors in internal indicators) (Elahi; Haghighi, 2005).

Available factors in the field of marketing include measuring customer satisfaction and loyalty rates, rates to attract customers, increase in customer repeat purchases, increasing cross-sales and more sales, increase in market share (Azari, 2007).
Available factors in the field of internal indicators includes measures of success in project implementation and control compliance system with specifications, improving in knowledge of organization about customer, increasing sales force productivity, achievement of project objectives, the adoption rate of CRM systems by employees and customers and the factors available in the financial field means increasing in sales of organization, increasing in the rate of organization profit, to reduce in the cost of marketing and sales. Hooman & McAlpine found 8 categories of risks including system users’ risks, Risks of processes, speed of delivery risk, policy risks and absolute ownership, risk of the need for taking delivery, the risk of needs to re-work, over-trust on untested methodology, risk of inadequate financial resources.

1 - The structure factor (flexible structure, team structure, ease of horizontal communication, procedures and standards dealing with clients, decentralization).
2 - Knowledge management factor: (knowledge creation, applying customer knowledge, review and updating customer knowledge, customer knowledge sharing) (Ebrahimpour, 2010).

3. RESEARCH METHODOLOGY
The Delphi method was used to confirm the questionnaire. Experts was chosen from the three groups : professionals and consultants people in companies producing software of CRM, professors, researchers with field of teaching with research in the areas of CRM, IT, that was experts responsible for implementing CRM in telecommunications and other companies. Questionnaire has been developed based on criteria of a five-option Likert. Cronbach's alpha was used to evaluate the reliability of the questionnaire that Cronbach's alpha coefficient for the questionnaire was 93% and this percentage value is acceptable.

4. VERIFICATION OF FACTORS AND INDICATORS
In this study, after data collected from the experts for answers to any indicators were obtained middle. Because some articles use it to design questionnaires based on Likert criteria is strongly recommended and middle were compared with following numbers.

3.5: standard reasonably indicators that are equivalent to 70% of highest Likert score (number 5).
1.5: Remove standard of index that is equivalent to 30% of highest Likert score (number 5). Between 1.5 and 3.5 index is sent to the next round of the Delphi method.
In this study, all indicators except index of customers understand and accept that is require second round the Delphi was approved by consensus of experts because this index is obtained with near distance from a statistical standard for acceptance index (3.5) The only index that remained for the next round, was approved.

5. PRIORITY INDICATORS AND FACTORS
For this purpose was used mean method that according to mean table was obtained three priority groups.
In priority (highest priority), all factor of leadership indicators, strategy factor (value creation, engagement strategy, define a vision) technology (technology of company, technology integration) measurement and control (assessment factor available in field off marketing), process (quality of service, problems management, get familiar).
In first 2nd strategies (information management strategy, competitor analysis, customer strategy, alignment strategies), technology (technology readiness of state and government), all indicators of human resources, all indicators of knowledge management, other indicators
of assessment and control factor, culture factor (culture of change, customer orientation, flexibility) and flexible structures, priorities 3rd is other factor indicators and structure factor. Analysis of these results can be stated as follows.

The first phase for the successful implementation of CRM is Stage before implementation that includes commitment and support senior management and leadership that by determining strategies deals with needed changes in staffing, technology and processes. Existence of a clear and definite strategy has been identified as necessary part for successful implementation of CRM projects. Create a vision is to identify the company's commercial positioning, defining goals... and explicit goals causes that formed a communications system to promote and conduct in company. Creating strategy which the customer is considered as corporate assets and this is achieved by giving value to the customer. During this strategy should be determine aims to develop and use the resources that are applied to interact with customers. The other indicators of strategy has been in the second priority, of course these indicators have also more important in consensus of the experts views. Assessment indicators priorities factor available in the field marketing compared to other indicators is obtained more.

Because this indicator is the only indicator related to measure factor that is express in all previous research, thus determine the importance of this indicator. On the other hand according to Pareto law, 20% of the customers create 80% profitability and 5 percent increasing in customer retention costs became to increase profitability 25 percent or more and customer satisfaction, delivering value to their customers is result to customer loyalty and increasing profitability. Therefore to maintain long-term relationships with customers are becomes critical issue. In relation to process indicators can be said that according to Swedish satisfaction index model complaints mechanisms in organization with a suitable performance can increase customer loyalty. Service quality on customer satisfaction and reduce complaints is effective. Also to develop first customer is need to get familiar with customer. Thus three factors of process are in first priority. Of course other indicators also have been approved importance by experts. All of the knowledge management is in second priority.

In the analysis of human resources factors, culture, structure can be rejected following analysis.

To change the organization structure is inevitable using the re-engineering. Reengineering under the strong support of senior management and the use of force relevant and appropriate training can succeed and effective factor of redesign success is considering cultural issues and human resources of the organization. Culture inside organization is affected by culture of outside community and is slowly changeable. The other hand information technology in organizations and companies have strong role in Iran. As far expressed that without Information technology is not possible implementing re-engineering project.

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