



Factors for Success in Customer Relationship Management (CRM) Systems

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Abstract— Customer Relationship Management (CRM) has become the main interest areas of researchers and practitioners, especially in the domains of Management and Information Systems (IS). Also, Customer Relationship Management is the most important tools in our era and is the integration of trust, business and technology to gratify the requirements of the clients. This paper is an overview of success factors that could facilitate successful adoption of CRM. There are two factors: the organizational climate and the capacity for innovation. For this study, a survey was developed with 200 CRM users. Empirical research is in the positivist paradigm based on the hypothetico-deductive method. Indeed, the approach adopted is the quantitative approach based on a questionnaire compiled by Tunisian companies operating in different sectors of activity. For the data analyses, the structural equations method was used to conduct our exploratory and confirmatory analysis. The results revealed that a creative organizational climate and high innovation capacity positively influences the success of CRM practice.

Keywords— Customer Relationship Management, organizational climate, innovation capacity, structural equation, Success factors.

I. INTRODUCTION

Today, the success of many companies is largely conditioned by its capacity for innovation. Indeed, a company is expected to be innovative to meet the needs of its customers and remain competitive in the market. Rare are the research works that have studied the success of the relationship management practice [1].

CRM is a term used for the implementation of some procedures within a company to arrange its customers through the CRM software that is used to support the procedures.

The importance of effective customer relationships as a key to customer value is widely emphasised. In order to enhance these relationships, the application of IT to marketing through customer relationship management (CRM) software, e-commerce and other initiatives is growing rapidly.

The objective of CRM is to create a customer-oriented organization that maximizes customer value and long-term organizational profitability through realization of mutual benefit, durable relationships with customers.

The main objective of this study was to identify the effect of organizational climate and innovative capacity, which are two key factors, on the success of CRM practice.

II. RESEARCH OBJECTIVES

The core aim of this theoretical paper includes three objectives:

Objective 1: To identify success factors for the customer relationship management

Objective 2: To increase the understanding of CRM

Objective 3: To justify and validate the summarized success factors and suggest how to best reach success according to these factors.

III. RELATED WORK

The CRM Practice

CRM is a customer database that allows a company to have a clear and consistent view of its customers and future customers (prospects). It represents all the tools that identify prospects, and then processes, analyzes and retains customers. The goal is to ensure a personalized follow-up, by offering the best quality service possible. This tool makes it possible to place the customer at the heart of the company by listening to them and having a better knowledge of their expectations and needs. It also helps to better target customers, optimize working time, while increasing the responsiveness of a company and boosting its productivity.

There are usually three categories of CRM: analytic CRM, operational CRM and collaborative CRM Charoensukmongkol, P. & Sasatanun, P. (2017).

Analytical CRM

Analytical CRM includes: customer knowledge and segmentation analysis, dashboard development to analyze profitability, customer value measurement and life calculation.

Analytical CRM provides decision-makers and managers with tools to measure the performance of marketing, sales or customer service departments. It also gives statisticians tools to strengthen the operational capacity of their department.

Operational CRM

Operational CRM focuses on the daily management of the relationship with the customer, through all points of contact (remote contact center by telephone or internet, sales force tools). Management can coordinate the different channels of interaction between the company and its customers by synchronizing information for marketing, sales and all services.

Collaborative CRM

The collaborative synthesis approach is designed to facilitate communication between the company and its customers, as well as integration with other departments of the company such as logistics, finance, distribution.

Reference [2] has proposed his own definition of CRM which translates as follows: "CRM is a multi-tasking technology in the form of a database containing huge volumes of customer data. It promotes the integration of customer-centric systems, enabling the organization to better understand its customers through the alliance of business and customer data, with the goal of increasing profits".

Indeed, for [3], CRM or its terms "remain associated with various representations, fruit of the concerns of the variety of actors concerned".

CRM is also seen as a management practice that helps retain the most profitable customers. Indeed, the establishment of good CRM practice within a company offers benefits in terms of improved sales, evolution of market share (PDM), customer satisfaction and reducing the default rate.

There are four functions of CRM practice, namely:

1. Operational CRM: allows managing the relationship with customers on a daily basis [4].
2. Strategic CRM: places CRM at the heart of the company's overall strategy.
3. Analytical CRM: uses the data collected by operational CRM to carry out a thorough analysis of these data in order to drive the activity (decision support, forecasts, creation of customer profiles).
4. E-CRM: is the new generation of customer relations. Although the techniques of customer relation 2.0 are today anchored in the mores of the companies, they are still very evaluative and far from reaching

maturity. In some sectors, the implementation of an e-CRM strategy is encouraged, while in others, it is at its beginnings.

One can also imagine that depending on the activity of the company and its customers, the digitalization of the relationship is different. For example, depending on whether the clients are individuals (B2C) or professionals (B2B), it is assumed that the strategies and issues are different. The techniques and examples detailed above are largely drawn from a B2C context; the reason it seems is that the e-CRM market is more advanced and studied for the general public.

There are two components of e-CRM that must be distinguished, which are front office and back office:

- The front office: these are the supports that the client can see and with which he has interaction and direct use. These include e-mailing, newsletters, personalized content and spaces, virtual spaces, portals or social forums and networks.
- The back office: this is the set of systems that make e-CRM work. The customer has no vision of these tools; they are managed by the company or its external provider in CRM. This is the set of solutions that manage data mining and are integrated into the IS. Thus, the data are interconnected with each other and with front-office tools. These are mainly data analysis tools collected and communication campaign planning.

The success of e-CRM practice depends not only on the acquisition of the technology itself, but also of factors whose presence is now important. These factors are intrinsic to the modern enterprise, especially the organizational climate and the capacity for innovation. These allow to give a better performance, and ultimately that the e-CRM (acquisition, maintenance and retention of the customer); and, for this to be realized, a harmonious and global vision is necessary.

The Organizational Climate

The literature on organizational climate is as abundant as it is varied. The very notion of "climate" applied to the field of organizations is not without raising a series of questions of semantic order (what definition?) and methodological (how to apprehend or measure it?). The search for a consensual definition comes up against the implicit nuances between the "social climate" mentioned by French specialists and the "organizational climate" that their Anglo-Saxon counterparts seem to prefer. As part of this study, we will talk about organizational climate.

The organizational climate in its basic sense would be the personality of an organization; that is, a set of characteristics that describes an organization, distinguishes it from others and influences the behaviors and attitudes of those members.

The creative organizational climate is often seen as a phenomenon that largely influences the company's

capacity for innovation. The organizational climate is therefore a very important factor in producing and implementing any new idea. The work of [5] shows that creativity is positively related to the innovation of the company. The latter depends on the re-activity of the enterprise and the degree of acceptance of adoption of new technologies.

According to [6], the organizational climate is "[...] the tenor of life in a working environment. An innovative climate fosters commitment and enthusiasm, encourages people to take calculated risks in a safe environment, promotes learning, and encourages independent thinking". Hence, the hypothesis **H1: The creative and collaborative organizational climate influences the positive performance of CRM practice.**

Innovation Capacity

Innovation capacity: it is the ability of a company to engage in the process of innovation, i.e., to be able to transform new knowledge into products, processes or systems. It is based on a set of essential factors, including people, tools and methods, physical resources and financial resources. Technology is the major factor that drives all the above discussed processes and strategies. Organizations will also need to select and track technologies that are likely to impact their efforts. The second hypothesis presented, **H2: Innovation capacity has a positive influence on the performance of CRM practice.**

The Performance of CRM Practice

Improved performance practice CRM is precisely the development of the customer relationship, it is a real need, especially as, in general, companies consider that acquiring a new customer is much more expensive than keeping a customer already acquired [7].

CRM is a strategy framed in a methodology and supported by new technologies. Indeed, for the CRM project to succeed, we must take into account its failure. In their study on the implementation of an e-CRM technology, [8] showed that this new technology was directly rejected by the sales team because it imposed a collaboration between the sales representatives. One of the facets of e-management is CRM [9].

IV. METHODOLOGY

To verify our research hypotheses, a survey of 200 Tunisian industrial enterprises was conducted. The questionnaire includes an introductory paragraph explaining the purpose of the study and specifying the possibility of answering anonymous.

Data Analysis Methods

We used, the reliability analysis of the measurement scales as well as the principal component analysis (PCA) to examine the dimensionality. The verification of the research hypotheses was developed using the structural

equation method. Several software packages allow checking the relations of our model, but the Amos 21 software [10] has been preferred for its simplicity.

Operationalization of Variables

All the items of the different constructs were evaluated on a Likert-type scale ranging from 1 to 5, from totally agree to totally disagree. We measured the built capacity of innovation from four items inspired by the work of [11].

The built organizational climate was measured by three items based on [12]. CRM technology was measured by 12 items [13].

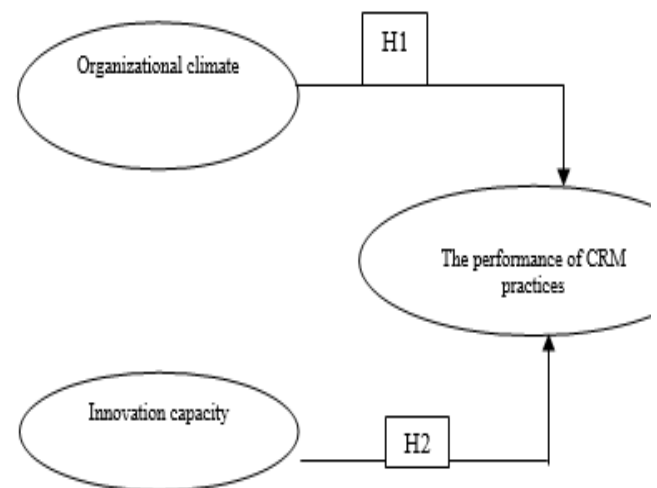


Fig. 1 The research model

V. RESULTS AND DISCUSSION

Reliability Analysis and PCA

The reliability of a scale can be qualified as satisfied when the results obtained during repeated measurements of the same object or the same phenomenon prove almost identical. To test the reliability of a measurement scale, the most commonly used method is Cronbach's alpha.

The organizational climate kept its original form, namely three measurement items, gave a value of $\alpha = 0.874$. The capacity for innovation, initially measured by four items, was reduced to three items after purification and gave an acceptable reliability value of $\alpha = 0.824$. The CRM technology is composed of 12 items. Purification gave us a five-item scale with a value of 0.791.

The Results of Confirmatory Factor Analysis: Overall Model Adjustment Results

Table I indicates that the values of the following indices: X2 normed, GFI, AGFI and RMSEA are satisfactory. The RMR, CFI and NFI indices are nevertheless below the required standards.

TABLE I Presentation of the Adjustment Indices of the Global Model

Indices	CMIN/DF	GFI	AGFI	RMSEA	CFI	NFI
Values	2.236	0.926	0.913	0.058	0.960	0.952

The results obtained in the exploratory factor analysis are confirmed. The reliability of internal consistency scales was verified by Rhô value.

The criterion of the average variance extracted or the Rhô of convergent validity (ρ_{vc}) whose value must exceed the threshold of 0.5 has been calculated for the convergent validity of the constructs.

TABLE II Results of the Reliability and Validity of the Constructs

Variable	Convergent validity (Rhô de Joreskog)	Rho of validity convergent (AVE)
The organizational climate	0.917	0.754
Innovation capacity	0.856	0.644
The performance of CRM practices	0.775	0.612

As regards to the discriminant validity, the square root of the convergent validity Rhô is inscribed in the diagonals, the other values are the correlations between the dimensions.

TABLE III Discriminant Analysis

	The organizational climate	Innovation capacity	The performance of practices CRM
Organizational climate	0.868		
Innovation capacity	0.299	0.802	
Performance of practices, CRM	0.379	0.433	0.782

Analysis of Research Hypotheses

The estimates of the regression coefficients and the explained percentages of variance R^2 allow us to verify our research hypotheses.

TABLE IV Validation of Research Hypotheses

	Student's t-test	Significance of links	Validation of hypotheses
H1: Organizational climate → Practices CRM	2.232	0.000*	confirmed
H2: innovation capacity → Practices CRM		0.000*	confirmed

*P < 0.05

The regression coefficient between organizational climate and performance practice CRM is significant (t-test student 2.232). This result allows us to confirm our first hypothesis. Similarly, the regression coefficient between innovation capacity and performance practice of CRM is significant (the student t-test $t = 2.076$). Therefore, our second hypothesis are also confirmed.

VI. CONCLUSION AND FUTURE SCOPE

CRM projects are complex to set up and require strong involvement to ensure its success. Project management is essential because it is through effective procedures (processes) that the companies can properly introduce these tools in their organization.

The aim of this paper is to study the impact of organizational climate and innovative capacity on the

success of the CRM practice in Tunisian industrial companies. The results of the survey, conducted among 200 Tunisian companies operating in various industrial sectors of the country's economy, revealed that the capacity for innovation plays an important role in the success of CRM practice. As well, a creative climate favorable for performance practices of CRM must be in place.

Like all research, this study has some limitations. Indeed, the size of the study sample is quite small. Also, this research was done in a specific period.

We conclude this work by specifying that it is the starting point for further research, such as developing more complex models to ensure successful CRM practices.

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AUTHORS PROFILE

Hamadi Khlif obtained a Ph.D. degree in Management sciences at the Faculty of Economics and Management in Sfax. He has 5 years of teaching experience and 7 years of Research Experience. He has published more than 5 scholarly and applied articles on these topics over the past 2 years. His areas of research interests include E-management, E-commerce management 2.0, and the impact of Business Schools.

