A Survey of Success Factors for CRM

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Abstract— **Customer Relationship Management has become the main interest of researchers and practitioners especially in the domains of Marketing and Information Systems (IS). This paper is an overview on success factors that could facilitate successful implementation of CRM.**

Index Terms— **information systems, information technology, CRM components, CRM success factors, customer relationship management.**

I. INTRODUCTION

In the past decades, the challenge for businesses was optimizing production process to reply to growing demand, and using marketing techniques to capture customers in the market. Goods manufacturers today are competing in a sever business environment, and transaction marketing (product, price, place, and promotion, the 4 Ps) alone is perceived to be insufficient. As a result, CRM is recommended for establishing unique relationships with customers and for generating more value to goods and services than what is possible through traditional transaction marketing. Traditional marketing was focused in wining customers [15]. Now, with the CRM focus; the purpose is both to win as to maintain the customers. The new CRM paradigm reflects a change in the traditional marketing, described as "customer management". Customer retention is necessary and these calls for loyalty which is caused by great service, trust and, to a degree, personalization. Then relationship marketing is not only about the 4Ps but also long-term relationships, proposing a transaction-relationship continuum. An early definition of relationship marketing is provided by Grönroos [16] , ''The role of relationship marketing is to identify, establish, maintain and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all other parties involved are met; and that this is done by a mutual exchange and fulfillment of promises''. Within the present business environment, characterized by an increasingly aggressive competence, the fight to win customers is stronger every day. Companies that enter to compete in a new market weaken the already existing and solid ones, due to the new methods of doing and conceiving businesses.

CRM can be defined according to Gummesson as "CRM is the values and strategies of relationship marketing – with particular emphasis on customer relationships- turned into practical application". Sterne's definition of CRM is easier than Gummesson, "CRM is the art of using every bit of information that comes into your company about each customer as means of tailoring your communications with them on a one-to-one basis".

Today, in the business world, management recognizes that customers are the core of a business and that a company's success depends on effectively managing relationships with them. All objectives are focused to one ultimate goal that is to make customers happy because they are the ones who keep the business running. Essentially, CRM focuses on building sustainable customer and long-term relationships that add value for both the company and the customer.

Despite widespread agreement that CRM can have a direct and indirect impact on customer satisfaction, loyalty, sales and profit, the significance of CRM and the factors that lead to its successful implementation is an area of widespread debate.

In this paper in order to identify critical success factors for CRM adoptions we performed literature review and a survey, we identified the most significant success factors for CRM implementations based upon the results of literatures. From these, we determine which part should be emphasized in order to increase the success rate of CRM implementations. The paper is ordered as follows. In the section, the related works are described. Then, identified critical success factors are presented.

II. RELATED WORKS

The success factors for CRM implementations have been described in many previous publications and have received increasing attention within the literature of CRM. Relationship marketing emphasizes that customer retention affects the company's profitability because it is more efficient to maintain an existing customer relationship than create a new one [10, 15].

CRM is therefore understood as a customer-oriented management approach where information systems provide information to support operational, analytical and collaborative CRM processes and thus contribute to customer profitability and retention. Research on success factors is an area that has already received some attention in the CRM literature. Most of the publications mention to achieve the CRM objective, there is a series of aspects, and aspects involved process and human and technology.

- The processes, through which the customer relates with the organization [1], according to Thompson, are: marketing, sales, and service [1, 9].
- The human factor (on behalf of employees within the organization and as of the customers) with a key role within the CRM strategy.
- The technology is what facilitates implementing the CRM strategy and it is offered on-premise, on-demand or through Software as a Service (SaaS) CRM depending on the vendor; thus, it is necessary to know which of these technologies are and how they favor the CRM strategy [1].

The success key elements for CRM implementations have been described in many previous publications. Mendoza, L.E. [1] proposed, justify, and validate a model based on critical success factors (CSFs) that will constitute a guide for companies in the implementation and diagnosis of a CRM strategy and the model is confirmed by a set of 13 CSFs with their 55 corresponding metrics. These factors include marketing, sales, services, related aspects to the client, organizational aspects, information systems (IS), and software for CRM, sales force automation (SFA), data warehouse and data mining, help desk, internet influence, call centers, coordinating the CRM implementation. These factors cover the three key aspects of every CRM strategy (human factor, processes, and technology) [1]. Mendoza, L.E. has had a holistic view to propose models of CRM key elements.

Almotairi and et al. [2] provided taxonomy for success key elements based on the analysis of the main components of CRM and this taxonomy include top management support or commitment, define or communicate CRM strategy, inter–departmental integration, skilful staff, key information on customers, manage IT structure, customer involvement, define CRM processes. However, they focused on providing taxonomy for success factors and did not propose any method about how to integrate those into the CRM implementation process.

Pan and Hoyeon [4] summarized 11 success factors and described Six Sigma DMAIC Application case study. Evolution path, timeframe, reorganization, minimize customization, time and budget management, customer involvement, no culture conflict, use of the CRM system by managers, measurement, management involvement, training of CRM concepts.
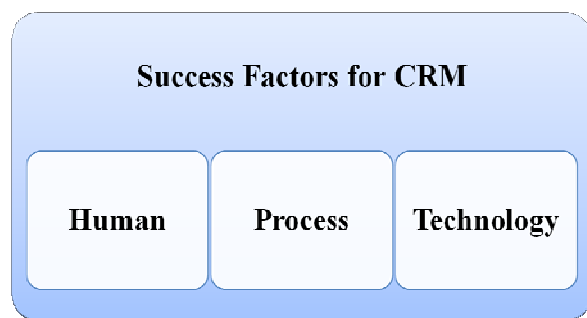

Figure 1. Success Factors for CRM.

Roh [7] proposed the priority factor model for customer relationship management system success and found the empirical support for CRM implementation decision making from 253 respondents of 14 companies which have implemented the CRM system.

Timothy [14] presented where the benefits are in CRM technology investment and shows that to be successful, CRM programs must be feasible and this requires a wider understanding of the structural and behavioral limits to performance.

The success factors for CRM implementations have been described in many previous publications. Rainer and Thomas [13] described six successful CRM implementation case studies and summarized six critical success factors. These factors include evolution path, timeframe, change management, organization redesign, top management support and integrated system architecture. However, they focused on finding success factors and did not propose any method about how to integrate those into the CRM implementation process.

Croteau and Peter [3] proposed a model to identify the relationships between critical factors (operational and strategic perceived benefits, top management support, organizational readiness and knowledge management capabilities) and the impact of CRM on the actual benefits that organizations can obtain by using the CRM. Most critical factors have a positive relationship with the impact of CRM. However, they did not mention how to use these relationships to encourage the successful implementation of CRM applications.

Kim [5] proposed a process model for successful CRM developments, which includes factors such as process management, organizational commitment, strategy and process, technology, and consequences. By using one successful and one failed case study, this model was justified. However, he focused mostly on the success factors and the interrelationship among them, and did not provide any detailed steps of how to use this model to lead a successful CRM implementation.

Katja [4] presented the importance of CRM implementation at a business level, described the main phases of successful CRM implementations, and finally listed key success factors such as top management commitment and promotion of CRM to the whole organization. However, these key success factors are just listed without detailed explanation and they are not mapped to each main phase of CRM implementation.

Rainer and Thomas [13] presented successful practices in CRM emerged six critical success factors for CRM projects which includes factors such as step wise evolution, straightforward implementation and long term project, organizational redesign, integrated system architecture of standard components, change management, and top management support. By using six successful practice companies show examples of how these critical success factors are applied.

III. CRITICAL SUCCESS FACTORS FOR CRM IMPLEMENTATIONS

In this section, we introduce the identified success factors for CRM implementations. A common belief today is that sustainable competitive advantages are in some way positively correlated with customer focused behavior and CRM technology [13].There are many researches trying to identify key elements of CRM and critical success factors are the essential component which must be considered for CRM implementations. However, most of these researches have evaluated one or a limited number of CRM aspects.

Although the potentials of CRM are evident only a few successful CRM implementations are known in practice. A CRM project would stand small chance of success without considering critical success factors.

After reviewing the preceding studies in the field of CRM success factors, we summarized the critical success factors of CRM implementation from [1, 2, 4, 7, 11, 12, 13, and 6]. The following factors are also agreed on by most of the reviewed literature. CRM success factors are shown in Fig. 1, 2, 3, and 4 and described as follow:

A. Process

CRM is a strategy within the organization that widely implemented for managing and promoting a company's interactions with clients and sales prospects. Based on the concepts of CRM, the CRM implementation process for an organization should start from operational CRM, to analytical CRM and then to cooperative CRM and before implementing a CRM, the organization should be reorganized based on business goals for which they pursue. As such, one crucial factor of it is to analyze processes that in any way involve interaction with the client. Also, all business processes that involve both direct and indirect interaction with customers should be analyzed and assessed [2]. Analyze processes rely on the type of business is different. According to [1, 2, 4, 7, 11, 12, and 13] the process factors division is:

Figure 2. Success Factors of Process Component.

Marketing: managing the relationship with the client, knowing the client's buying habits, understanding the client's needs, are all things within the marketing process.

Sales: Even though managing the relationship with the client has always been a natural aspect of the sales process, the CRM strategy has an important impact on sales channel process and after sales service process.

Services: Within the CRM strategy environment, the relationship with the client is the elemental aspect. It follows that all issues related to services or customer services or high quality of service become critical.

Define and communicate CRM strategy: Based on the concepts of CRM the absence of a clear CRM strategy or the lack of developing such a plan could cause the failure of CRM implementation. It should define strategy from operational CRM, analytical CRM and finally to cooperative CRM.

Customer involvement: Direct and indirect Involvement of customers helps the organization to analyze the customer relationship life cycle and consequently find the areas of problems that can be managed by CRM.

Personalization process: Personalization is a key to ambient computing; community and Personalization are closely related. Personalization is needed to make the information gathered from different customer communities to be usable.

Time and budget management: Before implementing a CRM time and budget should be controlled and optimized.

B. Human

Employs and customers are a key factor for successful CRM projects. How the relationship with the client is handled is the key factor in a CRM strategy. Knowing customers is important to overall CRM success; however, just collecting customer data is not enough. With customer information analytics, these organizations can begin to realize the value from their CRM implementation.

Customer information analytics is more than just information about the facts. It builds perception into customer and market behaviors, enabling businesses to take the correct action necessary in ever-changing market environments.

According to [2] the main objective of CRM is to translate the customer information into customized products and services that meet the changing needs of customers in order to gain their loyalty.

Nevertheless, a full commitment of the organization's staff and management is essential for an effective CRM implementation to best serve customers and satisfy their needs.

1) Client Aspects

According to [1] in order to have a stable relationship with the client, the company must be aware of value and satisfaction and retention and loyalty from customer.

Value: Company must know how the client defines value. Clients identify value in different ways such as low price, quality, what the customer wants from a product or service and what is she or he gives up instead what she or he gets.

Satisfaction: company must provide satisfaction according to the value standards and needs of the client.

Retention and loyalty: the most profitable customers are those who have a continuing relationship with the company and loyalty is not simply as retaining the client according to [1] loyalty is closely related to performance: having the right product or service, at the right price and at the right time and place. It also involves a connection and successfully satisfying the client's needs.

2) Organizational Aspects

Organizational aspects consist of following sub-categories:

a) Culture

Success factors which are related to Culture are as follow:

Change in culture: Change in culture within the company staff and promote the CRM across all departments and hierarchical levels in organization. In order for CRM to succeed in realizing its objectives, organization should develop a culture where all staff are encouraged to share and learn from new work structure and information that is based on customers [2].

No culture conflict: A CRM implementation should be compatible with the current organization culture.

b) Role Played by the Employee

Success factors which are related to Role played by the Employee are as follow:

Skilful staff: Employees play a key role in the success of CRM. All staff must encourage willingness to share and learn new work structure and systems and training programs.

Consideration of employee's importance: their incentive will strongly influence on CRM implementation.

Figure 3.   Success Factors of Human Component.

c) At Managerial Level

Success factors which are related to At Managerial Level are as follow:

Top management commitment and support: Top management support is positively linked to CRM impact and their plan has been identified in almost all success factors studies as a crucial factor that ensures the successful implementation of CRM. The CRM manager and related staff should be trained about the concepts of CRM and how to apply them to their day-to-day works.

Define and communicate CRM strategy: managers must define clear CRM strategy and alignment of this strategy to the company's strategy.

Assurance of top management commitment for CRM: Make sure that the organization managers also use CRM system. There is a role of those in the top management positions to sell and to convince those under their supervision, of the results and benefits of the CRM strategy.

C. Technology

Considering CRM as only a technological solution is a serious misinterpretation that resulted in increasing failure of CRM projects. The technology has often been the origin of new paradigms and ways of doing business, which many companies have been forced to adopt. On the other hand, technology has also offered solutions to these very challenges.

Technology refers to computing capabilities that allow a company to collect, organize, save, and use data about its customer. Nevertheless, IT is an enabler for acquiring and managing valuable data on customers.

Technological aspects such as data warehouse, software customization, process automation, help desk and call centers, and internet influence should be addressed.

Sales force automation (SFA): is a system that automatically records all the stages in a sales process. SFA must be fully integrated in all departments that deal with customer service management.

Software for CRM: CRM software helps organizations implement effective Customer Relationship Management. CRM software works across all corporate departments to help harmonize customer-centric thinking in the every part of organization.

Data warehouse and data mining: data warehouse is a repository that in an organization is used for electronically stored data and designed to facilitate reporting and analysis. Data Mining is the automated discovery of extracting patterns in data.

Help desk: the help desk is an information and assistance resource   that spot problems   with computers or   similar products and it is justified and well comprehended function which helps with the development of the strategy.

Call centers: According to [1], modern call centers are a mix of traditional technology (telephone platforms), and the new Internet developments. Customer service is one of the elements which have evolved more dramatically, in terms of competition, since the early 1990s. Many companies have been developed in the area of responding to customer-related issues (such as inquiries, complaints, product warranty concerns etc.)
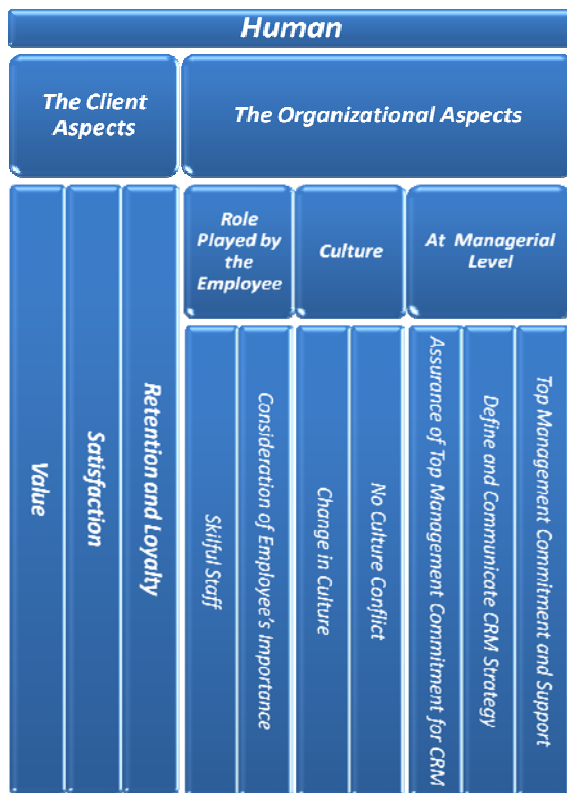
Figure 4.   Success Factors of Technology Component.

Internet influence: Internet raises the value of the relationship with the customer on certain levels, such as convenience, access and low cost.

IV. CONCLUSION

A thorough review of the related literature in academic journals, books, and paper proceeding to conferences has been conducted in order to identify the success factors for CRM. Twenty success factors were found to be agreed upon by most of the literature. Each success factor was classified depending on the dominant CRM component.

The process component dominated seven success factors: marketing, sales, services, define and communicate CRM strategy, customer involvement, personalization process, time and budget management.

The human component has two parts: the client aspects and the organizational aspects. Value, satisfaction, and retention and loyalty are categorized into the client aspects. The organizational aspect has three sub-categories. Change in culture, no culture conflict is categorized into the culture category. Skilful staff and consideration of employee's importance are categorized into the role played. Top management commitment and support, define and communicate CRM strategy, assurance of top management commitment for CRM are categorized into the managerial level.

The technological component dominated six factors: sales force automation (SFA), software for CRM, data warehouse and data mining, help desk, call centers, internet influence.

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