

THE EFFECTS OF IMPLEMENTING CRM ON CUSTOMER SATISFACTION

Alireza Shahraki
Department of Industrial Engineering
University of Sistan and Baluchestan, Zahedan
Iran

Mehdi Zahedi
MS in Industrial Engineering
Iran

ABSTRACT

Customer Relationship Management (CRM) is a business strategy to manage the interactions with customers in order to optimize value and satisfy customers for a long time. In today's business world, most of the organizations have been saturated with the loads of the information about customers. Information sources flow from everywhere inside and/or outside the organization; however, the majority of organizations, including a large number of the Iranian organizations, do not use such information for the analytical purposes. We will discuss the implementation of these systems and its effect on the customer satisfaction of Bank Melli branches in Sistan and Baluchistan province — Zahedan. A sample size of 346 people was selected using the Morgan Table. They were selected randomly from Melli Banks of Zahedan located in Sistan and Baluchistan province. The researcher-designed questionnaire, which measures the effect of the Customer Relationship Management (CRM) system on the satisfaction of the bank customers, was used to collect the data of the present research. The collected data was analyzed using binomial and Friedman rank tests. The obtained results showed that with respect to some structural and fundamental problems of the province under study, the success of the customer satisfaction factors for establishing the Customer Relationship Management (CRM) was at the confidence level of positive 95%.

Keywords: Customer Relationship Management (CRM), characteristic of services, quality of services, accessibility to services, customer satisfaction

1. INTRODUCTION

Customer Relationship Management (CRM) as an important approach in business whose aim is a return to the personal marketing period.[9]

Regarding the powerful role of customers in today's world, the inclusive growth of their knowledge about market of products, access to a lot of information and assorted channels to provide and distribute goods to choose products, the issue of establishing correct communication with customers and attempts to retain such a communication for a long time are among the most important issues which are efficient in durability and stability of companies and stability of companies in competition and more profitability arena. Therefore, there must be an approach in organizations to manage such a communication and an accurate and correct planning to measure, supervise and manage them .[9]

Customer Relationship Management is an organizational strategy, which provides the groundwork and paves the way to reach partnership vision for customer. Attempts have been made in this research to study the role of Customer Relationship Management in Bank Melli Iran, its drawbacks, strengths,

objectives and the effects of its implementation, and the fundamental role of customer as the essential and vital basis to survive the bank under study. Finally, some proposals are presented to correct and improve the quality of services in the bank. [9]

2. EMERGENCE AND EVOLUTION OF CRM

From manual production to mass production: Industrial Revolution

Centuries before the mass production system, people accustomed to have tailors sewn their clothes and to arrange barter deals while chatting and greetings. However, placing other orders was not possible under the mass production condition. Companies were eager to know how to produce and market a special type of product to gain the maximum return and economic benefit. [3]

From mass production to continuous improvement: Quality Revolution

While American companies were proceeding over the learning curve of mass reproduction of their inventions, Japanese companies were trying to discover that the continuous improvement of their processes would lead to the reduced costs and better quality. [3]

In their studies, Allerd & Addams (2000) found out that weaknesses in the following factors have made customers become dissatisfied and cancel their relations with company.

In a study, some customers asserted that they had their accounts closed due to lack of accuracy in keeping documents, making repeated mistakes and not taking responsibility of their mistakes in keeping accounts. [8]

3. METHOD OF RESEARCH

Alternatively, the present research was carried out through a survey method. In survey studies, researcher does not manipulate the variables. Instead of presenting explanations accurately, he/she describes the procedures inside of the data. In fact, such researches are carried out to create a better understanding of the nature of the issues on which little studies have been conducted. In addition, in survey studies, researchers collect the quantitative and numerical data using questionnaires or interviews and describe the answers trends of the questions using the statistical techniques and testing the question or hypothesis. [1]

4. SPESIFIC HYPOTHESES

Specific hypothesis No (1): Quality of services, as one of the effective factors in Customer Relationship Management system in Bank Melli of Zahedan, has led to customer satisfaction.

Specific hypothesis No (2): Characteristics of services, as one of the effective factors in Customer Relationship Management system in Bank Melli of Zahedan, has led to customer satisfaction.

Specific hypothesis No (3): Accessibility, as one of the effective factors in Customer Relationship Management system in Bank Melli of Zahedan, has led to customers' satisfaction.

Specific hypothesis No (4): Investigating customers complaints, as one of the effective factors in Customer Relationship Management system in Bank Melli of Zahedan, has led to customer satisfaction.

5. METHOD AND TOOLS OF DATA COLLECTION

Attempts were made to use the questionnaire method in this research. As the researcher was present at the time of surveying and filling out most of the questionnaires in the present research, the interviews were carried out with those who were ready. Generally speaking, in this research, both library and non-library tools (such as interview and questionnaire) have been used to collect data.

6. VALIDITY AND RELIABILITY OF QUESTIONNAIRE

Validity and reliability are of the principles of measurement and evaluation of the scientific researches and both have been taken into consideration in this research. In fact, before the full confidence in the measurement tools and applying them in the main stage of collecting data, it is necessary for the researcher to become relatively confident about the validity of applying the pertinent tools and their reliability through the scientific method. [5]

A) Validity: The content validity method was used in this method to determine the validity of the research. Before surveying the pertinent indices within the format of the questionnaire, they were

judged by the adviser and a few experts. After they made their comments on the questionnaire, it was used as a tool for collecting data.

B) Reliability: Reliability shows the logical consistency and harmony of responses of the measuring tools and helps to evaluate the quality of them. [1]

One of the methods to calculate reliability is using Cronbach's Alpha

The obtained Cronbach's Alpha coefficient for the whole questionnaire which obtained by SPSS software was 0.917 which is an appropriate and acceptable coefficient.

7. MEASUREMENT SCALES OF RESEARCH

The Likert scales is one of the most common scales for measuring attitudes in management is. As pointed out earlier, to measure the attitudes of respondents on the satisfaction factors of customers on the quality of the offered services by the Customer Relationship Management system (CRM) in this system, the answers are measured along a 5-point spectrum of the Likert scales. This spectrum is made of the answers to the questions of the questionnaire including (completely disagree) (disagree) (no idea) (agree) (completely agree). To analyze them, the codes (1), (2), (3), (4), and (5) are considered respectively.

8. STATISTICAL POPULATION AND NUMBER OF SAMPLES

Statistical population includes all the real or hypothetical members who are interested and the research findings are generalized to them. [6]

In other words, statistical population includes all the elements and people that have one or more common attributes within a certain geographical scale (global or regional). [4]

The statistical population of this research includes the customers of Bank Melli of Zahedan. The researcher has to take samples because conducting a research about all the members of the society is time consuming and it is not cost effective. [7]

Plan and sampling method of the research

A sample is a part or (a sub category) of a society (Hooman, 2004: p 219). Here, a sampling has been taken because the number of the statistical population of the present research is very high and collecting data from them is a very difficult and time-consuming task. Random sampling was taken in this research because after applying the aforementioned conditions and confining the society, the population will have the pertinent characteristics an all the members of a society will have an equal chance. A sample size of 346 people was selected using the Morgan Table.

9. DATA ANALYSIS METHOD

The data, obtained by the Friedman and binomial inferential statistical techniques, was used for analysis and the importance of each of the factors was specified. Here, SPSS software was used to categorize and analyze the data.

Test of research hypotheses

Binomial test: It is used to study all the questions and their related choices. The research hypotheses in the binomial distribution are

1- Binomial test of hypothesis No (1):

Research hypotheses:

Hypothesis H0: The quality of services, as one of the effective factors in the Customer Relationship Management (CRM) in Bank Melli of Zahedan, has not led to customer satisfaction.

Hypothesis H1: The quality of services, as one of the effective factors in the Customer Relationship Management (CRM) in Bank Melli of Zahedan, has led to customer satisfaction.

Table 1. Test results of specific hypothesis No 1

Binomial Test (Quality of Services)	Level	Number	Observations Probability	Test Probability	Significance Level
Fail Group (H0)	>3	219	0.63	0.83	0.000
Pass Group (H0)	<-3	127	0.37		
Total		346	1		

With respect to the above Table and regarding that $P > 70\%$ and $Sig < 0.05$, we notice that the observations strongly confirm the research hypothesis (H1) and the zero hypothesis is rejected. Therefore, it can be asserted with 90% confidence that the quality of services, as one of the factors of the Customers relationship Management (CRM) system in Bank Melli of Zahedan, has led to the customer satisfaction.

10. PROPOSALS BASED ON THE RESEARCH RESULTS

With respect to the results obtained from the hypotheses test, examining the questions of the questionnaire, observations, and interviews with customers, acquaintance of the researchers with the present status and the issues related to the customer satisfaction in terms of the quality of services offered through the Customer Relationship Management (CRM) system, the researcher has offered some proposals. We hope the implementation of these points would improve the present status of the organization.

In order to implement Customer Relationship management in Bank Melli branches in Zahedan according to the results of the research, the proposals of the present research have been made from two aspects, that is, introduction and application of the Customer Relationship Management:

1- Regarding that the scope of investigation of the customer complaints is considered as the most important scope in the customer Relationship Management system, it is necessary to consider the pertinent indices in this concern more than before. Therefore, following measures can be taken for further satisfaction of customers:

-Investigating customer complaints promptly

-Expediting workflow of customers

2- Characteristic of services: While bringing the services up to date, as the most important index and other indices including services variety, providing modern, innovative and advanced services in bank branches have been effective in decision-making, it is necessary to take some measures as follows:

Paying attention to the international quality systems and standards and using them to improve the quality of banking services

11. REFERENCES

- [1] Azar, Adel & Alvani, Seyyed Mehdi & Danaei Fard, Hassan. (2008); Methodology of Quantitative Research in Management: A Comprehensive Approach, 1st edition, Saffar Publications
- [2] Elahi, Shaban & Heydari, Bahman. (2005). Customer Relationship Management (CRM), Commercial Edition and Distribution Publications, 1st edition
- [3] Hadj Zamanali, Ali (2004); A Framework to Implement Customers Relationship Management in Iranian Organizations; MA thesis of Teacher Training University
- [4] Hafeznia, Mohammad Reza (2005); An Introduction to Research Methodology in Human Sciences, Tehran, The Organization for Researching and Composing University textbook (SAMT), 8th edition
- [5] Khaki, Ali, (2002). Research Methodologies with an Approach to Thesis Writing, Tehran, Ministry of Culture and Higher Education, National Center for Scientific Research; Derayat Publication Center, 1st edition
- [6] Delavar, Ali, (2002). Research Methods in Psychology and Educational Sciences (Educational Sciences Course), Tehran, Payame Noor Univeristy (PNU), 1st edition
- [7] Moghimi, Maliheh. (1998). Creating Value for Customer, A Way to Sustainable Competitive Advantage, Marketing Journal, Issue No.1
- [8] Allerd K. & Addams C.J.(2000), "Customer Relationship Management" McGraw Hill Trade
- [9] Boser (2002), "Customer Relationship Management Key Component for IT Success". Industrial Management & Data Systems, vol.102, No.2, pp89-97