Research Article

CONSIDERING CRITICAL FACTORS OF SUCCESS AT IMPLEMENTING CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM AND RANKING THEM

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ABSTRACT
The aim of current research is considering effective factors on implementation of customer relationship management systems and ranking these factors. Statistical society of the research is all companies which have used CRM system and research sample are 32 experts of CRM system customers. For data collection questionnaire and Delphi methods have been used. For data collection T-student statistical test, Friedman and Wilcocson have been used. The result showed that critical factors of success in order of their importance are: support of organization's top manager of CRM project, goal, business plan of CRM project, procedural factors, humanity factors, proper business systems available in an organization, technological factors.

Keywords: Critical Factors of Success, CRM, System, Business

INTRODUCTION
Now in Iran some pioneering companies are more concentrating on customer and movement toward implementing CRM. This new category in our country will soon be changed into a comprehensive subject at different business. Especially when advantages of applying CRM in different organizations, identifying and paying attention to critical factors at establishing and successful implementation of CRM for all organizations demanding application of system is necessary and attractive.

Different studies about the result and achievement of CRM projects has been done in the world. In a research done on 202 CRM projects, only 30.7 percent of companies knew that they should improve the way of selling and presenting services to customers. In a newer consideration it is concluded that 70 percent of CRM projects have faced failure. This research showed that companies: underestimate the degree of CRM complexity and don't pay much attention to it. They don't have long-term and explicit goals for their business and don't devote sufficient budget to CRM software.

One great problem that current business environment faces is that CRM is not perceived accurately. Some companies know it at the limit of a center of contact with customer and identifying customers and making relationship from different communicative channels. Some others know it a system that can mechanized sale operation, marketing and services.

For achieving success in CRM projects it is necessary to view it over than implementing an IT system. Correct and systematic attitude to CRM helps an organization to make necessary coordination for effective preserving of customers, increasing communicative channels and centers of contacting them and improves it and is counted as central core of an organization for providing business process of client-orientation. By fallowing this thought, in another research done on 700 companies only 3 percent of companies were successful to implement CRM correctly. Other 17 percent are at the beginning of movement toward this attitude. Other 35 percent have started the project without any coordination that was mentioned above and 45 percent don't have any evaluation of CRM. In this research it was distinguished that the most important reason of failure of CRM project are:1- organizational changes(29 percent) 2-inefficiency of companies policy(22 percent) 3- lack of knowledge and correct perception of CRM(22 percent) 4- weak skills of CRM(6 percent).

Therefore in this research it is tried to identify critical factors at implementing CRM system through different methods of data collection, statistical methods and decision-making and prioritize them in order to put them at the area of implementing CRM projects.

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Theoretical Principles

Customer Relationship Management

The necessity of IT and especially worldwide network and electronic trade has created an opportunity for improving relationship with customers than previous facilities in current competitive worlds. Final goal of this changing these relations and interactions is more profitability through increasing repetitive shopping and reducing cost of attracting customers. In fact managerial evolution of relations with customer is a new theory in marketing. Client-orientation management is a set of process and strategies related to a customer that is supported by especial facilities to increase customer's loyalty and finally company's profitability. Its necessities are proper customer attraction, creating a prediction of proper value, institutionalizing the best processes, enhancing motivation of staff and learning to keep customers (SalehiSedghiani *et al.,* 2005).

CRM is consisting of three main sections: A customer, relationship and management. The meaning of customer is final consumer who has supporting role in value creating relationships. The meaning of relationship is creating more loyal and profitable customer through learning relationship and management means creativity and directing a process of client-orientation business and putting a customer at the center of organization's process and experiences (Elahi and Heidari, 2005).

The idiom of CRM with its current concept was adverted since 1990 and was written in the form of a strategy of business for choosing and managing the most valuable communications with customers. CRM needs a client-orientation philosophy and culture of supporting marketing effective processes, sale and services after sale in an organization. Culture of client-orientation is based on a simple concept of one-to –one relationship between customers and sellers. This attitude looks at a customer as a person with demands, shopping and needs related to its own view. By benefiting CRM, customer's relationship with company and their needs is considered and analyzed. CRM is in fact a process for attracting, preserving and developing profitable and value creating customers. This information can be in relationship with customers, sale, effective marketing, sensitivity and market needs (Elahi and Heidari, 2005).

Experts and theorists each present different definitions of CRM that can classify them in 4 total groups with the titles of strategy, technology, process and information system (Thompson, 2004).Some definitions of CRM in the view of theorists are as below: 1-CRM is part of strategy of an organization for identifying and satisfying customers and changing them to permanent customers. Also in the direction of CRM with customer and for maximizing value of any customer helps the company(Turban et al, 2002) 2-CRM is a set of methodologies, processes, software and systems that helps institutes and companies at effective and organized management of customer relationship (Burnette, 2001).

3-CRm means making and keeping personal relationship with profitable customers of organizations through proper use of IT and communications

4-CRM as a process includes supervising customers (eg collection its proper data), management and data evaluation and finally creating real excellence of extracted information at interaction with them (Hampe and Swatman, 2002).

5- CRM is a comprehensive strategy of business and marketing that integrates technology of processes and all business activities on customer (Feinberg and Romano, 2003).

Making income and customer satisfaction that is designed based on organizing present of services according to customers' need, enhancing level of customer satisfaction based on client-orientation principles and implementing client-orientation processes.

Also we can mention CRM goals as: 1- increasing incomes including identification of new opportunities, reducing lost opportunities, decreasing customers' escape2- creating loyalty in customers including improvement of services to customers, improvement of organizations; view 3-decreasing cost including saving organizations' information, decreasing marketing (Albedavi and Enayattabaar, 2006).

Kinds of CRM Systems

These systems are divided into 3 general groups: a) operational CRM: in this method all steps of relationship with customers from marketing and sale step to services after sale and receiving feedback of a customer is delivered to a person; of course in a way that sellers and engineers of presenting services

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can access records of each customers without referring to this person. Tools and methods of operational CRM are mechanized sale power system that undertakes all operations related to contact management exchange and management of sale department. Operational CRM section generally includes 3 public section of business that is automatizing operation of sale section or SFA, customer supporting and serving or CSS and automatizing marketing operation or EMA. Marketing section provides information about competitors, market tendency and environmental total variables. Sale management section automatizes some of sale process and company's sale management. This section collects and fallows information related to the habits of shopping, taste and demography of customers and efficiency of staff of sale section. Customer service section is the agent of automatizing some services such as demanding information, complaints and some referent products (Gray and Jung, 2001).

B) Analytic CRM: in analytic CRM tools and methods are used that analyses obtained information from operational CRM and prepare its result for management of business performance. In fact operational and analytic CRM are in mutual interaction; that is data of operational section are given to analyses section; after data analysis, obtained result will have direct effect on operation section. Through analysis of this section customer are classified and the possibility of organization's concentration on especial part of customers are provided (Gray and Jung, 2001).

C) interactional CRM: in this type of relationship a customer for making relation with an organization uses the easiest way such as telephone, mobile phone, fax, internet and other considered methods; interactional CRM due to the possibility of choosing methods by customer and most processes (from data collection to processing and referring customers) reaches related authority during the last time, causes customer's readmission and continue of relationship with company (Gray and Hung, 2001).

Critical Factors and Key Factors of Success

Daniel was the first one who << introduced critical factors of success>> at the beginning of 1960s is paper. The concept of this statement hasn't been paid attention a lot until a decade later 3 scientists named Vancil, Anthony, Dearden used the concept of CSE in designing << management control system>>. They pointed out that the intention of measuring capability of profitability is necessary that key variables (strategic factors, key factors of success, key dimensions of results and sensitive points) that have important effect on profitability identify explicitly. These variables were divided into 6 groups that knew their definitions for perceiving organizational success and failure. The concept of CRM was created for helping top managers for their informational needs and has been used by Rock art in the direction of informational systems (Mendoza *et al.,* 2007). Different definitions are available about CSF and KSF that in this paper some of them are defined:

1-critical factors of success (CSFs) are limited number of criteria, factors or key steps of a project that are paid attention for reaching management goals at implementing informational system. These factors are important and key factors in organizations that are concentrated for achieving business goals. Dimensions in which works are done correctly so that the function of informational system is successful and achieve distinct goals. Limited number of dimensions if the results are satisfying can be obtained from successful competitive performance of an organization. Key factors of success are the variables that through effectiveness on them management can have direct and effective function on competitive place of the company in it (Alizadeh, 2004).

Many writers view CSF as the most effective people on success of informational system than causing factors. About team project, CSF is: works that a team does in the direction of achieving goals (Alizadeh, 2004).

As we know in doing any work and regarding its type and condition, we face a series of problems that paying exact attention to them guarantees successful doing of that work. From the statement of "critical factors of success at implementing CRM". We find out that in this direction we pay especial attention to the problems that causes success and lack of their attention may confront us with failure (Alizadeh, 2004). Different experiences in organizations that tend toward establishment of CRM shows this subject that sometimes may be problematic except important and distinct factors such as commitment of organization's top management, seemingly trivial factors such as holding strategic committee sessions at

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final hours or afar work without seeming encouraging rewards for members of committee. Therefore partial and total problems at implementing any system are necessary (Alizadeh, 2004).

Research Goals and Questions

In this research it is tried to identify factors that have critical function at implementing CRM systems in an organization and consider them as:

1- Critical factors are identified at implementing CRM

2- Critical factors are ranked at implementing CRM.

Also in this paper we try to answer these questions:

1-Which factors have critical function at implementing CRM systems?

2- In what order is ranking these critical factors at implementation of CRM?

MATERIALS AND METHODS

Methodology

This research regarding subject is applied because it is totally applied in organizations which demand CRM establishment. Applied method in this research is descriptive-surveying. Regarding identification of these critical factors at establishment of CRM the research is descriptive and regarding ranking factors it is surveying. Statistical society of this research includes experts, authorities in companies which were member of team of implementing CRM systems in an organization. Due to different industries in Iran, few companies do establishment of CRM system, limited statistical society were accessed by researchers. Due to difficulty of determination and accurate definition of such statistical society and also identification and its estimation, a list of companies which implemented CRM was provided. Then by using this list, volume of statistical society of research are 50 people and by using Cochran formula 32 people were chosen as research statistical sample.

RESULTS AND DISCUSSION

Research Findings

Obtained result of this research based on the way of categorizing questionnaire's question is identified in two sections of results related to demographic variables and results related to research variables.

Results Related to Demographic Variables

Obtained result of data collected in relationship with gender variable denotes this subject that 78 percent of respondent were male and 22 percent were women. Also the result of collected data in relationship with the latest educational document of sample members shows that about 47 percent of them have bachelor, 38 percent M.A and 6 percent had Ph.D.9 percent of respondent didn't claim anything.

Results obtained from collected data in relationship with variable of activity record of respondent about CRM and other informational systems shows that among 32 respondent, 50 percent have 5 years of activity record and lower, 44 percent have 5-10 years and 6 percent have more than 10 years of record in relationship with CRM or informational systems. Obtained results of collected data in relationship with variable of the degree of familiarity with CRM shows this subject that 31 percent of respondents are moderately familiar with CRM, 56 percent very and 13 percent are familiar with CRM a lot.

Inferential Statistics

Table 1: Result of mono sample t- test

Variable	Mean	Freedom degree	t-test	Sig
Proper business systems	3.5000	31	5.442	0.000
Project's plan and goals	4.2865	31	26.452	0.000
Humanity factors	3.8194	31	9.909	0.000
Procedural factors	3.8188	31	10.645	0.000
Technological factors	3.4896	31	5.963	0.000
Support of top manager	4.4688	31	28.056	0.000

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In this section firstly by using mono-sample t-test, main hypothesis have been considered singularly. For ranking and the degree of effectiveness of variables two non-parametric tests of Friedman and Vilkacson have been used. Friedman test generally tested meaningfulness of difference of the effect of factors or sub-factors and by using vilkakson test pair wise comparison has been done.

In above table the degree of effectiveness of 6 critical factors at implementing CRM has been considered. As it is regarded in all cases 6 factors have positive effect on implementing CRM. In the fallowing and for considering that which factor has much effect the Friedman test and fallowing that Vilkakson has been used.

Result of Friedman test shows that the amount of t-test is 78.35.This amount from critical amount of 11.07 at the level of 95 percent is bigger. Therefore null hypothesis is rejected. In other word, 6 groups of factors have different effect at implementing CRM.

Table 2: The result of Friedman test

Sig.	d.f.	Statistics X^2	Average rank	Variable
0.000	5	78.351	2.27	Proper business system
			4.95	Project goal and plan
			3.28	Humanity factor
			3.47	Procedural factor
			1.97	Technological factor
			5.06	Support of top management

For prioritizing each critical factors of success paired test of Vilkakson has been used. It is necessary to mention than for considering uniformity or lack of uniformity of effect of each factor Friedman test has been used.

Ranking 6 Vital Factors of Success

In this regard critical main factors have been ordered in the fallowing rank and regarding the degree of effectiveness and importance;
1-support of organization's top management about CRM project
2-business goal and plan of CRM project
3-procedural factors
4-humanity factors
5-available proper business systems in an organization
6-technological factors

Conclusion

In this research critical factors of success have been considered in the view of different researchers. For comprehensive and complete consideration in this research after studying different books and papers related to the subject of research and extracting factors as suggestive critical factors experts in the district of CRM have been invited so that some cases are added or removed to the list of suggestive factors or prioritized. Therefore by using Delphi method, a set of factors were identified and a questionnaire was written and given to the respondents.

Regarding research model and collecting and analyzing considered data the fallowing results has been obtained: the most important critical factors of success is support of organization's top manager about CRM project and at the second rank of importance, goal and business plan of CRM project. Humanity and procedural critical factors of success are located at the third rank and factors of business proper systems and technology factors are located at the fourth rank. By a glance to the critical factors of success in this research it is observed that humanity problems are emphasized more than technical problems. Attention to significant factors shows that management factor is very important at success of CRM projects.

Regarding the research and other studies in this field we can say that CRM projects should be viewed as business projects not IT. Generally the main consequence of this research is that it changed attitude to the

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projects of CRM system from the view of technology to the view of business and this subject reflects this reality that humanity managerial and current business process factors in an organization have high importance than technological factors.

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