Chapter 9

A Success Framework to Investigate Critical Factors Associated with Implementation of Customer Relationship Management:
A Fuzzy ANP Approach

Abbas Keramati
University of Tehran, Iran

Mohamad Sadegh Sangari
University of Tehran, Iran

ABSTRACT

This paper suggests a novel success framework for customer relationship management (CRM) based on a conceptual implementation model to identify associated critical factors and their contribution to overall success/failure. Fuzzy analytic network process (FANP) is applied to identify the relative importance of each factor in successful implementation of each stage and the CRM initiative as a unified process. The results illustrate that CRM goals, change management, customer knowledge management, and top management support are the most critical factors for successful implementation of CRM projects within Iranian business contexts. The proposed success framework provides valuable insight into the CRM implementation process and its critical success factors (CSFs). It can be applied as a practical assessment tool that provides a pre-evaluation of the overall success of the CRM implementation project and identifies areas of weakness that negatively affect successful implementation of each stage of CRM initiative.

INTRODUCTION

In today's dynamic and unpredictable business environment, organizations face the tremendous challenges of expanding markets, increasing competition and rising customer expectations. Building and maintaining a good relationship with customers are essential to long-term business survival in such an environment (Chang, 2007). Therefore, organizational executives are now turning to formulate appropriate customer-centric strategies and focus on managing customer relationships to support these initiatives (Wu, 2007).

According to Buttle (2009, p. xi), customer relationship management (CRM) can be defined as "the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high-quality customer data and enabled by information technology". CRM is actually a business philosophy that integrates technology, software, processes, organizational change, etc. and is focused on the relationships between organizations and their customers to facilitate the inclusion of the customer as part of the organization (Rigby et al., 2002). It also enhances ability of the organization to improve customer service (Nguyen et al., 2007).

CRM incorporates information acquisition, information storage, and decision support functions to provide customized customer service. It enables customer representatives to analyze data and address customer needs in order to promote greater customer satisfaction and retention. It also helps organizations to interact with their customers through various means such as phone, web, e-mail, and salesperson. Customer representatives can access data on customer profile, product, logistics, etc. to analyze problems and provide online and rapid response to customer queries (Torkzadeh et al., 2006). Organizations use CRM to different customer-centric purposes such as creating customer profiles, anticipating customer needs, conducting market research, and prompting customer purchase (Massey et al., 2001).

CRM is currently one of the most popular topics in the fields of marketing management and information technology (Wu, 2007). In recent years, many companies around the world have implemented CRM (Bull, 2003) and the number of companies that plan for its implementation is growing dramatically. However, previous studies report high rates of failure in CRM implementation. According to Verhoef et al. (2002), the success rate of CRM implementations varies between 30 and 70 percent. Zablah et al. (2004) and Rigby et al. (2002) have argued that the failure rate of CRM projects is ranging from 35 to 75 percent and Kale (2004) has estimated that 60 to 80 percent of CRM projects fail to achieve their objectives.

CRM implementation demands valuable organizational resources such as time, money, and human resources. In addition, a failed CRM implementation damages the relationships between organization and its customers (Lindgreen et al., 2006). Therefore, the high failure rates of the project strongly suggest that researchers and practitioners need to pay much attention to implementation issues (Shum et al., 2008). In current research, a consolidated success model is developed for CRM initiatives to investigate associated implementation issues. A framework is also proposed to identify relative importance of the critical factors considering their inter-relationships. Furthermore, it can be applied as an assessment tool that provides a pre-evaluation of the overall success of the CRM implementation project and helps identifying areas of weakness that negatively affect successful implementation of each stage of the CRM initiative.

The reminder of paper is organized as follows: firstly, the previous works in the field are reviewed. Then, success framework for CRM implementation is constructed and the identified critical factors are described. Thirdly, a fuzzy analytic network process approach is proposed to investigate the relative importance of critical success factors in

Related Content

Understanding the Drivers and Consequences of Trust Toward Hotel Websites Under Different Cultural Contexts

Hassan Alboqami (2020). *International Journal of Customer Relationship Marketing and Management (pp. 1-24).*

www.irma-international.org/article/understanding-the-drivers-and-consequences-of-trust-toward-hotel-websites-under-different-cultural-contexts/256194

What Motivates Young Technology-Literate Consumers in Densely Populated Areas?

Narasimha Rao Vajjhalaand Kenneth David Strang (2020). *Strategies and Tools for Managing Connected Consumers (pp. 20-33).*

www.irma-international.org/chapter/what-motivates-young-technology-literate-consumers-in-densely-populated-areas/233427

Evolving Information Ecologies: The Appropriation of New Media in Organizations

Hanne Westh Nicolajsenand Jorgen P. Bansler (2009). *Ubiquitous Commerce for Creating the Personalized Marketplace: Concepts for Next Generation Adoption (pp. 255-273).*

www.irma-international.org/chapter/evolving-information-ecologies/30514

The Role of Responsive Leadership in Meeting Customer Needs During Crises: A Case Study on a Higher Education Institution in the UAE

Hamdy Ahmed Abdelazizand Mohammed Abdelraouf Elsheikh (2022). *International Journal of Customer Relationship Marketing and Management (pp. 1-18).*

www.irma-international.org/article/the-role-of-responsive-leadership-in-meeting-customer-needs-during-crises/289207

Exploring the Factors Influencing Customers Purchase Intention in Online Shopping

Fahima Khanam (2018). *International Journal of Customer Relationship Marketing and Management (pp. 1-15).*

www.irma-international.org/article/exploring-the-factors-influencing-customers-purchase-intention-in-online-shopping/213960