Integration between Cloud Computing Benefits and Customer Relationship Management (CRM) Processes to Improve Organization’s Performance

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ABSTRACT

Due to the rapid growth in the electronic business, information technology has become very necessary for building up efficiency and effective transactions among organizations. Consequently, Cloud Computing (CC) becomes a very important area to achieve the organization’s performance. The process of integration between Cloud Computing (CC) and the Customer Relationship Management (CRM) is a new research area. Therefore, scientific research and literature review related to Cloud Computing and CRM processes are limited. Yet, the impact of Cloud Computing on CRM processes remains under exploration and investigation. To this effect, this paper takes on a holistic approach that examines the combined effects of Cloud Computing Benefits (cost and ease of use) and CRM processes (customer acquisition, customer retention and customer expansion) on organization’s performance. It also presents a conceptual framework for Cloud Computing and CRM processes, based on the analysis of various models presented in Cloud Computing and CRM processes. The main emphasis is focused on the concept of Cloud Computing Benefits (cost and ease of use) and CRM processes (customer acquisition, customer retention and customer expansion) by examining some reasons that make the organization interested in using this modern technology from one hand and how Cloud Computing can encourage organizations to implement CRM to improve their performance on the other. Therefore, this paper contributes to develop three models: Cloud Computing Benefits, CRM process, and integration between the Cloud Computing and CRM process to improve organization performance model. Also, it describes more valid factors to identify how an organization deals with its performance in the future by providing an advice for the Information Technology (IT) industry as how an analytical integration between Cloud Computing Benefits and CRM process improves organization’s performance – something that should be taken into account in developing countries to attain a competitive advantage. This study is divided in three sections: Literature Review, Research Model, and Conclusion.

Keywords: Cloud Computing Benefits (CCB), Computing, Customer Relationship Management (CRM), Electronic Business, Organization’s Performance (OP)

DOI: 10.4018/ijcac.2014040105
1. INTRODUCTION

Cloud Computing is a new topic which has recently influenced Information Technologies (IT). It is not only a marketing fashionable term, but rather, and according to the development and support from important companies in IT industry, it is a new innovative model of providing IT services. It deals with two sides: the cloud service providers and the cloud users who have the opportunity to get benefits of decreasing costs and getting better quality of IT services (Němeček, & Vaňková, 2012).

Most organizations today are trying to find the best solution to improve their business performance. They use the advantages of modern technologies which are always developed to interchange the mistakes of traditional versions. One of the most critical evolutions in technological systems is Customer Relationship Management (CRM). Organizations that implement CRM strategies are facing uncertainty in the modern technology. For example, the challenge of fixed costs, maintenance, and security in this area of Cloud Computing can interfere with this domain. Also, it facilitates this field by providing the organization with a system, data base, maintenance, infrastructure and many other services with a competitive price. In other words, it is like turning technology into utility. Organizations from stakeholders’ perspective can pay per use. The researcher, hence, focuses on Cloud Computing and how it can benefit CRM strategies to achieve a higher performance in both CRM (marketing strategy performance) and organization’s overall performance, noting that CRM is a comprehensive strategy and process of acquiring, retaining, and expanding with selective customers to create a higher value for the company and the customer. It involves in the integration of functions of the organization to reach greater efficiencies and effectiveness in delivering a customer value (Parvatiyar & Sheth, 2001). CRM projects require a careful planning and successful implementation. To do this successfully, CRM involves in major cultural and organizational changes that meet a lot of resistance. CRM should be enterprise-wide in scale and scope (Chowhan & Saxena, 2011).

Cloud Computing allows combining software applications and storing data with much bigger computing capabilities than many companies can afford. This form of CRM allows companies to pay a monthly fee which is so effective. Cost reduction, flexibility and convenience are all leading the companies to CRM and other software applications transposed into the Cloud Computing. Once this solution is offered, it is often found that Cloud Computing provides competitive benefits and new strategic opportunities for greater innovation (Němeček, Vaňková, 2012).

2. LITERATURE REVIEW

This section gives the reader an over-view on different contributions associated with the Cloud Computing and CRM.

2.1. Concept of Cloud Computing

There are several definitions of Cloud Computing. In general, this term refers to the services provided by the internet network, which is used by customers for running their Information Technologies (IT). In a business environment, companies do not invest in their IT infrastructure, but rather, they pay the Cloud Computing providers to take care of IT companies. These services are mainly processing many business applications in addition to power and storages (Němeček & Vaňková, 2012). It is clear, then, that almost everyone is a direct or an indirect consumer of Cloud Computing. Most of the free email services, well known social networking forums, and photo and audio-video sharing services, such as Flicker, webmail, and YouTube have been widely used by us. For some organizations, Cloud Computing has also started to evolve by offering some benefits, such as an online sharing and storing, collaboration and content management tool for meeting their IT