A Study towards the Relation of Customer Relationship Management Customer Benefits and Customer Satisfaction

Nastaran Mohammadhossein, Faculty of Computing, Universiti Teknologi Malaysia, Skudai, Johor, Malaysia
Mohammad Nazir Ahmad, Faculty of Computing, Universiti Teknologi Malaysia, Skudai, Johor, Malaysia
Nor Hidayati Zakaria, Faculty of Computing, Universiti Teknologi Malaysia, Skudai, Johor, Malaysia
Shidrokh Goudarzi, Faculty of Computing, Universiti Teknologi Malaysia, Skudai, Johor, Malaysia

ABSTRACT

The purpose of this study is to investigate the efficacy of customer relationship management (CRM) benefits for customers in relation to customer satisfaction. A model has been developed and empirically tested through survey data collected from 150 customers of three Malaysian companies. The results indicate that the benefits of CRM for customers have had a significant positive effect on their satisfaction in marketing companies. Personalized service, responsiveness to customer’s needs, customer segmentation, customization of marketing, multichannel integration, time-saving and improving customer knowledge are the benefits that we proposed would affect customer satisfaction in order to significantly improve marketing performance. Additionally, the results reveal that all the benefits found, with the exception of time-saving, enhanced customer satisfaction. This paper contributes to the existing literature by incorporating the benefits of CRM for customers and the relationships of these benefits with their satisfaction in the proposed model.

Keywords: Customer, Customer Relationship Management, Knowledge Management, Multichannel Integration, Personal Service, Responsibility, Satisfaction, Segmentation

DOI: 10.4018/ijeis.2014010102
INTRODUCTION

In recent years, the world has undergone rapid changes due to technological advances. In order to be the winner in this race, firms and companies should be more active and powerful. It is important for organizations to keep existing customers at the same time as targeting non-customers. By using CRM they can handle this process, in addition to discovering, attracting, and finding new customers. This research is an effort to find out some of the benefits of CRM for customers and determine how this impacts on their satisfaction. CRM implementation is an effort to find solutions to assist organizations to develop the concept of customer relationship together with a high rate of satisfaction (Pan, 2005).

CRM is one of the vitally important factors for each organization that will provide a customer-centric business approach to retain effective marketing, as well as sales and service processes (Carolyn et al., 2003). The information which is gathered from the current customers can be used and applied to attract new customers. CRM can help to identify applicants and potential partners, and mix current customer information with potential customer’s requirements. By using this information, a company can distinguish its products and services to offer unrivaled services to new customer groups (Tiwana, 2001). A number of organizational benefits will help companies to use CRM as an opportunity to have a closer approach to customers, as well as increasing customer satisfaction and retention. That means CRM systems can present the communications that aid in simplifying a long-term relationship structure between the company and customers (Hendricks et al., 2007).

In past decades, many organizations of varying sizes and types have realized the advantages of providing customer satisfaction, since preserving current customers is cheaper than attracting new ones. The powerful relationship between customer satisfaction and profit-making has been approved, so increasing customer satisfaction then becomes an important goal of companies (Ahrari & Amirusefi, 2012). Customer satisfaction is an important measure for each company in developing, checking, and evaluating product and service contributions, in addition to inspiring and motivating employees. Customer satisfaction and customer orientation become vital competitive benefits in all areas of production (Kotler, 2000). Hence, it would be helpful for companies to understand how CRM implementation can increase the rate of satisfaction among customers.

Since CRM can be related to satisfaction of customer’s needs, there are some research studies that have examined the impact of customer satisfaction and retention with CRM (Mithas et al., 2005; Verhoef, 2003; Zikmund et al., 2003). Some information systems researchers have developed studies and theories relating to the effect of CRM systems. The study around CRM and its critical factors shows that there is inadequate knowledge about the effect of CRM and its benefits for a firm’s customer satisfaction level. However, previous research does not clarify why CRM applications affect customer satisfaction (Mithas et al., 2005). Through having a good background on CRM benefits for customers, it is essential to discover how the relationship with them can help companies determine how to improve their customer satisfaction levels by implementing CRM.

It is hoped that this research will help the researcher to find the importance of CRM facilities for improving customer satisfaction. Moreover, we have attempted here to gather and select information from past studies which have researched CRM benefits from a customer perspective so as to help future researchers gain a beneficial background relating to the benefits of CRM for customers. Providing a model by which to clarify the relationship with CRM benefits and customer satisfaction would also be beneficial for future studies. This study will assist companies and top managers to have a complete view about the impact of CRM on their customers, and to find a better way to manage their relationships with customers. Nowadays,
Related Content

Tool Support for Performance Modeling and Optimization
[www.igi-global.com/article/tool-support-performance-modeling-optimization/2095?camid=4v1a](www.igi-global.com/article/tool-support-performance-modeling-optimization/2095?camid=4v1a)

A McKinsey 7S Model-Based Framework for ERP Readiness Assessment
[www.igi-global.com/article/mckinsey-model-based-framework-erp/60403?camid=4v1a](www.igi-global.com/article/mckinsey-model-based-framework-erp/60403?camid=4v1a)
Enterprise Resource Planning (ERP) Implementations: Theory and Practice
www.igi-global.com/article/enterprise-resource-planning-erp-implementations/2136?camid=4v1a

Collaborative Business and Enterprise Urbanization: Towards a Production-Oriented Urbanization Strategy
www.igi-global.com/article/collaborative-business-enterprise-urbanization/3948?camid=4v1a