Interactions and Effects of CRM 2.0 in Public Administration: Issues of Interest to IT Professionals

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ABSTRACT

This article analyzes how CRM are affected from technological and social changes that involves the new paradigm of knowledge sharing and collaborative Web 2.0, giving rise to what is defined as CRM 2.0, and how the public administration - institutions that despite economic and social importance have been little studied in relation to the incorporation of technologies - can take advantage of these technologies. This requires provide knowledge to public administrations about the benefits they can get and which difficulties may be encountered in these projects. In this sense, from an exploratory research through the application of a Delphi to senior managers of public administrations, the authors have identified as positive effects of implementing CRM projects with Web 2.0; improved productivity, increased citizen satisfaction, and better integration of the information and as main barriers highlight the measurement of the ROI, security and organizational issues. Questions of interest are to be considered by IT professionals who have to develop these initiatives in the future.

Keywords: Barriers to Implementation, CRM, Effects of CRM 2.0, Public Administration, Web 2.0

INTRODUCTION

Companies have always adapted their strategies to the changing environment in which they operate in a continuous and enriching process of creative destruction, adopting new approaches and technologies with which to keep themselves (O’Sullivan & Dooley, 2010). Currently, we are witnessing a deep crisis which is causing very significant changes in economic, social, and technological terms which interact each other as never before. In the technological, companies, public administrations and people have moved on from using the Internet and traditional computer applications individually, to participatory and collaborative environments (Schellong, 2008). In these environments, people and organizations obtain added value from Information Technology (IT) through collaboration, the use of shared knowledge and common experiences, which is known by the term Web 2.0 (O’Reilly, 2005; Osimo, 2008; Shuen, 2008). In this context, the management of relationships with customers has become more complex, given that consumers use the tools provided by web 2.0 (blogs, wikis and social networks), which are generally beyond...
the control of organizations, to communicate, to share their tastes, experiences and opinions to everyone, in a matter of seconds, and at a much reduced cost.

The appearance of this collaborative paradigm which is unprecedented in human history, means that all organizations, both public and private, need to analyze how to adapt their customer relationship management system to the new situation. In this sense, there are studies and academic works emerging which are focused on analyzing the management of customer relationships that consider the changes and opportunities opened up by Web 2.0. In the private sector, some works are beginning to appear that present new management and customer relationship models supported by CRM systems that use social networks (Barton, 2008; Wagner et al., 2008; Palmer, 2009).

In the environment of public administrations, despite its importance as the largest supplier organizations of services in the world (OECD, 2009), and play a fundamental role in modern economies as moderators of economic relationships through the management of taxes, subsidies and incentives, and in the social environment as the main guarantor of the welfare of citizens (United Nations, 2008; European Commission, 2009), in general there is a lack of research, which is highlighted, in particular, in relation to the study of IT implantation and its impact on public agencies. In this regard, there are few works which have analysed the role of CRM in public administrations (Schellong, 2005) and academic research that analyses the use that the administrations make of Web 2.0 is even scarcer (Osiño, 2008).

Besides, one aspect that should be considered that makes public administrations particularly attractive is the fact that they have traditionally delayed incorporating IT compared to companies and, therefore, they have some major technological needs to cover, which, in recent years, has made them important demanders of IT services (OECD, 2009), and are therefore an attractive market niche for IT professionals.

For the lack brought to light, this paper focuses, first on analyzing and explaining how public administrations can use CRM and Web 2.0 as strategic tools for the management of relationships with their users. Second, provide some indicators to measure the effects that its use may generate both for the administration and society. Finally, it provides guidance to IT professionals who need to develop such initiatives in public administrations.

To achieve these objectives, this paper first examines the traditional concept of CRM and the need for these applications to be integrated with the new social and technological reality characterized by the collaborative environments, where people share information and experiences as a source of value, Web 2.0.

Once the study of how CRM can be integrated with Web 2.0 has been done, giving rise to what might be called CRM 2.0, the matter of how public administrations can use CRM 2.0 to optimize their work processes and improve their service levels is analyzed. To do this, is performed an exploratory research focused on managers of administrations that have developed CRM and Web 2.0 initiatives, which will allow to identify the effects resulting from the use of CRM 2.0 on public administration, and the main barriers that must be taken into consideration by IT professionals to develop these works in the administrations. Finally, the discussion about the findings, the limitations of the work and future lines of research are presented.

REVIEW OF THE LITERATURE

CRM

The relationship between companies and customers has been marked by the transition from a focus on transactions centered on products, to another of relationships centered on customers. From the 4 Ps (Product, Price, Place and Promotion) presented by McCarthy in 1960, there was a move to the 4 Cs (Consumer, Cost, Convenience and Communication) of Robert Lautherborn in 1990.
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