

# Critical Success Factors in a Six Dimensional Model CRM Strategy

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## INTRODUCTION

Organizations are currently embedded in an increasingly unstable and turbulent context, accentuated by globalization that leaves companies exposed to many unpredictable changes in their environment. In this scenario, organizations require trustworthy information and personalized knowledge that are indispensable in decision processes.

Relational marketing is becoming increasingly important. The main objective of relational marketing is to meet the needs of customers and the fulfillment of their wishes, through the design and development of products and services that can fulfill the expectations of customers. Kanagal (2009) mentions the application of relational marketing by companies is a competitive differential factor in leadership development, customer loyalty and rapid acceptance of new products and services in the market.

In addition to the acquisition of new customers, the retention of existing customers is of growing strategic importance, considering that the acquisition costs of a new customer are generally much higher than the retention costs of an existing customer. This vision is confirmed by Orantes-Jiménez, Vázquez-Álvarez, and Tejeida-Padilla (2017), which highlight that customer retention can offer greater profitability to companies. Van Triest, Bun, Van Raaij, and Vernooij (2009) complement this by stating that the customer retention process offers companies the potential to become more competitive than the competition, even in those with lower production costs. However, in the current competitive paradigm of national and international markets, customer loyalty is only possible if customers have a high degree of satisfaction with the products/services offered by the company.

Market orientation is an organizational culture that requires customer satisfaction to be at the center of business transactions. To this end, it is necessary to ensure that the company generates added value for customers and better performance for the organization (Anderson & Narus, 1998). Furthermore, market-oriented behavior facilitates organizational innovation, positively influencing commercial performance and the company's ability to perceive and satisfy customers (Prifti & Alimehmeti, 2017).

Customer Relationship Management (CRM) is a strategic model that aims to facilitate the management of knowledge from customer interaction and, consequently, helps to improve the decision-making

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process. CRM is not merely software or an activity that focus only in the customer service process, but it should be seen as a holistic process of anticipating and satisfying the expectations of customers. The management of the relationship with the customer (CRM) has been analyzed from diverse perspectives, standing out the information and marketing systems. CRM has implications throughout the organization and studies reveal a concern in analyzing in CRM adoption the relationship between critical success factors across the organization and their performance (Alamgir & Shamsuddoha, 2015; Meyliana, Hidayanto, & Budiardjo, 2016; Sebjan, Bobek, & Tominc, 2014). However, considering all dimensions of CRM, which can be viewed as a strategy, it is pertinent to exhaustively identify the critical success factors.

The objective of this chapter, based on the six dimensions model on the adoption of a CRM strategy, is to present and characterize a total of sixty-five critical factors, which are grouped into six dimensions. These critical success factors are generally cross-cutting regardless of the structure and sector of activity of the company, but the organizational specificities and the context must be taken into account in the establishment of a CRM strategy following the recommendations of Ahmad and Buttle (2002). Initially, the manuscript describes the different dimensions that influence the CRM adoption strategy. Consequently, critical success factors are integrated and discussed in each dimension. The paper concludes with the presentation of recommendations and solutions for its adoption in a business context, looks to the main current research lines in the final and the final conclusions are drawn.

## **BACKGROUND**

Several CRM adoption models that seek to present characteristics and processes that must be taken into account by the organization to increase the likelihood of success. One of the most up to date studies in the field that synthesize several dimensions that influence the adoption of a CRM strategy is presented by Santos and Castelo (2018). The authors carried out a systematic review of the literature that allowed identify and consequently analyze 32 models, developed between 1999 and 2015. In that study, the isolated factors that must be taken into account in the adoption of a CRM strategy are also included. The findings summarize the critical success factors into six dimensions: CRM strategy formulation, relational marketing philosophy, the application of best practices, organizational and human resources, CRM processes, and CRM technology.

The relationship between the different dimensions is evidenced in Figure 1. According to this conceptual model, the adoption of a CRM strategy consists of two phases: conceptualization and operationalization. In the first phase emerge two dimensions: (i) relational marketing philosophy; and (ii) CRM strategy formulation. It is relevant to emphasize that in the second above dimension, the user must take into account the CRM benefits that the company seeks to achieve. In turn, this dimension must also take into account feedback resulting from the evaluation of success, thus demonstrating the control that strategic management implicitly has in the process. In the next phase, we find the remaining four dimensions: (i) application of best practices; (ii) organizational and human resources; (iii) CRM processes; and (iv) CRM technology. In the 'application of best practices' dimension, the management of metrics stands out, which presupposes the definition of elements that will contribute to the evaluation of the success of adopting a CRM strategy. In turn, the 'organizational and human resources', 'processes' and 'technology' dimensions interact on the three functional areas of CRM: marketing, sales, and after-sales services and are influenced by the other three dimensions.

For each identified dimension, we intend to identify several critical success factors, which are summarized below. Its presentation in each of the dimensions is carried out in alphabetical order. Additionally,

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