

Chapter 4

CRM Implementation: Critical Success Factors

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ABSTRACT

Customer relationship management (CRM) systems have contributed significantly to the development of the economy since the business world has moved from a transaction-based economy to an economy based on customer relations, and organizations have moved from a product-oriented philosophy to a philosophy that is customer-centric. Knowing and anticipating customer needs, current and future, is at the base of a successful business strategy. CRM tools seek to respond to this new paradigm focused on the customer. A set of critical success factors (CSF) are presented to the implementation of a CRM in a technological company, as well as a list of criteria that allows to measure the success of the implementation. The study followed a qualitative approach using the MaxQDA software. The information collected through semi-structured interviews concluded that the involvement of top management, a clear definition of objectives, an adequate change management, and the consideration of the inputs of the end users are the most critical factors for the success of a CRM system implementation.

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INTRODUCTION

The current economy, characterized by globalization, exponential growth of competition and constant innovation in communication and information technology, pressures organizations to put aside the traditional marketing philosophy and consider a more customer-focused approach. Many organizations have identified this need (Sharma & Goyal, 2011), also recognizing that retaining customers becomes increasingly important (Idzikowski et al., 2019).

Digital transformation forces organizations of all sizes and sectors to constantly reassess their operations and adapt to new market realities. “*The customer is king*” has long been considered a mantra for marketing and sales. Industry leaders and academics also seem to be aligned in this customer-focused approach (Kim & Aggarwal, 2016).

In the current business landscape, where competition tends to intensify, the ability to strengthen customer relationships is seen as a likely source of competitive advantage (Santouridis & Veraki, 2017).

The motivation and need for an organization to decide to adopt a CRM system can vary, which involves additional complexity at the time of decision. However, it is essential to understand the main reasons for this adoption, as the organization needs to correctly measure the necessary financial efforts, present and future (Varajão & Cruz-Cunha, 2016).

CRM is an information system that tracks customers’ interactions with the firm and allows employees to instantly pull up information about their needs, such as past and current sales and/or service records, outstanding records or unresolved problem calls (Nguyen et al., 2007).

Over the last few years, CRM systems have been developing as an area of great importance and interest for organizations from all sectors of activity, as organizations recognize that keeping strong customer relationships is likely to bring profitability in the future (Nguyen et al., 2007), however it continues to be a significant investment, without great quantifiable financial return (Hendricks et al. 2007; Varajão & Cruz-Cunha, 2016).

BACKGROUND

CRM Systems

CRM systems entail different concepts considering their diversity and the different points of view of those who define them (Ngai, 2005; Payne & Frow, 2006). Nonetheless, the most comprehensive definition links a customer-oriented strategy, initiatives and marketing tactics supported by technology tools to generate value for the organization (Foss et al., 2008; Payne & Frow, 2006). In a CRM strategy, the development of a set of steps to be implemented to favor an adequate relationship with the customer is implicit (Mendonza et al., 2007).

Reinartz et al. (2004) emphasizes that CRM are customer-oriented systems with the purpose of managing the relationship between customers and the organization throughout their life cycle, from initiation, maintenance, and termination in order to maximize the value of this relationship.

Ramaseshan, 2006 defined CRM from the employment point of view as a process of achieving a continuous dialogue with each customer on their own, using all the available means to know the quantitative expected response of that customer as a result of practicing marketing activities to the degree that maximizes the general profitability of the organization.

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