The Identify factors affecting customer relationship system

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ABSTRACT: Customer Relationship in the banking industry is a significant competitive challenge. Banks require customers to have information about who they are and what they want from the database and how to meet those needs, Accordingly the aim of this study was to evaluate the conceptual model of customer relationship system which enable effective communication. The model consists of independent variables: Relationship marketing orientation to consumer, Organizing, Technology, CRM strategy, Information technologies, Knowledge management, Communication channels on the dependent variable associated with the client system.To test the hypotheses, a questionnaire of 28 questions designed that is valued Likert and distributed among the population, including state-owned bank Melat, the total 2340 patients (331 Customer bank) of the main branches of clients who have had experience using the CRM system. The method used in this research is descriptive - survey. The path analysis method was used to test the hypotheses, and the AMOS software is used for statistical analysis of data. The results of the study show the significant impact of variables on Information technologies and Communication channels and reliability has had the greatest impact on CRM among them.

Keywords: CRM, CRM Model, Melat Bank.

INTRODUCTION

Knowing your customers better will enable you to serve them better and keep them loyal forever. This is the main theme of Customer Relationship Management (CRM). However, the understanding of the meaning of CRM is still incomplete and growing. CRM can be understood as a business philosophy, a business strategy, a business process, or a technological tool. As a business philosophy Reference (Ryals et al., 2001). stated that "CRM is a relationship orientation, customer retention and superior customer value created through process management". As a business strategy "CRM is a customer-focused business strategy that aims to increase customer satisfaction and customer loyalty by offering a more responsive and customized services to each customer"(Croteau et al., 2003). CRM as a business process was defined as "a macro-level i.e., highly aggregated) process that subsumes numerous sub-processes, such as prospect identification and customer knowledge creation"(Srivastava et al,1999). As a technology, "CRM is an enabling technology for organizations to foster closer relationships with their customers"(Hsieh, 2009). Since the markets are becoming more and more complex and complicated, customers' demands for having products with lower price and better quality increase (Jutla et al., 2001). Meanwhile organizations try to find answers for questions like: who are their current customers, who and where their potential customers are, what benefits their customers are expecting from them and What are their customers' preferences, needs and problems (Anderson et al., 1998). Therefore for being able to compete in this competitive business environment, organizations are trying to have access to newer type of knowledge and capabilities (Jutla et al., 2001). Along with this competitive transition to a knowledge intensive environment, firms are becoming more dependent on detailed knowledge of their customers for improving their CRM objectives and finally their long-term business success (Bose et al., 2003).

Customer Relationship Management (CRM)

It can help to select the most useful clients for an enterprise. Enterprises most frequently feel who their main customers are, but only some use systematized media of customers' stimulation, loyalty development. Collected data about consumers later become knowledge and the latter determines profit for an enterprise. However the enterprise's activity can be based on such knowledge only when the data are processed and on their basis motivated decisions to attract or sustain customers are taken. Of course, it is necessary to possess special media, by means of which it is possible to perform the mentioned actions and which simplify the very decision-making (Alsmadi and Alnawas, 2011).

CRM strategy and evaluation of current situation within an enterprise

Before starting the implementation works of CRM, the audit of current situation should be performed, i.e., skills of the work with customers, wrong decisions and failures, competitors, partners, customers are analyzed as well as enterprise's needs to establish CRM system are also identified. The CRM strategy is the basis for the creation and implementation of customer relationship system, thus this element in the model is seen behind the borders of the system but not eliminated (Ruta et al., 2008).

Information technologies

Fast and easy accessibility of accumulated information; accessibility of information from geographically remote locations, optimization of work time use, decrease of negative impact of employees' change: by means of CRM system the maintenance of relationship between a customer and service operator is realized by any communication media. It can be post, email, phone calls, the Internet, individual visits, etc. In the model these elements are very important both in economical and relationship marketing meaning. Fast and effective customer relationship management will depend on properly chosen technologies (Ruta et al., 2008).

Knowledge management

Managing knowledge is an important key in CRM because costumers knowledge growing increasingly and so we should updating and managing our knowledge to identifying the costumers needs and the ways of meet their need as soon as possible. Knowledge management is necessary in all over the processes of CRM (Sin et al, 2005).

Organizing

It consists of three important parts: Dentine organizational learning as the creation of new standard operating procedures and business processes that reflect organizations experience (Laudon and Laudon, 2004). Considers a learning organization is an organization in which everyone is engaged in identifying problems, enabling the organization to continuously experiment improves and increase its capability (Daft, 2004).

Technology

Technology plays the role of enabler in CRM deployment (Das, 2004) and allows firms of achieve greater customization and better service at lower cost (Sin et al, 2005).

Communication channels of interaction

Effective implementation of CRM programs requires two way communications to interact directly with customers and receive immediate feedback. This keeps the firm in touch with reality and enables employees to quickly respond to different consumer needs. The use of modern communication technology such as telephone, internet, e-mail, fax, SMS, could also enhance the effectiveness of two way communication (Alsmadi and Alnawas, 2011).

Research Objectives
Main Objectives
- Examining effective factors influencing Customer Relationship Management.

Sub Objectives
1- Identifying factors influencing Customer Relationship Management.
2- Measuring any of the factors influencing Customer Relationship Management.
3- Rating any of the factors influencing Customer Relationship Management.
4- Extracting the conceptual model about the factors influencing Customer Relationship Management.

5-Developing and drawing inclusions from the extracted conceptual model about the factors influencing Customer Relationship Management.

Research hypotheses

H₁.Theres a significant and positive relationship between Relationship marketing orientation to consumer and Customer Relationship Management.

H₂.Theres a significant and positive relationship between CRM strategy and Customer Relationship Management.

H₃.Theres a significant and positive relationship between Information technologies and Customer Relationship Management.

H₄.Theres a significant and positive relationship between Knowledge management and Customer Relationship Management.

H₅.Theres a significant and positive relationship between Organizing and Customer Relationship Management.

H₆.Theres a significant and positive relationship between Technology and Customer Relationship Management.

H₇.Theres a significant and positive relationship between Communication channels and Customer Relationship Management.
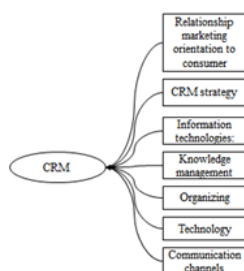
Proposed Model

Figure 1. The Conceptual model of examining the effective factors (Relationship marketing orientation to consumer, CRM strategy, Information technologies, Knowledge management, Organizing, Technology, Communication channels) influencing CRM in E- banking (taken from: Fakhraddin Maroofi et al., 2013).

Theoretical framework for research
Research Method

Considering the subject of this research, the universe of this study is the clients of the main branches of melat bank in kermanshah province-Iran. The sampling method and sample volume was determined by morgan table. The universe was 2430 people and sample volume was determined 331 persons. Samples were collected by the simple accidental sampling method. A closed questionnaire was used for collecting data and the questions were categorized into 7 sections with a value of 0-100.For analyzing data, path analysis was used.

Kolmogorov- Smirnov test

To use path analysis and regression method, errors must have a normal distribution. To examine this, Kolmogorov-Smirnov test is being used.

Table 1. One-Sample Kolmogorov-Smirnov Test

	Error
N	331
Kolmogorov-Smirnov Z	.215
Asymp. Sig. (2-tailed)	.160

In the table above, Since p-value = 0.160 and p > 0.05, the hypothesis of being normalized is accepted.
A primary sample of 331 people were examined to do this research and as for getting sure of its reliability, cronbachs Alpha was used. As its shown in the table below, α =0.970, which proves the reliability of the questionnaire.

Table 3. Reliability Statistics

Cronbach's Alpha	N of QUERY
.970	28

In the table above, cronbachs alpha = 0.970 and α > 0.70, then it can be said that this questionnaire is reliable. In this model, the impact of independent variables such as Relationship marketing orientation to consumer, CRM strategy, Information technologies, Knowledge management, Organizing, Technology and Communication channels on the dependent variable of CRM is examined. Therefore, the model is illustrated as following:
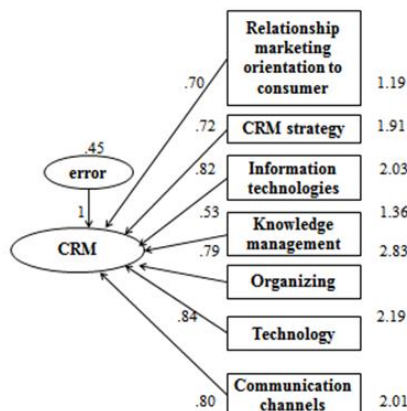

Figure 2. The regression coefficients of independent variables in Melat bank

In the figure above, 0.70 demonstrates regression coefficient between Relationship marketing orientation to consumer and CRM variables, and 1.19 demonstrates the variance of reliability variable.

Regression coefficients of variables in Melat bank

The table above shows the calculated regression coefficients of independent variables on dependent ones. According to this table, the regression coefficient of the variable Relationship marketing orientation to consumer is 0.70.Also,the calculated regression coefficient of CRM strategy is 0.72, Information technologies =0.82, Knowledge management =0.53, Organizing = 0.79, Technology = 0.84 and Communication channels = 0.80. considering the last column of this table which shows p- value related to independent variables coefficients being significant hypothesis. Relationship marketing orientation to consumer 0.013, CRM strategy 0.005, Information technologies 0.000, Knowledge management 0.003, Organizing 0.000, Technology 0.006 and Communication channels 0.000 .because all of these p – values < 0.05 ,as a result, it can be concluded that all of these coefficients are significant. In the second column, this table shows standard error and the third column shows the critical value, which is attained through dividing the coefficient astimation by the standard error.

Table 4. Regression coefficient of independent variables in Melat bank

			Estimate	S.E.	C.R.	P
CRM	<---	Relationship marketing orientation to consumer	.701	1.090	.512	.013
CRM	<---	CRM strategy	.722	1.382	.922	.005
CRM	<---	Information technologies	.820	1.424	.333	.000
CRM	<---	Knowledge management	.534	1.166	.672	.003
CRM	<---	Organizing	.791	1.682	.382	.000
CRM	<---	Technology	.842	1.479	.522	.006
CRM	<---	Communication channels	.806	1.417	.401	.000

Structural equation

In this article, independent variables like Relationship marketing orientation to consumer is shown by X_1, CRM strategy X_2, Information technologies X_3, Knowledge management X_4, Organizing X_5, Technology X_6, Communication channels X_7 and the dependent variable of CRM is shown by Y. According to the regressional coefficients, the linear regressional model beging fitted to data, is as follows:
$Y = 0.32 + 0.70 x_1 + 0.72 x_2 + 0.82 x_3 + 0.53 x_4 + 0.79 x_5 + 0.84 x_6 + 0.80 x_7$

Standardized Regression Weights

The standardized coefficients of independent variables have been shown in the Figure below.

Table 5. the standardized coefficients of variables

			Estimate
CRM	<---	Relationship marketing orientation to consumer	.634
CRM	<---	CRM strategy	.655
CRM	<---	Information technologies	.783
CRM	<---	Knowledge management	.452
CRM	<---	Organizing	.694
CRM	<---	Technology	.754
CRM	<---	Communication channels	.777

As h's obvious from the table above, the variable of Communication channels has the most impact and Knowledge management has the least impact on the variable of CRM.

Comparing the independent model and the proposed model
In order to examine the suitability of the model, the following criteria are used. The nearer the values of these criteria to 1, the more suitable the model will be. The independent model is a kind of model in which theres no relationship among variables, being called a basic model.

Table 6. comparing the suggested and independent model in melat bank

RMSEA	AGFI	GFI	CFI	IFI	RFI	NFI	
0.056	0.795	0.854	0.841	0.955	0.893	0.910	proposed model
0.000	0.000	0.000	0.000	0.000	0.000	0.000	independent model

The values of the table above proves suitability of the model.

K_2 of the suggested models
The following table shows the K_2 value for the suggested model.

Table 7. K2 of the suggested model in melat bank

CMIN	DF	CMIN/DF	P
39.711	21	1.891	0.006

For this model, $\chi^2 = 39.711$, degrees of freedom = 21 and sig = 0.006 ,and because sig <0.05,its concluded that the regressional model being fitted among dependent and independent variables is significant and suitable.

CONCULSION

In the following section, p-value and regression coefficients the Melat bank is evaluated simultaneously and as a result the hypotheses of this research will be either accepted or rejected:

H₁.Theres a significant and positive relationship between Relationship marketing orientation to consumer and CRM.

According to the achieved results; theres a significant and positive relationship between Relationship marketing orientation to consumer and CRM with a sig of 0.013 and a regression coefficient of 0.70.Therefore,it can be stated that theres a strong relationship between CRM and Relationship marketing orientation to consumer, and the regression coefficients between the two stated variables is direct (positive).As a result, it can be said that Relationship marketing orientation to consumer influences CRM and in customers point of views; The more the Relationship marketing orientation to consumer, the better the . CRM, therefore, the hypothesis is accepted.

H₂.Theres a significant and positive relationship between CRM strategy and CRM.

According to the achieved results; theres a significant and positive relationship between CRM strategy and CRM with a sig of 0.005 and a regression coefficient of 0.72.Therefore,it can be stated that theres a strong relationship between CRM and CRM strategy, and the regression coefficients between the two stated variables is direct (positive).As a result, it can be said that CRM strategy influences CRM and in customers point of views; The more the CRM strategy, the better the . CRM, therefore, the hypothesis is accepted.

H₃.Theres a significant and positive relationship between Information technologies and CRM.

According to the achieved results; theres a significant and positive relationship between Information technologies and CRM with a sig of 0.000 and a regression coefficient of 0.82.Therefore,it can be stated that theres

a strong relationship between CRM and Information technologies, and the regression coefficients between the two stated variables is direct (positive).As a result, it can be said that Information technologies influences CRM and in customers point of views; The more the Information technologies, the better the . CRM, therefore, the hypothesis is accepted.

H_4.Theres a significant and positive relationship between Knowledge management and CRM.

According to the achieved results; theres a significant and positive relationship between Knowledge management and CRM with a sig of 0.003 and a regression coefficient of 0.53.Therefore,it can be stated that theres a strong relationship between CRM and Knowledge management, and the regression coefficients between the two stated variables is direct (positive).As a result, it can be said that Knowledge management influences CRM and in customers point of views; The more the Knowledge management, the better the . CRM, therefore, the hypothesis is accepted.

H_5.Theres a significant and positive relationship between Organizing and CRM.

According to the achieved results; theres a significant and positive relationship between Organizing and CRM with a sig of 0.000 and a regression coefficient of 0.79.Therefore,it can be stated that theres a strong relationship between CRM and Organizing, and the regression coefficients between the two stated variables is direct (positive).As a result, it can be said that Organizing influences CRM and in customers point of views; The more the Organizing, the better the . CRM, therefore, the hypothesis is accepted.

H_6.Theres a significant and positive relationship between Technology and CRM.

According to the achieved results; theres a significant and positive relationship between Technology and CRM with a sig of 0.006 and a regression coefficient of 0.84.Therefore,it can be stated that theres a strong relationship between CRM and Technology, and the regression coefficients between the two stated variables is direct (positive).As a result, it can be said that Technology influences CRM and in customers point of views; The more the Technology, the better the . CRM, therefore, the hypothesis is accepted.

H_7.Theres a significant and positive relationship between Communication channels and CRM.

According to the achieved results; theres a significant and positive relationship between Communication channels and CRM with a sig of 0.000 and a regression coefficient of 0.80.Therefore,it can be stated that theres a strong relationship between CRM and Communication channels, and the regression coefficients between the two stated variables is direct (positive).As a result, it can be said that Communication channels influences CRM and in customers point of views; The more the Communication channels, the better the . CRM, therefore, the hypothesis is accepted.

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