The Different Perspective of Managerial and Operational Level toward CRM Practice in Thailand

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ABSTRACT

Nowadays, Customer Relationship Management (CRM) has become the important part of business due to the benefit of analyze sale opportunities, campaigns management, personalization to each individual customer, cross-selling and up-selling. It also supports the organization to increase in the level of customer relationships, customer satisfaction, efficiency, effectiveness of its internal processes and higher revenue. Through these advantages a lot of organizations try to invest and put their effort in CRM practice. Unfortunately, many research evidence shows that most of the companies fail to make their CRM effort to pay off. Thus success CRM is required co-operate from the management top down in the CRM installed companies but there is no commonly agreed framework for the effective CRM's implementation and CRM's influential factors toward the managerial and operational perspective. Therefore this study will fulfill the gap and highlight the different influential factors. The finding has shown that each part of the organization has to take care for their role and responsibility in order to success in CRM practice.

KEYWORDS

CRM	Influential Factor
Perspective, Thailand	CRM Practice

PREAMBLE

Nowadays, Customer Relationship Management (CRM) has become the important part of business, especially large business organizations while the small and medium sized companies are increasing the interest due to the benefit of analyze sale opportunities, campaigns management, personalization to each individual customer, cross-selling and up-selling (Greenberg, 2010). CRM can also support the organization to increase in the level of customer relationships, customer satisfaction, efficiency, effectiveness of its internal processes and higher revenue (Valsecchi, Renga, Rangone, 2007).

The concept of CRM is not only another information tool, if the organization applied properly, CRM can yield an exceptional return in revenue and improve customer service (Nguyen, Sherif & Newby, 2007). Support from the study of Kimiloglu and Zarali (2009) has shown the finding on 72 businesses in Turkey that the organization who success in adopt CRM practice in their organizations have the significantly improvement on speed**,** effectiveness, reliability of their business process, customer satisfaction, revenue, brand image, efficiently business process, and technology utilization (Kimiloglu & Zarali, 2009).

With these advantages, the total worldwide Customer Relationship Management (CRM) software market reported by the AMR Research and Gartner had been exceeded to $13 Billion (USD) in the year 2008 (Bull & Adam, 2010) and will likely to reach $22 billion in the year 2012 with 36 percent growth rate (Greenberg, 2010). Unfortunately over 1,700 companies worldwide have been surveyed, the results show that only 16.1% of the Customer Relationship Management practice companies are reporting that CRM system usage is resulting in increased revenues in the their companies while the majority of firms or 83.9% are underutilizing the CRM tools they have in place (Dickie, 2009).

In Thailand, the National Statistical Office showed that there are only 20.7% of the total companies established in Thailand who gain benefit by adopt the Information and Communication Technology while 79.3% of the companies are lost or have the same revenue by adopt Information and Communication Technology (ICT), the important barriers of ICT practice in Thailand are expenditure too high, technology is too complicated, existing personal reluctant to use, lack of skills, difficult to recruit qualified personal and security concerns (National Statistical Office of Thailand, 2007). It was conforming to the study of Aruthari (2005) who study in Information Technology adoption by companies in Thailand showed the findings that, the barrier to adopt CRM practice consist of the following factors which are lacks of perceive benefit of CRM system, lack of adequate funding, lack of adequate personnel resource and resistant to new technology (Aruthari, 2005).

REVIEW OF LITERATURE

Before implementing CRM, organization has to evaluate the fit of CRM in their organization, current CRM capabilities and good reason to implementing CRM, together with the good implementing strategy (Nguyen, Sherif & Newby, 2007). Where the finding from the study of Light (2003) who interview 24 users and managers about the organizational CRM software experience showed that organization should understand the theoretical and practical implication of organization's CRM perspective before implementing the CRM system, the lack of understanding will likely to create the problem to CRM installed companies. Support from the study of Chahal (2009) who studied in operational and analytical CRM of healthcare services has shown the finding that mindset change is the key to build the competitive interest in employees and make them understanding their role to increase loyalty and customer satisfaction.

However, CRM is a concept that requires suitable business process, effective system integration, evaluation process (Zineldin, 2006) and CRM feedback which able to increases organization CRM's efficiency (Palsinghtoor, 2009), where the business processes which adapt to support CRM practice can enable the companies to increase the relationship between employee, customer and supplier by creating a good environment for operate business (Skrinja, Vuksic, Stemberger, 2008). The study of

Palanisamy, Verville, Bernadas & Taskin (2010) has shown the finding on interview 183 samples of organizations in North America, that CRM performance, strategy, business process reengineering, management support and end user buy-in are the influential factor to CRM system acquisition. Therefore, CRM success is required the change in organizational normal business process to support the CRM system which design the path way to best practice, together with the high level of employees' commitment (Shum, Bove & Auh, 2008), a clear CRM vision, management support, end-user involvement, suitable corporate culture and focus of user requirement, these success factor can be applicable both large, medium and small sized of CRM installed companies (Xevelonakis, 2005; Doom, Milis, Poelmans & Bloemen, 2010; Lambert, 2010). Also support from the study of Ifinedo (2008), 62 managements of 44 firms located in Finland and Estonia has agreed that the top management support and business vision are significant related to the level of CRM system success. Another support from the study of Dimitriadis and Stevens (2008) who suggested the effective CRM required the integrated perspective and coordination among all components which are strategy (a clear company's vision related CRM and adequate management commitment), organizational (align business process and customer-centric culture), human (CRM consciousness and mindset) and technology (integrated data and quality).

The study from Ranjan and Bhatnagar (2009) suggested the successful implementation of CRM in organization depends on employees' interest and ready to accept change to the new system, moreover new CRM system has to be flexibility, maintainable, reliable and consistent enough to support necessary change suggested by the management and organization. Moreover, Information Technology infrastructure has positive and significant relationship to the customer responsiveness which leads to the business advantage to the companies (Bhatt & Emdad, 2010).

Where the finding form the study of Chang, Lie and Fan (2010) in 87 samples of top four real tate brokerage companies in Taiwan showed that employees' computer self- efficacy which increased by adequate support and training, can make the CRM user efficiently deal with the problem and increase their usage of CRM system.

The study of Limsarun and Pacapol (2010) who studied in the CRM practice of ICT public listed companies in Thailand, has shown the finding on managerial perspectives that the executives believe individual level of computer self-efficacy, IT and Business culture gap, organizational CRM mindset, and CRM Software Utilization are the influential factors to the success of CRM practice (Limsarun & Pacapol, 2010). In contrast, most of the managerial works are focus on decision making, communication, coordination, disseminate information and motivate the people in the organization (Pearson & Chatterjee, 2003).

Thus, the perspective of managerial and operational level towards the CRM influential factor is likely to differ according to the job title and roles in organization (Palanisamy, Verville, Bernadas & Taskin, 2010) and there is no commonly agreed framework for the effective CRM's implementation and CRM's influential factors (Lo, Stalcup & Lee, 2010) as shown in the Table1. Therefore, the purpose of this study is to investigate and highlight the different perspective of managerial and operational level toward CRM practice companies in Thailand.

Influential Factor toward (CRM) success	Authors/References
• Individual's ability to use Customer Relationship Management System (Computer Self-Efficacy)	Chang, Lie & Fan, 2010; Limsarun & Anurit, 2010
• Level of information sharing, data security and performance of Customer Relationship Management System (CRM System Utilization)	Ranjan & Bhatnagar, 2009; Bhatt & Emdad, 2010;
• Employee's perception toward the benefit and important of Customer Relationship Management System (Employee's CRM Mindset)	Dimitriadis & Stevens, 2008; Chahal, 2009
• Organization's perception toward the benefit and important of Customer Relationship Management System (Organization's CRM Mindset)	Light, 2003; Aruthari, 2005;
• The different between believe, attitude and way to conduct job of Information Technology and Business Culture in Organization (Organization IT and Business Culture Gap)	Doom, Milis, Poelmans and Bloemen, 2010
• The change in business process to support Customer Relationship Management System (Business Process Change Management)	Shum, Bove & Auh, 2008; Skrinja, Vuksic, Stemberger, 2008
• Clear vision of management toward the Customer Relationship Management System (Management Vision)	Xevelonakis, 2005; Ifinedo, 2008
• Co-operate within organization to use the Customer Relationship Management System (Employee Buy-In)	Palanisamy, Verville, Bernadas & Taskin, 2010
• Support from the management in term of tangible and intangible resources to support Customer Relationship Management System (Management Support)	Lambert, 2010
• Evaluation process after implement Customer Relationship Management System (CRM Evaluation Process)	Zineldin, 2006; Palsinghtoor, 2009

Table 1: Influential Factors toward Customer Relationship Management System (CRM)

RESEARCH OBJECTIVES

• To provide a guideline and highlight key success factors for CRM practice companies.
• The finding of this paper could create a greater awareness on the perspective gap between managerial and operational level, since CRM success has to be initiated by the management top down (Xevelonakis, 2005).

RESEARCH METHODOLOGY

In order to find the perspective gap between managerial and operational level toward the CRM practice of CRM installed companies in Thailand, the qualitative approach was applied because it take the researchers to closer and understand people's beliefs and theoretical model for how they perceived and organize their life activity and routines in subjective meaningful ways and generating rich information for deeper understandings of their experience (Lieber, 2009). Both the primary data and secondary data were used.

The primary data were collected by techniques including formal and informal interviews and direct observations by the researchers. While the secondary data were firstly accessed from recent reports, journals, online resources and others, which were useful in informing the primary data collection process, and were also used to interrogate the findings.

Non-probability sampling procedure is adapted by the judgment sample which the researchers actively select the most productive sample to answer the research questions. The participants are working in the operational level and they were selected from the CRM installed companies in Thailand who more than one year in their organization because return on investment study must be done at least a year after the system has been implemented. This is necessary in order to have enough time to identify the true saving and costs (Tanoury and Pease, 2002; Ingevaldson, 2009).

With the purposive, convenience and snowball technique, the researchers contacted to the 86 samples who work in the operational level of CRM installed companies, while 22 persons or 25.58 percents give the permission to interview individually. All informants (22 females and 9 males) were selected from several departments which are MIS, Marketing, Sale and Customer Service of CRM installed companies which have employees range from less than 100 to more than 500 employees in their organization.

While the participants are experiencing and working related to the CRM system in their organization range from 1 year to more than 5 years as shown in Table 2. The researchers believe all the participants selected interviewees were knowledgeable, highly

experienced. As a result, the selected techniques were considered to be useful and suitable for empirical study.

The sampling design for the qualitative study started with an identification of sampling units who work in the operational level and sampling organizations which are the CRM installed companies in Thailand, Initially, the targeted units were purposely contacted through mail official letter requesting to the collect the data in relevant to the CRM areas in the concerned organizations. The official letters and guidelines of required information were enclose together in order to make understanding about the interview objectives and information which will be collected and recorded by the researchers. Each in-depth took around 30-40 minutes in each subject according to the availability of the informants. The semi-structured survey questionnaires which were not frame into any particular model; but the interviewees were interacted and questioned within the scope of this study.

The interviewed guideline had been prepared proved by the thesis advisor before the interview took place in order to make appropriate questions for the target groups. Also the interviews are designed by the researchers to direct both the content and focus of the interview. By asking specifically worded questions in a predetermined order, the researchers ensure a certain level of consistency when conducting the interviews.

The interviewees were encouraged to share the opinions and perspective towards a CRM practice of their work environment and organization. When the researchers having interview with participants. The Interesting quotes from the participants were recorded and analyzed by the researchers in order to highlight the important and different factors toward their perspective which related to the secondary data and previous studied. Before the end of interview, the researchers give the participants to rank 1 (the most important factor) to 10 (the least important factor) on the CRM influential factors toward their perspective. Afterward the result of ranking will be calculated to find the average, thus the lowest average is the most important factor to the CRM success.

Table 2: Participant's Profile

Category		Frequency	Percentage
Department			
	Management Information System	9	40.91%
	Marketing	4	18.18%
	Sale and Distribution	4	18.18%
	Customer Service and support	5	22.73%
Number of Employees in organization			
	Less than 100	5	22.73%
	100-200	7	31.82%
	201-500	3	13.63%
	More than 500	7	31.82%
Year of CRM experience			
	Less than 1 year	4	18.18%
	1-5 Year	8	36.36%
	More than 5 year	10	45.46%

ANALYSIS AND INTERPRETATION

The result from this study showed that operational levels believe management vision, level of co-operate within the organization (Employee Buy-in) and management support are the most important factor to the success of CRM practice. While IT and Business Culture Gap and CRM Evaluation Process seem to be less important to their perspective toward CRM practice. As shown in Table3.

**Table 3: The operational perspective toward CRM practice**

Influential Factors	Total Score	Average
Management Vision	69	3.1364
Employee Buy-in	104	4.7273
Management Support	104	4.7273
Organization's CRM Mindset	106	4.8182
Employee's CRM Mindset	109	4.9545
CRM System Utilization	110	5.0000
Change in Business Process	120	5.4545
Computer Self-Efficacy	130	5.9091
IT and Business Culture Gap	173	7.8636
CRM Evaluation Process	185	8.4091

FINDING AND DISCUSSION

The result of the study is very interesting while the managerial level believes IT and Business culture gap, computer self-efficacy, CRM system utilization and organization's CRM mindset are the most important factors to the success of the CRM practice. In contrast, IT and Business culture gap and computer self-efficacy seem to be the less important factors and far distinct in the operation level perspective, while the management support and vision are the most important. Since the success of the CRM practice has to be initiated by the management top down (Xevelonakis, 2005).

Therefore, the researchers have concluded that the important factors should come from the CRM common understanding of both managerial level and operation level as shown in Figure 1. Firstly, the managerial level should focus on the clearly vision and fully support to the CRM practice. Secondly, the operational level should focus in the level of co-operate within organization and positive perception to CRM practice. Thirdly, the CRM practice organization should utilize their CRM in place system and change their business to support CRM system.

Figure 1: CRM Best Practice Model
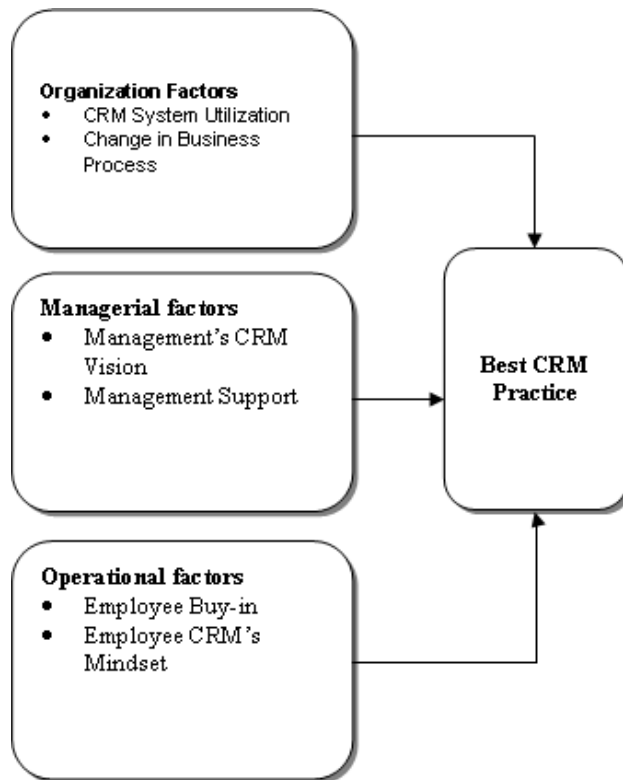
LIMITATION OF THE STUDY

It is clear that this study was somewhat biased in terms of obtaining access to the targeted samples for in-depth interview due to the policies to share information to outsider. Also it took a long time to contact the participants and follow up for the permission to interview.

CONCLUSION

Since the objective of this study is to provide a guideline and highlight the different perspective between the managerial and operational toward the CRM practice companies. The result have shown a very strong support that each level has a significant different perspective, therefore organization should focus more on communication within organization in order to spread a clear and concise information, together with a support to each individual's

requirement. Moreover the organization may have training to support and shape the mindset both for managerial and operational level, thus it will likely to improve the success rate of CRM practice.

FUTURE WORK

For the further study, the researcher looking forward to have quantitative research in Information and Communication (ICT) public listed companies in Thailand in order to concrete the conceptual framework and highlight the most important success factor to CRM practice, we use ICT sector as a model to study, the researcher thus it will able to apply for other sector who already installed CRM in their organization.

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