

IMPACT OF EFFECTIVE ORGANIZATIONAL CHARACTERISTICS ON ADOPTION OF CUSTOMER RELATIONSHIP MANAGEMENT IN MELLI BANK BRANCHES IN KHUZESTAN PROVINCE-IRAN

Mohammad Ali Enayati Shiraz¹, Elham Ramezani²

¹*Department of Industrial Management, Islamic Azad University, Andimeshk Branch, Andimeshk, Iran*
E-mail: alienayati00@yahoo.com

²*Department of Business Management, Islamic Azad University, Andimeshk Branch, Andimeshk, Iran*
E-mail: elhamramezani2009@yahoo.com

Abstract

The objective of this study is to identify effective organizational characteristics on adoption of customer relationship management in Melli bank branches in Khuzestan province-Iran. The research model was designed in accordance with TAM model to adopt new technologies. Studies conducted have noted to effective organizational characteristics on the adoption of customer relationship management system. In this study effective organizational features on adaption of customer relationship management system were measured based on research of Ko & Hung, variable of organization size, Agnes research, variable of innovation, Fakhrdaei and Peltier, variable of CRM knowledge, research of Agnes, Fakhrdaei and Peltier , variable of attitude toward to change, Agnes , Wu & Richard, variable of market orientation and based on research of Avlonitis, variable of expectations. In this research each variable is described using descriptive statistics indices, then it measure using causal model. The analysis results showed that in general knowledge of CRM and expectations through perceived ease of use affect adoption of effective customer relationship management system. Attitude toward to change through perceived usefulness affects adoption of effective customer relationship management system. Market orientation through perceived usefulness and perceived ease of use affect adoption of effective customer relationship management system. Perceived usefulness and perceived ease of use directly affect the adoption of customer relationship management system. The perceived ease of use has a positive effect on perceived usefulness.

Keywords: CRM, Perceived Ease of use, Perceived Usefulness

1. Introduction

The widespread use of information technology enables organizations that benefit from technical knowledge along with the skills and expertise to increase awareness toward customer needs and requirements and better understanding of them. During the 90s, the interactive processes of customer management based on information technology business process that is at the end of the customer relationship, be re-engineering that nowadays this issue known as customer relationship management (CRM). CRM is seeking to provide more value for customers (Gilaninia & et al, 2012) and is set of methodologies, processes, software and systems that helps to institutions and corporations in the effective management and organized in relationship with customers. In research conducted and investigating the results of the use of customer relationship management system shown that between 50 and 80 percent of CRM projects be failed; Hence one of the most important reasons for it is the failure to check the status of the company, that is same lack of attention to detailed assessment of

areas and binding requirements, before getting into the implementation step and mentioned system. Assessing organizational readiness for acceptance and proper operation of this system is one of the initial steps for the establishment of customer relationship management systems. In the process, the overall organizational readiness have been investigated in term of the process, managerial, organizational objectives, information technology, culture and education and is identified the problems and risks in the implementation of the system, because by a remedy for these problems provided field of system establishment. So far at international level in various studies and research have been done in order to assess successful settlement areas of customer relationship management systems. The occurrence of such actions have been done with the aim of identifying potential problems and challenges in implementing and benefiting from successful experiences of other implementation items for problems (Aghajeri,2010:2).

2. Statement of Problem

Nowadays in the business world, the concept of customer relationship is the center of attention. While in the past, customer service were in the low priorities of organizations, but nowadays, organizations put their customers at the center of all activities and major sales and marketing strategies revise them accordingly. The needs of customers and their buying patterns have changed dramatically, company to meet the different needs and in order to achieve competitive advantage show strong tendency to adopt a customer-focused marketing strategies (Ko et. al, 2008, p65). Authorizing to customer is growing in this area and in service organizations such as banks have been more sensitive. Financial sector (banks) is undergoing changes (Gilaninia & et al, 2012). Customer, in the process of providing services is considered as part of the service provided; therefore strategies adopted goes to personalize these services for every customer. Customer is the lifeblood of banks and society while trying to attract deposits from the banking system expects that eventually led to the profitability of banks and credit institutions, in parallel with economic and social development move in order to provide superior service so as take steps effectively to fulfill customers' demands and coordinate itself with the needs of society. In the past few years due to various socio-economic problems and public banking system and more importantly, increasing the demand on supply, the country's banks has always neglected the customer orientation and pillars of it and have not been able to effectively use modern marketing. People due to lack of attention and underrate their needs and desires and providing same services by all bank branches in the country don't have incentive to visit bank branches. Therefore, customers inevitably go to the banks to meet their basic needs and in other words, we must say that the people who serve the banks not banks serve people. With the advent of private banks, increasing competition and new economic conditions, developing stronger relationships with customers is more important. There is no doubt that necessary to achieve this goal is applying new methods and analysis issues that arise at multiple levels of banking. the country's banking system should be provide current public services in accordance with structure of the market and provide accelerate growth and economic welfare. To meet customer different expectations, customer relationship management of the system (CRM) seems useful experience (Shahraki & et al, 2010:1). Customer relationship management system is focused to build and manage detailed relationships with customers through analysis of customer data with the use of information technologies (Agnes, 2009:p1). Environmental changes is caused that banks care about to equip themselves, to identify the needs and expectations of customers, because each bank can to identify and meet these needs better than competitors, will prevail in competition. Due to the above points, the main research question is: The main question of this research is: what are the organizational characteristics influencing the adoption of customer relationship management system in Melli Bank branches in Khuzestan province?

3. Theoretical Framework of Research

The model used in this study is based on the Technology Acceptance Model (TAM) that is presented by Davis in 1989 and has been used by many researchers to explain the adoption of new information technologies in the past two decades.

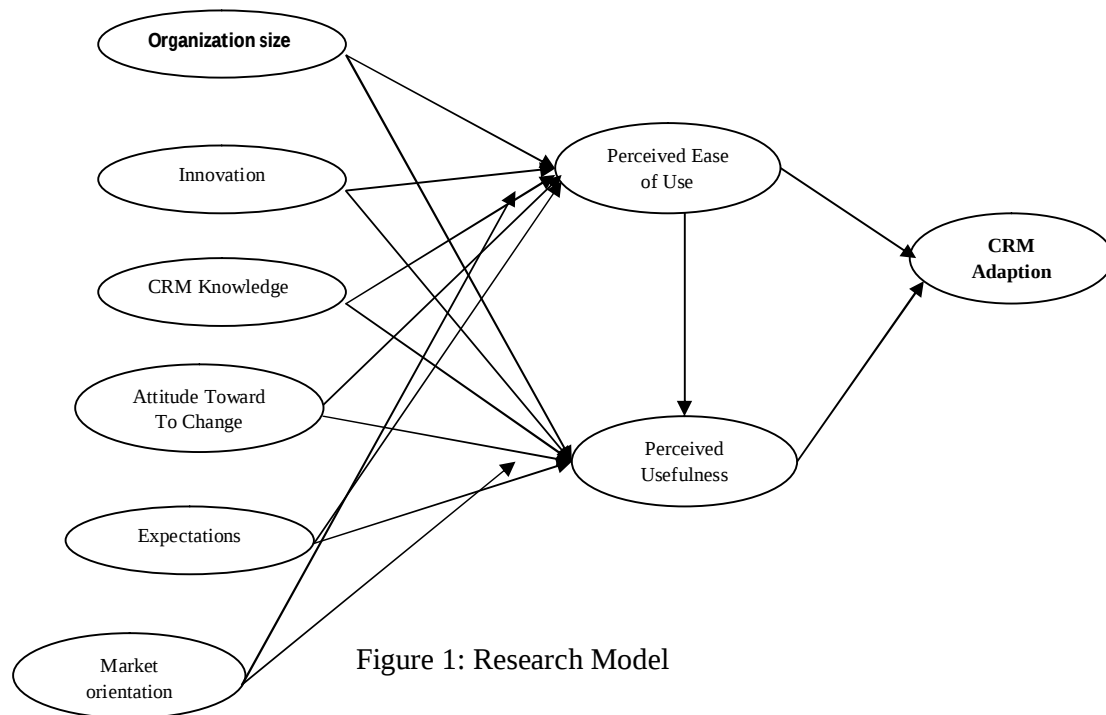


Figure 1: Research Model

CRM Adoption: This variable is associated with the decisions that the organization consider for the CRM application (Fakhredaei, 2006: p11). Measurement component of this variable include use of capabilities of CRM system, the frequent use of CRM system and the use of this system in daily work.

Perceived Usefulness: it includes person belief about the use of a tool and special procedures to improve professional practice or their job. Based on studies conducted more efficient tools and procedures more will be used (Avlontis et.al, 2005, p356). Measurement component of this variable includes the improvement of their banking activities.

Perceived Ease of Use: it is as degree which a person believes that using a particular system in terms of physical or mental effort and learning don't require a lot of effort (Avlontis et.al, 2005, p356). System that is more difficult to learn and use them less likely be widely used. Measurement component of this variable is easy to use.

Organization size: it is measured with the total number of employees in an organization (Robbins, 1990).

Innovation: This variable is meant to provide new products and services resulting from the use of creativity in various business fields of firm. As well as innovative is as the successful application of

creative ideas in an organization (Rhee et.al, 2010, p66). This variable in this study is measured based on factors such as product innovation and process innovation.

CRM Knowledge: This variable is associated with staff knowledge about computer information systems and CRM technologies (Fakhredaei, 2006, p28) and be measured with components of familiarity with the concept of CRM, the knowledge about computerized management systems and experience working with computer systems.

Attitude Toward To Change: This variable is associated with overall acceptance of new ideas and the willingness to take risks (Fakhredaei, 2006, pp28-29). Measurement components of this variable include the search for a new idea to improve the performance of the company and the risk taking of the user.

Expectations: This variable is associated user expectations from the use of system in future (Avlontis et.al, 2005, p365). Measurement component of this variable is the expectations of the management from the staff to use the system, the benefits of using the system and clearing purpose towards use of system.

Market orientation: This variable is as extensive creation of market information in the organization that is in relation to current and future customer needs, distribution of information across departments and reactivity of organization to it and is measured with the components of the customer-oriented, competition-oriented and intersectoral coordination (Agnes, 2009, p78).

4. Hypotheses Research

1. Organization size affects perceived ease of use.
2. Organization size affects perceived usefulness.
3. Innovation affects perceived ease of use.
4. Innovation affects perceived usefulness.
5. CRM knowledge affects perceived ease of use.
6. CRM knowledge affects perceived usefulness.
7. Attitude toward to change affects perceived ease of use.
8. Attitude toward to change affects perceived usefulness.
9. Expectations about using CRM system affect perceived ease of use.
10. Expectations about using CRM system affect perceived usefulness.
11. Market orientation affects perceived ease of use.
12. Market orientation affects perceived usefulness.
13. Perceived ease of use affects perceived usefulness of using CRM.
14. Perceived ease of use affects adaption of CRM.
15. Perceived usefulness affects adaption of CRM.

5. Research Methodology

The present study in term of objective is development research. In terms of execution method is descriptive with an emphasis on causal model and finally, in terms of data collection is field type. Statistical population of this study includes managers of Melli Bank branches in Guilan province. It should be noted that the total number of Melli Bank branches in Guilan province are 120 branches. Number of samples is obtained 95 branches using Cochran formula. Random sampling method is used for sampling. Questionnaire is used as tools of data collection. To increase the validity is used the following tools:

1. Use of the professors comments
2. use of banking experts comments
3. Study of articles and books and magazines that have used this questionnaire or the same questionnaire.

So as to enhance the validity of research, the initial questionnaire is distributed experts in this field and using the average of their comments and reforms, the final questionnaire is designed. In this study, Cronbach's alpha coefficient is used to determine reliability. Given the results obtain more than 70%, thus questionnaire have been reliable. In this study, to analyze the data obtained from the sample were used descriptive statistics and inferential statistical methods. In fact, using SPSS software describe each variable in the form of tables and statistical indicators and then to analyze the data, test hypotheses and in general to generalize the results of the sample to the statistical population used structural equation modeling technique by software of Visual PLS

6. Research Findings

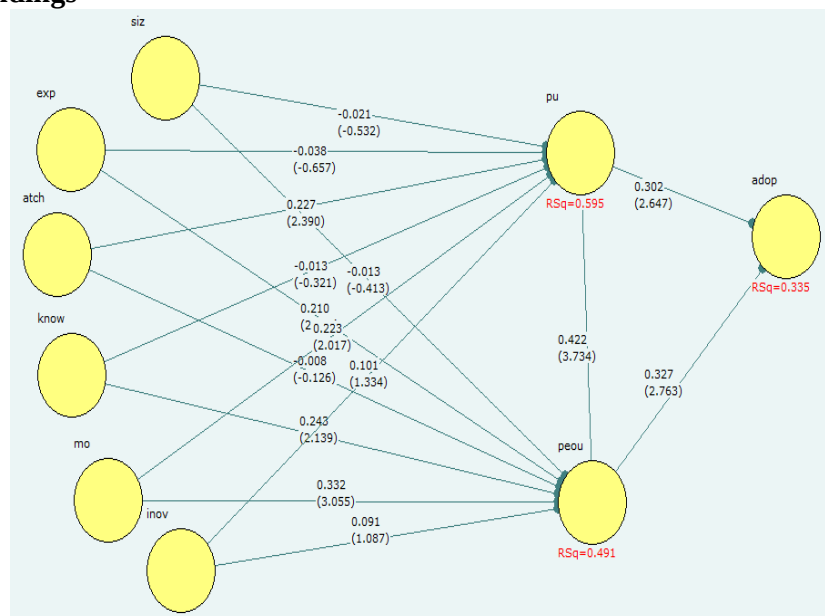


Fig2. Model of t_value

Table 1: structural model results

Hypotheses	Standard	t-value	Result
1. Organization size affects Perceived Ease of Use.	-0.013	-0.4126	Rejected
2. Organization size affects Perceived Usefulness.	-0.021	-0.5315	Rejected
3. Innovation affects Perceived Ease of Use.	0.091	0.0866	Rejected
4. Innovation affects Perceived Usefulness.	0.101	1.3336	Rejected
5. CRM Knowledge affects Perceived Ease of Use.	0.243	2.1388	Confirmed
6. CRM Knowledge affects Perceived Usefulness.	0.013	-0.3207	Rejected
7. Attitude toward to Change affects Perceived Ease of	-0.008	-0.1258	Rejected
8. Attitude toward to Change affects Perceived Usefulness.	0.227	2.3902	Confirmed
9. Expectations about using CRM system affect Perceived	0.210	2.1346	Confirmed
10. Expectations about using CRM system affect Perceived	0.227	-0.6568	Rejected
11. Market orientation affects Perceived Ease of Use.	0.332	3.0533	Confirmed
12. Market orientation affects Perceived Usefulness.	0.223	2.0171	Confirmed

13. Perceived Ease of Use affects Perceived Usefulness of	0.422	3.734	Confirmed
14. Perceived Ease of Use affects Adaption of CRM.	0.327	2.763	Confirmed
15. Perceived Usefulness affects Adaption of CRM.	0.302	2.647	Confirmed

Based on the results of preliminary structural model, it can be concluded that:

1) CRM knowledge has significant and positive effect with rate of 0.243 on perceived ease of use; this means that 6% of the variable changes of perceived ease of use can be explained by variable of CRM knowledge and variable of CRM knowledge with respect to perceived ease of use has a significant and positive effect with amount of 0.079 on adoption of customer relationship management system.

2) Attitude toward to change has significant and positive effect with rate of 0.227 on perceived usefulness; this means that 5% of the variable changes of perceived usefulness can be explained by variable of attitude toward to change and variable of attitude toward to change with respect to perceived usefulness has a significant and positive effect with amount of 0.0685 on adoption of customer relationship management system.

3) Expectations has significant and positive effect with rate of 0.210 on perceived ease of use; this means that 4% of the variable changes of perceived ease of use can be explained by variable of expectations and variable of expectations with respect to perceived ease of use has a significant and positive effect with amount of 0.0687 on adoption of customer relationship management system.

4) Market orientation has significant and positive effect with rate of 0.223 on perceived usefulness; this means that 5% of the variable changes of perceived usefulness can be explained by variable of market orientation and variable of market orientation with respect to perceived usefulness has a significant and positive effect with amount of 0.067 on adoption of customer relationship management system.

5) Market orientation has significant and positive effect with rate of 0.332 on perceived ease of use; this means that 11% of the variable changes of perceived ease of use can be explained by variable of market orientation and variable of market orientation with respect to perceived ease of use has a significant and positive effect with amount of 0.108 on adoption of customer relationship management system.

6) Perceived ease of use has significant and positive effect with rate of 0.442 on perceived usefulness; this means that 19% of the variable changes of perceived usefulness can be explained by variable of perceived ease of use.

7) Perceived usefulness has significant and positive effect with rate of 0.302 on adoption of customer relationship management system; this means that 9% of the variable changes of adoption of customer relationship management system can be explained by variable of perceived usefulness.

8) Perceived ease of use has significant and positive effect with rate of 0.327 on adoption of customer relationship management system; this means that 10% of the variable changes of adoption of customer relationship management system can be explained by variable of perceived ease of use.

7. Conclusions and Recommendations

The analysis results showed that in general knowledge of CRM and expectations through perceived ease of use affect adoption of effective customer relationship management system. Attitude toward to change through perceived usefulness affects adoption of effective customer relationship management system. Market orientation through perceived usefulness and perceived ease of use affect adoption of effective customer relationship management system. Perceived usefulness and perceived ease of use directly affect the adoption of customer relationship management system. Also perceived ease of use has a positive effect on perceived usefulness. Therefore, to increase the adoption of customer relationship management system among branch managers in Melli Bank of Khuzestan, the following recommendations are proposed:

1) The results showed that CRM knowledge affects perceived ease of use. Thus it is recommended that:

- Holding classes and training seminars for managers, to increase information and knowledge of managers about customer relationship management systems.
- Continuing to hold various courses introduction to computer to increase the knowledge and experience of managers from computerized systems.

2) Attitude toward to change affects perceived usefulness. Thus it is recommended that rise amount of branch manager risk through introducing new ideas and options different from the usual.

3) The results showed that expectations about using CRM system affect perceived ease of use. Thus it is recommended that with holding courses and training seminars about benefits derived of the use of customer relationship management system give sufficient information to managers. This action makes that users of CRM have an unambiguous picture of management expects from using system.

4) The results showed that market orientation has a positive effect on perceived usefulness and ease of use. Thus it is recommended that:

- It used approaches to identify the customer's needs. to create and activating the necessary mechanisms for interaction, data collection and its analysis to in-depth understanding and correct from customer needs and expectations is necessary for it. Direct discussions with customers, get feedback from company employees, analysis of customer complaints and comments, researching market conditions, implementation of expert programs, ask questions through questionnaires, telephone and interviews, discussions with consumer protection groups, investigating customer attitudes and visits of important customer from company or organization, each one can be useful in creating this understanding. Of course customer will be only willing when give us the information that they be sure we will use them. Try to update the information, registration requirements, demands and customer satisfaction that is constantly changing, will not end.
- It Check competitors' strengths and weaknesses. For competitor analysis must be ensured from the amount and accuracy of the data related to the competition. This information should be realistic and based on documents.
- Increase collaboration and coordination between departments in order to satisfy customer needs.

5) The results showed that perceived ease of use affects perceived usefulness of using CRM. Thus it is recommended that:

- Holding training courses and providing information and sufficient knowledge about how to use customer relationship management system
- Design software based on CRM system that has the features of more ease of use and operational power.

6) The results showed that perceived usefulness affects adaption of CRM. Thus it is recommended that by notifying the managers of public interest about the use of customer relationship management system, such as customer retention, customer relationship in less time and with greater speed,

improve customer service, increase the competitiveness power of the organization, identifying new opportunities for business and ... measure for strengthening variable of perceived usefulness.

7) The results showed that perceived ease of use affects adaption of CRM. Necessary Comments in relation to strengthening the variable of perceived ease of use mentioned in paragraph 5.

References

- Aghajeri,M.(2010). Checking successful settlement areas for customer relationship management in investment company of metal Persia (Satha company) ", the fourth International Management Conference, pp. 1-22.
- Agnes Law ka Yee,(2009),"CRM adoption and its impact on organizational
- Avlonitis George J.,Panagopoulos Nikolaos G.,(2005), "Antecedents and consequences of CRM technology acceptance,"Industrial marketing managemnt,Vol 34,No 4,pp 355-368.
- Fakhredaei Navid,(2006),"The factors affecting adoption of CRM at the organizational level in Iran shipping industry",Business Administration and Social Sciences, Unpublished master thesis, Tarbiat Modarres university and luela university of technology.
- Gilaninia, Sh; Delafrooz,N; Najafpour Machiani,A.R.(2012). Identifying Effective Factors on Consumer Intention to Use Mobile Banking Services (Case Study: Banks of Guilan province), Journal of Basic and Applied Scientific Research, 2(11)11014-11020.
- Gilaninia, Sh; Gholami Ghashlagh, B. (2012). Relationship Marketing System and Its Impact on Customer Buying Behavior, Journal of Basic and Applied Scientific Research, 2(3)2473-2480.
- Ko Eunju,Ki Sook hyun,Kim Myungsoo,Wo Ji Young,(2008), "Organizational characteristics and the CRM adoption process", Journals of business research, Vol 61,pp 65-74.
- Peltier James W.,Schibrowsky John A., Zhao Yush,(2009), "Understanding the Antecedents to the Adoption of CRM Technology by Small Retailers:Entrepreneurs vs Owner",International small business journals, Vol 27,No 3, pp307-336.
- Robbins, S. (1990). Organization theory, Englewoods Cliffs, Prentice Hall.
- Shahraki,A; Molashahi,A; Chehkandi,M.(2010). Review of customer relationship management in the banking system of Iran ", Iranian journal of Engineering development of future Market Developers", pp: 1-9.
- Wu Wei,(2002),"Customer relationship management, technology, market orientation, organizational performance",John Molson school of business, Unpublishment master thesis ,Concordia university of Canada.