CRM systems benefits

A case study of banking sector

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By Foroozan Nasershariati [fni10002]    Adnan Khan [amt10001]

Supervisor:

Dr Ole Liljefors
Abstract

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Authors: Adnan Murrawat Khan [amt1001] Foroozan Nasershariati [fni10002]

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Supervisor: Dr Ole Liljefors

Problem statement: Customer relationship management (CRM) systems have been adopted to have better relationships with customers by having detailed knowledge of their requirements through using different information technologies. Implementing CRM systems correctly can provide many of benefits both for the customers and to the business as well. Banks have large numbers of customers and to fulfill their customer requirements most banks have adopted CRM systems. This thesis tries to identify how CRM systems are helpful in the banking sector to get the benefits.

Research Question: What are the benefits of implementing customer relationship management systems?

Method: Research process used in this thesis is related to the realist approach. The study is structured by dividing the problem into different parts and then the relationship between them is analyzed. Both primary and secondary data collection have been used. The main method adopted to collect empirical data is open ended questionnaires. Secondary data have been collected by using the availability of Malardalen University online databases.

Conclusion: Results showed that CRM system can provide a large benefit for a particular organization not only in attracting more and more customers but also in expanding business in related areas by the successfully implementing CRM. To reap the benefits more care is required at the implementation stage and also by the realization of the fact that not all the benefits can be achieved at once.

Keywords: CRM system, CRM successful implementation, CRM benefits, CRM customer benefits, CRM business benefits.
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List of Abbreviations:

CRM: Customer Relationship Management

CRMs: Customer Relationship Management systems

IT: Information Technology
Chapter 1: Introduction

1.1 Background
The fast adoption and deployment of digital technologies has made major changes in market research. With the advancement in information technology managers look to perform new ways of doing market research which, in turn, provides them knowledge of their current market in terms of opportunities and problems. Changes in the technology allow companies to rethink their plans so that they can get more information about their customers and their needs and requirements. (Gupta et al, 1999).

According to Bauer et al (2002) collecting and processing information from the client and making an atmosphere of assurance and trust is important to retain customers. Organizing and maintaining long-term relationships have a significant impact on corporate success and this impact can be more strengthened by increasing the effectiveness of existing client relations Bauer et al, 2002). Rosenberg & Czepiel (1984) estimates that the “cost of winning a new customer is five times higher than that of maintaining an existing customer” (as cited in Chang, 2007). Further Reichheld & Sasser (1990) estimates that the “retention of an additional 5% of customers, can increase profit by nearly 100%” (cited in Chang, 2007). So the importance of maintaining effective and long term relationship with customers is evident and demands a system which helps in maintaining such relationships.

1.2 Customer Relationship Management Systems:
A customer relationship management (CRM) system is storage of customer information which contains all customer profiles. In addition to the traditional database roles, it has the capability of personalizing needs of individual customers by differentiating products or services for each unique customer (Phan and Vogel, 2009). CRM systems can help organizations to gain potential new customers, promote the existing customers purchase, maintain good relationship with customers as well as to enhance the customer value, thus can improve the enterprise images (Pai and Tu, 2011).

According to Roh et al (2005) with an ever-increasing competition for marketing dominance, many firms have utilized the customer relationship management (CRM) system for improved business intelligence, better decision making, enhanced customer relations, and good quality of services and product offerings. Buttle (2001) states that “a CRM system is a technology-based business management tool for developing and leveraging customer knowledge to nurture, maintain, and strengthen profitable relationships with customers” (cited in Foss et al, 2008).
CRM systems provide the infrastructure that facilitates in building long term relationship with customers; these systems also reduce duplication in data entry and maintenance by providing a centralized firm-wide database of customer information. It is a database which replaces the individual sales person and prevents the loss of organizational customer knowledge when that sales person leaves the firm (Hendricks et al, 2007). CRM is much more than information technology solution for collecting customer data; it is a sort of holistic approach by which companies can gain competitive advantage by having more knowledge about customers understanding and relationships (Lange, 2003).

1.3 Customer relationship management systems in banks
According to Peppard (2000) financial service organizations are one of the early adopters of customer relationship management systems. Before implementing CRM systems within the industry, banks and other insurance companies developed close relationships with their customers by providing personal customized services which was mainly a costly, inefficient and time consuming process. But now through CRM systems and information and communication technology (ICT) organizations can provide large customer variety, lower price and customized service and all at the same time (Gupta and Shukla 2002, pp.101). Banking as compared to most other industries have richer customer databases consisting of transaction files, balance positions, call centre records etc (Lin et al 2009). Kalakota and Whinston (1997) states that banks are no longer “gatekeepers” but “gateways” to financial products. “In the old gatekeepers model banks act as an agent which limits themselves to customer related product choices. In the gateway model banks acts as a flexible agent with wide variety of products like entertainment, insurance, investment etc, thus provides more spectrum and flexibility” (cited in Peppard 2000, pp.324).

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1.4 **Problem statement**
Customer relationship management (CRM) system has been adopted to have better relationships with customers by having detailed knowledge of their requirements through using different information technologies. Implementing CRM systems correctly can provide lots of benefits both for the customers and to the business as well. Banking sector have large number of customers and to fulfill their customer requirements most of the banks adopted CRM system. This thesis tries to identify how CRM systems are helpful in the banking sector to get the benefits.

1.5 **Research question**
The thesis will be written according to the formulated research question.
**What are the benefits of implementing customer relationship management systems?**

1.6 **Research Purpose**
The purpose of writing this thesis is to describe and analyze the benefits of implementing customer relationship management systems. The focus will be on finding out both customer and business related benefits and later on to compare the benefits with empirical data gathered from banking sector.

1.7 **Delimitation:**
This study is limited to only one bank as it is hard for the researcher to find the contacts in banks in and outside of Sweden. In thesis we concentrated more on benefits with successful implementation is consider important to achieve benefits. Study contains the benefit which the Karafarin bank got after their implementation of CRM system and it is not necessary that other banks or financial organizations got same benefits from CRM system. Research conducted in a single bank which can be considered as limitation of research.
2.1 Methodological Stance: Realistic

Methodological stance used in this thesis is related to the realist approach. According to Fisher (2007) “the realist researchers looks for associations between variables and where possible tries to establish chains of cause and effect” (Fisher 2007, pg.42). “Typically, research in this mode would involve structuring a problem by breaking it into its constituent parts. The relationship between these parts would then be studied, looking for recurrent patterns and associations (Fisher 2007, pg.42). As mentioned by Fisher in realist research the research problem is divided into different parts and then the relationship or associations between them would be gathered and studied. We will use the same approach as we want to gather and analyze the benefits of using CRM systems in financial organization. We divide our research problem into constituent parts and that is to identify importance of successful implementation of the customer relationship management (CRM) systems in getting the business and customers benefits. In establishing cause and effect chain we try to investigate cause of implementing successful CRM systems and on the effect side the benefits which successful CRM system provides.

**Cause & Effect relationship diagram:**

![Cause & Effect relationship diagram](image)

Figure1: Source: Own illustration
2.2 Research approach: Deductive

To conduct research we considered two research approaches namely structured and grounded approach. According to Fisher (2007) in a structured approach a structure is imposed on the research based on a preliminary theory, concept or hypothesis. Then that structure can be used to guide the research and also in material gathering process. On the other side, in a grounded approach all the material is collected without any prejudice and no preliminary conceptual thoughts about what is going to be discover. Fisher (2007) further states that using structured approach has the security of knowing the structure and shape of the research before actually going to collect the research material.

In our thesis we selected structured approach for gathering research material. It involves gathering data from different articles, doing literature review of the relevant material being collected from different articles. And then to build up the conceptual framework which guides rest of the research for the thesis.

According to (Fisher 2007, pp.153) there are two types of discoverers “Explorers” and “Surveyors”. Explorer’s travel into an unknown place and their main task is to make the unknown into known. They do not have any idea about what they will find out at last so they adopt the open approach. On the other side surveyor comes at later stage and their task is to pin the knowledge down into precise manner. Surveyor have idea about what they will find out and they measure things. They usually adopt the close approach (Fisher 2007, pp.154). In this thesis we will use survey approach. We think using this approach is helpful because to answer research question we will use both secondary and empirical data.

2.3 Research method: Qualitative

According to Fisher (2007) any method Qualitative or Quantitative can be used in the research and it is wrong that realist research means using quantitative research method. So based on (Fisher 2007, pg .62) in our thesis by adopting realist research we use qualitative research method.

2.4 Data Collection:

For this research both secondary and primary data is collected.

2.4.1 Primary data:

The primary data for this research have been collected by using a questionnaire. According to Fisher (2007) there are two types of questionnaires “precoded” and “open”. Precoded contain tick boxes to be fill in and open questions have free space so that respondent give response in their own words. The use of questionnaire in this thesis is divided to three parts and that is to gather response from the Karafarin bank in Iran on its implementation of CRM system and the
customer and business benefits they achieved with the use of system. In our research we use some open questions for the respondent to answer. All the answers from respondent have been gathered by sending open ended questionnaires.

2.4.2 Secondary data:
Secondary data is the data which is collected from other researchers work. Secondary data is mostly obtained from journals, articles and books. In our research we use online databases available through (MDH University) digital library. Databases used in our research are given in the following table.

Table 2: Own illustration

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<tr>
<td>Scirus</td>
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Since our research question is quite clear and general, we found articles and journals by typing different keywords in above mentioned online databases. We select articles which closely relate to our research question and that is to identify the benefits of using CRM system. We consider successful implementation important to get these benefits so we also searched articles which provide information on CRM systems implementation. So different keywords which we use during our literature research are:

1. CRM system
2. CRM successful implementation
3. CRM benefits
4. CRM business benefits
5. CRM customer benefits

2.5 Validity and reliability of the research:
To ensure validity and reliability of this research we tried to choose articles from peer reviewed journals. Mostly the articles are collected from Malardalen university online library. We tried to avoid collecting information from internet and websites as they consider less reliable. For the empirical data we tried to collect it from the responsible and authorized person of the contacted bank in Iran.
2.6 Method Critique:
In order to carry research we use both secondary and primary method to collect data. To collect primary data we choose only one bank in Iran. We limit it to only one bank because it is difficult for us to contact banks here in Sweden and Iran. This limitation of contacts and resources would obstruct the amount of data collected in this research. Also only one person (head of CRM system in Karafarin Bank) responded to the questionnaires, this can limit the research as it only provides information in one perspective and that is in favor of CRM system.
Chapter 3: Literature review

3.1 CRM system implementation:
The implementation of CRM system requires focusing on wider perspective rather than just concentrating on customer related perspective. For the CRM system data gathering requirement is consider as important as integration of processes, which means that technology and processes are the central requirements of CRM systems (Boon and Corbitt, 2002).

Technology Infrastructure:
Broadbent & Weill (1998) states that Technology infrastructure is a key requirement of CRM and in creating any IT infrastructure around business-driven requirements must be based on a sound understanding of a firm’s strategic perspective. The size of investment in information technology and system related to CRM is important to realize and “with the unstoppable move towards e-commerce making long term infrastructure investment decisions critical” (Weill and Broadbent 1998, pp. 32). For the successful implementation of CRM systems organizations needs to take an integrated approach rather than using technology in separate islands, which means to get more advantage CRM systems should be implemented in an integrated way (Boon and Corbitt, 2002).

Front end technology:
Front end information systems like sales force automation (SFA), customer service automation etc allow organizations to serve and engage their customers using information system based tools. Organization tends to better interact with their clients using these types of technologies (Boon and Corbitt, 2002).

Data Gathering:
Data gathering technique involves capturing the knowledge and information about customer’s needs and preferences. Data may consist of customer buying habit, customer status, customer family or other information. Using technology while gathering data is easier and time efficient as compared to paper based data collection method. Technology provides the facility by using the direct communication and interaction channels to gather data. Technology also enables to save the data in such a way that it can be utilized across multiple channels and can be used for strategic purpose as well (Boon and Corbitt, 2002). Algesheimer et al (2001) wrote that “customer’s processes do not fit into traditional functional organizations so the process flexibility and data integration are most important issues while implementing CRM systems” (cited in Buehrer and Mueller 2002, pp. 1071). These systems must be updated with the changing experience of the market and customers. Organizations during implementing CRM system must take care of these issues as they require continues change in their information intake and flow with changing market (Buehrer and Mueller, 2002).
Corporations adopted strategic approach for implementing CRM systems were successful for various reasons. At first they were able to define a business strategy which fits to their business needs, then business needs determine which functionality should be developed and deployed. Secondly developing strategic approach while implementing CRM system provides the facility to describe the scope of the project which determines which CRM components are included in the project and which of them are not (Kotorov, 2003). Further wrote that “planning for the scope of the CRM project requires detailed examination of applications for sales-force automation, marketing campaign automation, call center routing, Web self-service, kiosks, point of sale systems, wireless application, employee relationship management” (Kotorov, 2003). Third the scope determines the necessary cross departmental infrastructural changes that are required to build a good cross functional CRM teams, which carries out organizational changes within different departments or business units. So the good formulation of CRM strategy, determination of scope and development of cross functional teams paved a way for good CRM system implementation (Kotorov, 2003).

According to Kotorov (2003) both process and system integration is challenging and important at the same time for successful CRM systems implementation. Companies who do not adopt strategic approach just settled for partial integration which results not only in incomplete customer view but also leads to confusing customer service and poor targeting. Successful companies took system and process integration seriously and do not charge towards getting customer level result unless they get full information about customers (Kotorov, 2003).

Employees change is also an integral part of CRM system implementation because employees are the one who are more related to CRM activities, and their actions in turn influence the success of CRM projects (Boulding et al., 2005). The success of a large-scale change initiative, such as one introduced by a CRM implementation, is highly dependent on having employees with high level of effective commitment to change (Meyer et al., 1998). One of the critical factor for successful CRM implementation is employees effective commitment to change. Organizations have to create a changed environment and build an atmosphere in which employees shows less resistance while implementing CRM systems (Shum et al, 2008). Before implementing CRM systems Ramsey (2003) suggests some strategies which organizations needs to be aware of. These strategies are:

1) Customers:
The most important strategy is to identify the target customer to which organization gives their services. Organizations can use their existing business model to identify target customers. This approach allows them to segment certain customers according to their types. It is also a good way to estimate the resources needs to be allocated for more return. So customer centric strategy allows organizations the fundamental business goal and that is to increase profitability by paying more attention to customers then sales or market share (Wreden, 2004).
2) Channel:
According to Ramsey (2003) organizations have to evaluate the appropriate and potential channels available to them, more ever it is also important that they should justify and know how to use those channels which they chosen. Recognizing the conflicts while adopting these new channels is not difficult but the creation and improvement of new strategy requires concentration and research (cited in Nguyen et al, 2007).

3) Brand:
Companies have to commit themselves to their brands. To achieve this companies have to find out their customers needs and preferences, they have to make improvement from the feedback they received, also have to train the employees about the brands and equip up businesses according to brands (Christ, 2006). According to Ramsey (2003) company uses brand value strategies to understand and identify their customer’s behaviors and recognize the importance of brand can pay real dividends, increase revenues, and have greater capital efficiency for many organizations (cited in Nguyen et al, 2007).

4) CRM applications choices:
CRM applications help organization to achieve their ultimate goal and that is to attract and retain their loyal customers. The implementation of CRM systems along with its capabilities can bring significant benefits for those investments (Ramsey, 2003).

According to Piskar and Faganel (2009) to gain competitive advantage through successful CRM system implementation companies management has to study industry’s best practices, understand how CRM fits into the context of the general business strategy of the company, assess current CRM capabilities, find a good reason why to implement CRM, create and execute a plan, in which should be defined how to achieve the goal and how to execute the plan (Piskar and Faganel, 2009).

3.1.1 Implementing Customer focused business strategies:
“The objective of this point is not to try to pattern the customer to the company’s goals but to listen to the customer and try to create opportunities beneficial to each. It is vital to present customers what they are at this time severe and expect what they are likely to demand in the future” (Romano and Fjermestad, 2002). “This can be achieved by providing a diversity of offered access channels for customers, such as e-mail, telephone and fax, and by preparing to provide for future access channels such as wireless communication. Offering solutions rather than obstacles is possible when a company empowers its customer service agents and when customers have access to the latest sales and promotions via their own communication channel of choice” (Raymond and Janice, 2001).
3.2 Customer relationship management (CRM) system benefits:

CRM systems focus on customers. They help to identify those customers who are willing to pay higher margin. Once those customers are known it becomes easy to analyze their situation and identify what other process or product attributes help them to minimize cost. This process allows companies to have an edge over their competitors while negotiating with customers, because customers are confronted with the situation of business saving provided by the company offerings. CRM system allows identifying those customers which are not paying “fair” margin (Leach, 2003). An accounting based approach named activity based costing (ABC) is used for this purpose and it can be deployed as a part of CRM process. Under activity based costing all cost incurred in serving each customer is identified and then calculated with margin earned with each specific customer (Leach, 2003).

CRM systems become core part of business process, it provides better usage of inventory if the customer demands are known. Fewer people are required in customer support functions such as customer service, order entry, credit entry, finance and collections etc with CRM systems. The reason behind is that customer demand less of these services because they are served better on day to day basis with more reliable information. Consequently customer satisfaction level increases if there is less need to contact with the company for different problems (Leach, 2003).

CRM systems enhance all the customer related activities right from the first contact to the ongoing services, repeating sales and in turn getting value from each steps. By performing and better managing these steps companies enable themselves to ensure that customer related information, needs and their attributes are gathered in an efficient way. This in turn provides full and clear understanding of customer interests, needs and plans (Rushforth, 2007). More CRM system provides the ability to measure the cost and return of investment by serving the customers. CRM enable companies to identify those products or services which are more effective or profitable over those which are working like liabilities. CRM systems works as a tool not only to retain existing customers but to win new customers as well. Proper use of CRM systems provides clear defined roles and steps which help to eliminate confusion that raises the productivity, efficiency and control and every level (Rushforth, 2007).

CRM system allow companies to move from reactive to proactive in terms of customer interactions, just as sales team developed sales plan the post sale team prepares the post sale plan of interacting with customers to fulfill their post sale needs and demands. Through CRM system companies can continue to maintain and record the customer information like their goals, desires and events. Later the gathered knowledge is updated into the CRM system so that the customer’s information remains up to date without being outdated. Because of customer interactions new business opportunities can be raised when there is more information available about customer’s
goals and requirements and more customers turned towards the company to get additional products or services, to renew their contracts or to provide publicity of company to the others. With theses interactions the information is continuously expands in the CRM system which increases the profile data for each customer and ultimately works as powerful tool in making business decisions (Rushforth, 2007).

CRM systems enable organizations to better understand their customers. It allows gaining substantial market share in the shrinking market, improving customer satisfaction and retention, help to reduce operating cost thus enhances profitability and revenue. These systems improve sales process work flow and provide differentiated services for high value customers. The consolidation of customer information in single platform increases the customer services (Lowell and Anton, 2004).

Customer relationship management systems facilitates knowledge integration .This integration provides organization the ability not only to determine their customers current needs and wants but the capacity to anticipate and solve future needs as well by providing customized services and goods. Customers buying habits can be analyzed by looking into the CRM database. New product information can be send to customers by looking into their previous buying behavior. New products and services can be promoted by analyzing the interest of customers and none or less used products are removed by looking into the information in the database (Anthony et al, 2001).

One of the important roles that customer relationship systems can play in the companies is on the marketing side. By having a strong marketing policy the company will find and understand the customers need and try to improve them.CRM can increase the competitiveness among other competitors and companies. Because CRM strategy is completely different in each company and having a good and unique CRM strategy may cause the competitive advantage, also managing customer relationships effectively and efficiently boosts customer satisfaction and retention rates (Chen and Popovich, 2003).

### 3.3 Customer benefits

#### 3.3.1 Customer satisfaction

Since customers are key for improving any organization and also for its success, so many researchers pay more attention on this concept these days.CRM performance should be based on customer behaviors because it is a fundamental source of value of their existing customers and it could effect on the organization future because according to Bolton et al(2002) the fundamental objective of CRM is “to ensure steady streams of revenue and maximization of customer life time value or customer quality and customer behaviors”( cited in Wang et al ,2004)
Customer satisfaction also plays an important role in profitability of an organization. Satisfaction is the procedure of comparing opportunities with supposed performance, therefore, is assumed to be comprised of a cognitive process within a consumer's cognizant control, and an emotional process outside of cognizant control (Hsu and Lin, 2008).

According to Hsu and Lin (2008) “When satisfaction becomes an important element, CRM affects retention not only independently but also collaboratively. Moreover, while the main effects of CRM is conspicuous for retention, customer satisfaction is a highly complex and multi-dimensional phenomenon” (Hsu and Lin, 2008).

Another function like loyalty of customers, strong relationship and more profit will develop the market share of the company (Wang et al, 2004). So in this part we will have a discussion about some of these concepts to achieve a clear view, which will helpful for the rest of this paper.

### 3.3.2 Customer value

Traditionally customer value was defined just as quality and price, but these days’ researchers believe that there may be other functions inside this concept. Sweeney and Soutar (2001) stated that it is very important that organizations notice to this concept because if they understand it they will be able to evaluate process of customers and re-engine their resource and activities based on this (cited in Wang et al, 2004). “CRM is a corporate strategy and systematic approach based on relationship and one-to-one marketing that aims to integrate management of personalized relationships with customers and to continue customers’ value in the long term and to maximize value creation for companies.” (Hsu and Lin, 2008)

According to the study of (Mazumdar 1993, pp.6) “customers are becoming more value-oriented and are not simply influenced by high quality or lower price. Rather, they tend to make a reasonable trade-off between the perceived benefits and perceived sacrifices in the process of obtaining and consuming products or services. However, not all the customers value the same potential benefits and care for the same sacrifices at any given time” (cited in Wang et al 2004, pp.13).

### 3.3.3 Customer Retention:

“Customer retention can be achieved by attractive customer satisfaction and loyalty, civilizing problem decrease, and creating the ability to recognize and save “at-risk” customers. Actually, an “at-risk” customer represents a major chance for extra income – if handled correctly. For example, a customer makes a large extraction from his or her account. This may sign that the customer is switching money to another bank. CRM-driven techniques will help retain customers and can migrate mere “account holders” into loyal, long-term, profitable customers” (Wessling, 2002).
3.3.4 Customer Achievement:
A CRM system should help customers based on the “value” they bring, and all through the life of the customer (and beyond through “next generation” marketing). Organizations need to make sure that their value propositions have grip with the right market segments. This will allow them to recognize goal and imprison new customers (Wessling, 2002).

3.3.5 Customer trust:
“The continuing search for added value and competitive advantage, increasing competition, similarity in core products and lack of customer loyalty lead companies to search for new ways of gaining competitive advantage over their rivals; it means how to create offer more unique, valuable on the basis of unique business system based on multidimensional competitive advantage, better than their competitor” (Jelinkova et al, 2006). Hence there is a need of marketing approach like customer relationship marketing (CRM) that creates and build trust between customers and suppliers to increase retention rates. “The successful delivery of CRM benefits requires fundamental changes in the way that the organization approaches marketing management. In its consequence, it represents a corporate restructuring caused by positive reasons involving all functional areas; it means financial, property, production, and business, organizational, informational, and personal” (Jelinkova et al, 2006).

3.4 Business benefits

In this section we are trying to show and discuss about the benefits of CRM systems but in the business section. We all know that using CRM has lots of benefits and also could have good effect on the customers, but the question is that how it can affect on whole business. Here we discuss about a view that divide the business benefits of CRM systems to three parts. This view is exhibiting by three students’ names Goodhue, Wixom, and Watson in Georgia and Virginia University. In this research they examine the business benefits of CRM in some organizations. They believe that using CRM systems has three targets and by reaching to these targets the managers could improve their business.

3.4.1 CRM Application:
The first target is application, by this concept they try to show that some organizations strongly need for a particular CRM application and the benefits that it can make. They usually are not ready to run into a CRM effort and because of their position maybe their culture they have to test and establish the concept before progressing it in the organization. This research shows that using individual application help companies to understand important impacts at each department. Though, implementing this view sometimes has some difficulties for organizations (Goodhue et al, 2002).
They also comment that a more intently focused on this approach can move a company into having a better customer relationship management. Totally individual approach may lead to lower-cost efforts, “also unless there has been some attention to overall architecture, a sharable infrastructure is unlikely to develop, and it is harder to receive the more pervasive benefits that come from coordinated action among all parts of an organization” (Goodhue et al., 2002).

3.4.2 Infrastructure:

Second target is the infrastructure. For having a powerful and efficient application an organization needs to provide strong and suitable infrastructure to share information. Organizations should cooperate in a synchronized way with their customers so by this concept they try to show that without this coordination, having the good customer relationship is very difficult and sometimes it’s impossible, and could not be efficient. So as a result CRM applications have to be able to hit into that in formations. To reaching to this goal managers needs a powerful data infrastructure, and also they should support hardware and software infrastructure that lead an organization to make a strong fast data recovery (Goodhue et al., 2002).

According to Goodhue et al. (2002) in this way the first step for each organization is to having an integrate system across all organization first they have to “put in place a data resource that is integrated across various source systems and customer touch points; uses a single, unique identifier for every customer; and keeps the data accurate, timely, and reliable. Because IT departments are well aware of the benefits of such infrastructures, corporate IT often initiates such efforts and one problem that most organizations may face is that “infrastructure investments are costly, and the returns are unlikely to be immediate. To convince top management, IT must sell them on the concrete business value of such infrastructure investments.” (Goodhue et al., 2002)

Implementing this approach that help organization to have successful CRM programs by focusing first on their infrastructure, then extending it, and capitalizing on it to deliver value may bring organization some important benefits like providing underpinning for other CRM activities. This may lead to identify key loyalty drivers too also “Infrastructure efforts have much higher up-front costs, but they provide the possibility of coordination among all customer touch points” (Goodhue et al., 2002).

3.4.3 Organizational Transformation:

The third target is Organizational Transformation. For being strictly customer-centric organizations require the shift in their culture and business practices. Changing inside the organization may include many things like “information systems to business processes, incentive structures, organizational structures, and employee roles. Firms that embrace CRM generally make this organizational transformation, slowly – even if that was not intended. Although organizational transformation is a difficult and risky but has potentially very high payoffs as the
organization shifts its business processes, culture, and technology to truly become customer-centric” (Goodhue et al., 2002).

According to views of Goodhue et al. (2002) “companies can reduce their risk of failure by having clear vision of CRM target application, infrastructure and transformation”.

**CRM effort classified by primary target:**

<table>
<thead>
<tr>
<th>Lesson</th>
<th>Target 1: Individual Applications</th>
<th>Target 2: CRM Infrastructure</th>
<th>Target 3: Organizational Transformation</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 The Three Targets Have Quite Different Organizational Costs and Benefits</td>
<td>Costs are relatively low. Greater efficiencies and effectiveness at the departmental level may result in greater local revenues and profits.</td>
<td>Infrastructure creation is costly, requires a “vision” to justify. Departments give up control of “their” data. Possible cost savings from infrastructure consolidation. Possible “quick hit” returns from follow-on applications</td>
<td>An expensive, risky undertaking, but with the potential for great increases in revenues and profits.</td>
</tr>
<tr>
<td>#2 Sponsorship May Vary Across the Targets</td>
<td>Usually initiated at the department level</td>
<td>Often initiated by corporate IT, but must also enlist wider business sponsorship</td>
<td>Initiated by top management, but must enlist all levels of the organization.</td>
</tr>
<tr>
<td>#3 Plan for the Evolution of Your CRM Efforts</td>
<td>Multiple individual applications may lead to demands for coordination, better infrastructure.</td>
<td>Once the infrastructure is in place, many individual applications become possible. Organizational transformation also becomes possible.</td>
<td>Usually involves new infrastructure and new applications to support new business practices.</td>
</tr>
<tr>
<td>#4 Prepare to Get Your Hands Dirty Working with CRM Data</td>
<td>Needed data is limited in scope and volume. Integration problems are easier to solve because the data is controlled at the departmental level.</td>
<td>Large amounts of data are needed from disparate source systems owned by different constituents, frequently without common identifiers. Difficult challenge.</td>
<td>All the problems of the infrastructure target, with the added challenge of supporting new business processes with a changing data infrastructure.</td>
</tr>
<tr>
<td>#5 Ensure the Technical Infrastructure Will Scale to meet future challenges</td>
<td>Requirements are localized and easier to understand and predict.</td>
<td>Need to support a multitude of users and applications. Harder to understand and predict requirements. Must be highly scalable.</td>
<td>All the problems of the infrastructure target, with the added challenge of supporting new business processes with a changing technical infrastructure.</td>
</tr>
</tbody>
</table>

Table 3:


Other researches bring these three points as a main business benefits.
Chen and Popovich (2003) have a similar view about the business benefits, they convinced that technology, business process change and people change are the main target that will help and support organization to high profitability, higher customer loyalty and these all together will help the organization to improve in market place and market share (Chen and Popovich, 2003).

But certainly there should be other options and targets and benefits across the whole business, according to Harej and Horvat (2004) “business processes have to be integrated across marketing, sales and customer support. Also processes in connection with business partners and employees have to be considered. Knowledge about specific customers is needed before an organization establishes such change management” . Total commitment of top management is an important state for improvement and being successful for organizations (Herej and Hovart, 2004).

Hoon and Gul (2003) comment that to have a successful management the managers require to “support diverse customer information – such as of-the-customer, for-the-customer, and by-the-customer information”. They also try to show the important role that a customer information system (CIS) plays in manages and distributes customer information. In their research they emphasize on the customer information and this point that improving and supporting the IT department will reflect on whole business process in organizations that they are customer center, because by the help of it the manager could consolidate the customer information and so get a better idea about their needs and as a result it will improve the whole business in an organization. (Hoon and Gul, 2003).

3.4.4 Customer support
By using CRM systems an organization would be able to support their customers in order to achieve high level of value from the customer purchases. This system helps to find new market opportunities and make a competitive advantage among the others. So it can be valuable resource for an organization. By CRM customer support service an organization can “evaluate customer support needs during the new product development process” (Smith, 2006).

3.4.5 Customer segment
By dividing the customers an organization could gain the customer preferences in order to more efficiently distribute resource according to information. It helps the organization to “differentiate themselves by providing appropriate and suitable services for their customers’ needs, therefore building up a competitive advantage, and second direct companies to where their most valuable customers are locate and helps allocate major capital, effort and time to generate the most profit” (Smith, 2006).
Chapter 4: Conceptual framework

According to Fisher (2007) developing conceptual frameworks is not a matter of thinking up completely new things. Rather, it is done by building upon the knowledge acquired from doing a literature review. The purpose of literature review is to provide the raw material from which conceptual framework can be drawn (Fisher, 2007). The framework of research is to analyze both the customer and business benefits of CRM system. But these benefits cannot be achieved without successful implementation. Therefore implementation of CRM systems is considered important while analyzing the business and customer benefits.

Conceptual Diagram:

![Diagram](source.png)

Figure 3: Source Own illustration
Chapter 5: Case Bank Background

5.1 Customer management in Iranian banks
Marketing is one of the management tools that can increase the growth of bank’s incomes. According to statement of some top managers of great and famous banks in the world just five percent of customers can make about 85 percent profit for the banks (Nilli 2010, pp.10).

Customer Relationship management (CRM) is the responsibility of each business. New forms of banking require effective marketing, offering new technologies, catering and customer service. (Cartwright, 2003). Information Technology (IT) facilitate communication with customers and increase its speed and effectiveness through better sharing of information like services that they provide. In relation to Customer Relationship Management (CRM) in banks, it is important to note that CRM is a business strategy and not services offered by a bank (Nili 2010, pp.14).

Due to banks competitive market and Iranian legislation and plan to join the World Trade Organization (WTO), it is important that banks keep their customers. So one of the most important solutions is improving CRM by implementing powerful and useful CRM systems, because customer management is the most useful and the most appropriate strategy for banks or in the other word customer management are the foundation and the basic of the banking system. (Farshid, 2008)

With the use of the CRM system, banks can have a shorter sales cycle and increasing their incomes. In Iran the most important expectation of people is increasing the speed and reducing the waiting time in banks (Farshid, 2008).

There are 2 kinds of banks in Iran

1-govermental banks

2-private banks

There are many differences about CRM and CRM systems in governmental and private banks. In private banks one function that is very important to managers and employees is that they have to respect to the customers time and there is a clear difference between private and governmental banks regarding this subject (Farshid 2008, pp.26).

In the private banks implementing CRM system play a very important role but governmental banks are not as successful as private banks. Governmental banks are still working with the old systems and as a result we can see long lines at the box office, customers promptly and fatigue and lack of precision necessary to perform routine banking services but private banks try to align services with the market and accelerate economic growth and welfare of customers (Farshid, 2008).
Iranian private banks try to reach these goals through implementing the CRM systems:

1. Identify the specific values of each section of the market and customers
2. Values provide the desired manner requested by their customers for information
3. Share markets sectors and improve communication with customers
4. Increased revenue from service fees
5. Increasing customer satisfaction and loyalty
6. Optimizing customer service channels
7. Attract new customers, by the experience acquired regarding previous customers
8. Customer Favorites obtain comments and strategies and processes to optimize operations (Shahraki et al, 2009)

5.2 Karafarin bank's history:

The Karafarin Bank was initially established as the Karafarinan Credit Institute. It is the first truly privately owned bank in Iran established since the 1979 Iranian Revolution. Its shareholders are among the leading industrialists and contractors in Iran. Many of them are members of the Association of Industrial Managers of Iran, Association of Construction Engineers of Iran, Association of Utility Engineers, and Consulting Engineers and Architects. Many of Karafarin’s shareholders have a long history of contributing to the Iranian economy, its development and growth and creating employment opportunities, and that is where the name comes from (Karafarin in Persian means job creator; another possible suggestion for the meaning for the word is also entrepreneur). With an initial capital of 30 billion rials, the Credit Institute received its operating permit from the Central Bank of Iran on December 1, 1999. About 85% of the capital was contributed by the founding shareholders and the balance was offered to the general public, which was taken up within days. Karafarin bank has clearly defined its target customers and clients, and expects to use automation in providing services to its customers. KB’s goal is to offer competitive and innovative services to its local, regional and international customers.(www.karafarinbank.com).

The services currently available from Karafarin bank include:

- Current accounts, savings accounts and term deposits; on-line services in all branches
- ATM services and Telephone-banking
- Bonding and guarantee facilities for contractors
  - Credit facilities for individuals and medium-sized manufacturing companies
- Foreign currency transactions, deposit accounts, and interest payable in the same currency, Inward and outward letters of guarantee in foreign currencies
- Letters of credit for importers and exporters through a wide network of Correspondent banks
- Credit facilities in foreign currencies for exporters and others with foreign currency income
- Consulting services, particularly for those who require foreign or local partners
- Investment banking services, undertaking bond issues, syndication and underwriting of debt and equity
- Safety Deposit box services (www.karafarinbank.com).

5.3 Karafarin bank's IT and CRM systems:

Karafarin bank’s e-strategy is to set up telephone banking, the internet banking, mobile banking and CRM as its distant delivery channels. Karafarin bank has almost completed implementation of CRM banking system, which has five stages:

1. Customization and localization: They bought the software system from a foreign firm; it should be customized to Iranian legislations and Islamic banking laws.
2. Migration: The old database and modules should be carried into the new system’s database.
3. Training: The managers, users and customers should be trained to adopt the new system.
4. Infrastructure: Necessary networks, data centers and recovery sites should be established and tested.
5. Parallel run: the new system and the old system are running simultaneously to avoid the risk of probable problems. (Albadvi and Gharaee, 2009)

After complete and successful implementation of CRM system and reaching a practical assurance level, the different channels like the Internet, telephone, mobile and CMS will be added to this system and the result would be an integrated e-banking system. Currently Karafarin bank has completed CMS and both internet banking and mobile banking are being developed. (Albadvi and Gharaee, 2009).
Chapter 6: Findings and Analysis:

6.1 CRM system Implementation:
According to Broadbent & Weill (1998) “creating IT infrastructure around business driven requirements are based on firms strategic perspective and proper IT infrastructure and selection of technology is key requirement of CRM system” (Broadbent & Weill 1998, pp.32) and in Karafarin bank according to Ahmad Azad (chief of CRM system in Karafarin Bank in Iran) the main strategy they have adopted while implementing CRM system in their bank is the selection of appropriate technology. After selecting the technology they evaluate the cost of implementation including the installation and training activities. Then they find out which kind of CRM data they can use to address the identified problem areas in the customer relationship cycle and what value such information could bring to the business enterprise.

In the selection process of the technology bank uses front end technology by which they engage and interact with their customers in a better way using information system based tools. As according to Hill and Shore (2005) technology should only be used as a tool for customer management and important for successful implementation of CRM system is in front end planning and the use of data collected (Hill and shore, 2005). Bank uses centralize server based CRM software which contains all information regarding customer management to be stored in the sever, so they access the significant information related to their business and also stay connected with their customers in a better way.

According to Ahmad the main features of their CRM system software are email marketing and reporting because they want to spread information to wide range of potential customers at relatively lower cost and also in a timely manner. Another feature is the ability to customize the knowledge based so that they can make changes in the collection, organization and retrieval of information about the customers in an efficient way. A wide variety of reports, sharing of documents, tracking of tasks, tracking of support are the features of CRM system software in Karafarin Bank.

In Karafarin Bank an integrated approach has been used in implementing CRM system. They use a single database in which all information across the organization is stored. This integrated approach provides them the ability to have full customer view which lead towards increased customer service. As according to Boon and Corbitt (2002) to get more advantage from CRM system organizations needs to take an integrated approach while implementing CRM system rather than using technology in a separate island (Boon and Corbitt 2002, pp.23). Keeping single database allows Karafarin Bank to have a centralized information which is helpful in storing and using customer details in an appropriate way.

There are certain risks and problems in implementing CRM system and according to Ahmad the biggest problem they faced in implementing the CRM software in their bank is the training of
employees and how to use the new software. (Foss et al, 2008) wrote that employees engagement contains their support and commitment towards CRM implementation and “organizations cannot operate and develop customer focused CRM software without motivated and trained employees”. Another issue is of return on investment as first they did not have any idea that they can get the investment back or not as (Ballentine and Stray 1998; Fitzgerald, 1998) suggest that “measuring techniques that work well for measuring return on investment (ROI) on capital investment are ineffective when applied to IS/IT. For example improved customer service is a common objective for IS and IT system where the payback is difficult to assess” (cited in Corner and Hilton 2002, pp.241). In Karafarin Bank Customer awareness is another problem faced by the staff in the implementation process. Also Ahmad replied to a question that they missed some customers in the initial phase because of newness of CRM software in the bank and also due to less ability of their employees of using the software.

In Karafarin Bank employee effective commitment to change is another issue to be handled in the implementation of CRM system. According to (Meyer et al, 1998) the success of a large-scale change initiative, such as one introduced by a CRM implementation, is highly dependent on having employees with high level of affective commitment to change. Ahmad Azad replied on question about employee commitment to change that initially they face resistance and difficulties from employees for using CRM software. However they have been able to overcome this situation by training them and also by ensuring them the benefits of using CRM system in the bank. Ahmad replied that they created friendly atmosphere and realize their employees about the importance of CRM software by telling them how easier their work could be after implementing CRM system.

Ramsey (2003) suggests some strategies like customers, brand, channel and application choice important for organizations before implementation of CRM system but according to Ahmad Azad before implementing CRM software their bank did not have any system to know about these strategies. They got ideas by doing monthly evaluations on the basis of scale of customers and also by calculating the amount of investment customers did during the month. Before the implementation Karafarin Bank focused on brand and considered brand value important to identify the customer behavior and to increase the revenue and capital efficiency. Like Christ (2006) wrote that companies have to commit themselves to their brands and to achieve this they have to know their customers needs and preferences and make improvement accordingly from the feedback they received from customers. So in Karafarin bank brand value strategy is used to attract customers and increase profitability. According Ahmad Azad Karafarin bank is using many ways and channels in the implementation phase, like telephone and operator answering; also they are in connection with customers by email. They try to send email to all of their customers and inform them if something is new or something is change in the server and system. They also use the channels for evaluate the appropriate and potential channels available to them; also brand value strategies help them to understand and identify their customer’s behaviors during the CRM process and CRM services
6.2 CRM system and customer benefits:
According to Ahmad at first implementing CRM system was hard and had some problems for the organization, one of the problems was that they even lose their customers and it had some disadvantage for them, but they decided to start doing advertisement and improve it, and also trying to have some training classes for the employees, and many other ways to attract more customers. After one or two years they became successful and the number of their customers were more than the past and even before implementing CRM system, their customers increased by around 30% after the two years when they tried the CRM system in their organization, so in this situation using the CRM system was an important competitive advantage for Karafarin bank, because the number of the banks that they used CRM system at that time was very low.

In the result of increasing their customers one of the most important function for sustaining the customers was satisfaction, managers thought that just using this system is not enough they also have to try remain their customers and they have to improve, because for the financial organization, number of the customers and their satisfaction are the important functions, when the number of the customers is increase the profitability will be increasing to, and this is true for the Karafarin banks too. According to Ahmad satisfaction of the customers is some kind of vital function for them.

But reaching to this situation was not easy at all, they have many problems in many parts of the organization and also customers had some problems too. And this problem could cause decreasing the number of customers and as a result the profitability of the organization, most important problems were about the electronic services like telephone bank services, paying their bills by internet or phone, because they added some services, that before implementing CRM the banks employees did them but after implementing the system customers have to learn that they have to do them by internet or telephone, totally many thing were change in the systems and customers were nor familiar to them, so again managers decided to solve this problems by using exports and making system more easier for the customers. Now after 4 years there are still some problems in the system but according to Ahmad they decrease from 60% to 10%.

After solving the customer problems, CRM system start helping the customers to do their work easily. It not only helps the employees to do their works faster but also to have a better relationship with customers and having a better relationship will help them to know the customers problem, then they report the problems to the exports. Experts try to solve the problems in the best way and in the shortest time, then after solving the problem experts report the problems to managers to inform them about the weaknesses of the system. In this stage one of the most important function is the time of solving the problems of the customers although the time of responding and solving the problems is depended to the kind of the problems and how much they are complicated but they try to solve them in the shortest time that is possible.
These things all together generate customer value, Sweeney and Soutar (2001) stated that it is very important that organizations notice to this concept because if they understand it they will be able to evaluate process of customers and re-engine their resource and activities based on this (cited in Wang et al, 2004).

According to the study of (Mazumdar 1993, pp.6) “customers are becoming more value-oriented and are not simply influenced by high quality or lower price. Rather, they tend to make a reasonable trade-off between the perceived benefits and perceived sacrifices in the process of obtaining and consuming products or services. However, not all the customers value the same potential benefits and care for the same sacrifices at any given time” (cited in Wang et al 2004, pp.13). According to Ahmad they have to develop their systems by adding new services and during this process they have to support their customers and inform them from the changes, by using CRM systems an organization would be able to support their customers in order to achieve high level of value from the customer purchases. This system helps to find new market opportunities and make a competitive advantage among the others. So it can be valuable resource for an organization. Customer support also by this service of CRM an organization can “evaluate customer support needs during the new product development process” (Smith, 2006).

With increasing number of customers the organization have to add some new services or maybe having some changes in the system for having a better and easier system and as a result having a better relationship between the customers and employees. So in the Karafarin banks they have some experts to recognize the problems and then report them to managers and try to develop the system in order to solve the problem and reaching to the one important goals of the organization that is customer satisfaction and then more profitability that is very important in every financial organization. After changing some parts of the system customers might face with some changes too, for example in the ways that they usually do their works with the internet banks, in this situation the organization should have a training classes for the employees. In the Karafarin bank they have operators who have to respond to the customers calls to solve their problems, another way that they do is to inform the customers about the changes that may happen in the system.

6.3 CRM System and business benefits:
According to Ahmad in addition to providing benefits to customer’s Karafarin Bank also got business benefits after implementing CRM system. CRM software provides them internal efficiency with more process fit, increase in customer’s information quality and improvement in system support. (Remenyi & Twite, 1991) wrote that the “ultimate measure of CRM success is achieve when CRM system would equal net benefits” (cited in Roh et al, 2005), and according to Ahmad there is an increase of 32% in their sales and increase of 54% in their revenues after the
implementation of the system which indicates their business profitability and the effect of CRM software in their business.

In answering the role of CRM application, organizational infrastructure and transformation in getting business benefits, Ahmad replied that selection of proper technology and the transformation are very important to reap business benefits from CRM system. Biggest problem they faced was organizational transformation and in changing behaviors and roles of their staff. As according to (Goodhue et al, 2002) organizational transformation is risky and difficult but has high payoffs in making the organization truly to customer centric.

In Karafarin Bank business opportunities are increased when they moved their strategy towards more customers centric. They implemented CRM system to be more customer oriented with improvement in managing customers as well. Ahmad replied that when they satisfied their customers through better training of their employees they come in numbers and invested more and more through their bank. This investment from customers created more business openings. So more investment creates business profitability and is ultimately beneficent for the organization.

According to Ahmad CRM system in Karafarin Bank brings operational efficiency and collaboration as it makes the processes easier and shorter. As Irani (2002) wrote that “when the purpose of IT investments is to improve operational efficiency, many traditional appraisal techniques may be considered appropriate. Such investments are largely geared to the generation of tangible (financial) benefits” (cited in Roh et al, 2005). In Karafarin Bank these tangible benefits are evident by investing in CRM system with 54% increase in revenues.

CRM system can be helpful in expanding the business as Ahmad replied that they made progress in their business by adding some useful parts in their CRM system with the help of suggestions and data collected from their customers. Other company’s shows interest in buying these parts from them so in this sense CRM creates new business opportunities for Karafarin bank. CRM system also helps in calculating the cost and return on investment as according to Ahmad the cost of implementing, installing and training is at strategic side in the implementation of system as well. According to (Smith,2006) by using CRM systems an organization would be able to support their customers in order to achieve high level of value from the customer purchases and in Karafarin bank they got customer support by having experts who remain in communication with customers and have good relationships with them. They also have a function in their CRM software which report problems to CRM staff and by working on customer problems Karafarin bank gets customer support and achieve benefit from it.
Chapter 7: Conclusion and Recommendations

From this research it becomes evident that customer relationship management (CRM) systems can bring benefits for a particular organization. Such systems can work by strengthening and increasing the relationship between companies and their customers. To reap the required objectives from CRM system there is a need to implement them according to strategy. Many companies built strategy by keeping an eye on their customers and brand value before implementation. The cause of implementing such systems in the Karafarin bank case is to use the CRM data to identify the problems found in the customer relationship cycle and the effect of it is to bring value to the business by winning and attracting more and more customers.

The choice of appropriate technology and the creation of technological infrastructure are vital for successful implementation of CRM system. During Implementation certain issues like employees training, uncertainty of return on investment, customer awareness and chances of losing some customers in the initial phases can be resolved by having support from top leadership and concerned project staff. Problem of employee’s effective commitment to change could be resolved by ensuring them the benefits and ease of work after implementing the system. Successful CRM implementation demands adoption of proper strategy and selection of related technology to yield benefits for any organization.

In each organization customers plays an important role in their business, they could not be successful if their customers are not satisfied, they could not reach to their goals if they don’t consider their customer needs.CRM system helps the organization to have a better relationship with the customers, knowing their needs better and reaching to their goals like profitability, competitive advantage among the competitors, customer satisfaction, customer value etc… Data and information that we gather from the Karafarin bank in Iran during this study show a great improvement inside the organization in both business and customer benefits. Increasing the number of the customers and increasing satisfaction of them are the most important result of using CRM systems in customer’s benefits of CRM. Information shows that after two years of implementing the CRM in Karafarin bank there was 30 % increase in number of the customers and it is a great improve in compare with the other banks. It also had a great boost in increasing the customer value that is one of the most important goals of the Karafarin banks.

On the business benefits side this system can be helpful in expanding the business volume and in increasing the sales and revenues of any particular organization. In Karafarin bank case they get the business benefit by having considerable increase margin in sales and revenues by using this system. The system can bring operational efficiency and collaboration across organization by making processes shorter and simple. Satisfied and trusted customer makes more investment that can be use in other sectors and bring business profitability.
As a result of this paper in the developing countries like Iran adopting with technology is not an easy task; it is very hard to adopt all customers and also the employees with your new technologies but if one organization manages to do this, at that time that technology will change into a competitive advantage for the organization. But just using that technology is not enough, here the role of the manager and a leader is very important, because as we studied in Karafarin bank when there is a problem in the system the expert at first try to solve them and then report that to manager to change the system in a way that the problem will never happen again. So based on this research we concluded that CRM systems have many benefits but companies have to realize that these benefits cannot be achieved at once. By our study in this thesis it is recommended companies should take more care at implementation stage with the formulation of proper strategy is needed. Strategy should be developed by keeping in mind the resources available and the desired achievable objectives. Companies focus should be on the customer centric approach and must realize that even after the chances of losing some customers initially by implementing CRM , they can not only recover but they have more customers with the passage of time.
References:


www.karafarinbank.com
Appendix A - Questionnaire

The questionnaire is divided into three parts for the convenience of the respondent.

Purpose of study:

You are requested to take part in this research as your contribution will help us to identify the benefits of using CRM system in the banking sector. We are researching on both the business and the customer side benefits and try to find out the outcomes of implementing CRM systems.

Result of this Research:

We are doing this research as a part of our master dissertation in IT Management and the result of this research is stored in the database of Mälardalen University which will be available on request. The research is being undertaken as part of a programme of academic study at Mälardalen University leading to the award of Master’s Degree in IT Management.

Personal Information:

Name: Ahmad Azad
Designation: chief of CRM systems in karafarin bank
Email: azad ahmad @gmail.com
Organization name: karafarin bank
Organization type:

Part 1) Questions on Successful CRM system implementation?

1) What strategy you adopted for CRM implementation?

2) Which CRM system software are you using?

3) What are the main features of the CRM software?
4) Your CRM system is more related to
   
   a) Front end technology  
   b) Data gathering

   Kindly specify the reason for that

5) Do you keep each database separately or you have only one database?

6) What problems you faced while implementing CRM system?

7) How you manage employee’s effective commitment to change while implementing CRM system?

9) Before implementing CRM system how did you aware of the strategies of customers, channel and brand.

   b) Also mention which of these strategies are most important

   a) Customer  
   b) channel  
   c) brand

**Part 2) Questions on CRM system Customer benefits:**

1) Dose implementing CRM system cause competitive advantage to attract more customers?
2) Dose CRM system implementation effect on the increasing or decreasing customers? And how much?

3) What was the most important effect on the customers after you implement CRM systems?

4) Which problems did you have with customers when you implemented CRM systems at first? Are they existed yet? Kindly name some of them.

5) How CRM systems help you to know the customers problems?

6) How long does it take to solve the customer’s problems and how you use the CRM systems to solve their problems?

7) What are the problems that customers face with? Or in which part?

8) Dose implementing CRM have an effect on increasing the customer’s value? How you evaluate it?
9) How you evaluate customers support needs during the new service development process?

10) What is your strategy to adapt customers with your new services?

Part 3) Questions on CRM system business benefits?

1) What is the increase in sales and revenue after implementing CRM system?

2) According to your view which of the below mentioned target is more important than other to get business benefit?
   a) CRM application       b) organizational infrastructure  c) organizational transformation

   b) Kindly state reason why it is important

3) How CRM system helps your organization to bring business profitability.

4) According to your view did CRM system brings operational efficiency and collaboration across your organization?
Brief Summary of answers received from questionnaire:
Strategy adopted while implementing CRM system in the Karafarin bank is the evaluation of cost of implementing the system and the assessment of CRM data required to solve the identified problems. The system implemented in the bank is related to front end technology and the CRM software used is server based which have variety of features. In the bank an integrated approach has been used with the selection of single database that can provide full view of the customers. There were different issues raised during the implementation of CRM system in Karafarin bank and those problems were sorted out by effectively communicating the importance and benefits of using the system across the departments. On the Customers side most important effect which CRM system brings is the increase in customer satisfaction. Customer trust is developed by having a function in the system where customers can report their problems on which experts worked and sort out and later also report problem to the managers. According to respondent in their bank time required to solve the customer problem depends upon its nature but longest time required is one week and not longer than that. With the use of CRM system Karafarin bank got business benefits .They have increased their sales and revenues after implementing the system. According to bank representative with the increase in customer satisfaction, customer invested more and with this investment bank got more profitability. By having the CRM system bank have more operational efficiency and collaboration across organization as system makes processes easier and shorter.CRM allows them to identify cost, return on investment and created more business opportunities.