

IMPLEMENTATION BENEFITS OF CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM IN SMALL AND MEDIUM ENTERPRISES

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Abstract- Customer Relationship Management (CRM) systems is a common practice adopted in large scale companies. However, not very common in Small and Medium Enterprises (SMEs). Most SMEs do not implement CRM systems due to several reasons which might be due to the lack of knowledge about CRM or resources or expertise to implement CRM system. SMEs has to start implementing Information Systems (IS) technology into their business operations in order to improve business values and gain more competitive advantage over rivals. These system has the potential to help improve the business value and competitive capabilities of SMEs. Most SMEs do not realize the potential and benefits that CRM system can bring, and there are so many viable options available now for them to implement CRM system. In this paper, the reasons why SMEs do not implement CRM system, the benefits of CRM system to SMEs and the methods to implement CRM system in SMEs will be studied and examined using related works. These contributions are to provide more insight to SMEs about the benefits of adapting a CRM system and to give more information for the successful implementation of CRM system in SMEs.

Keywords: Customer Relationship Management (CRM) system; Small and Medium Enterprises (SME); CRMbenefits; CRM implementation; CRM definition; CRM Options

1. INTRODUCTION

Galimi [1] states that CRM is a business strategy focused on customers to increase customersatisfaction and customer loyalty by providing amore responsive and customized service to eachcustomer. CRM is a broad innovation because CRMsystem initiatives and efforts normally involve theimplementation of customer-focused businessstrategy, a re-design of business function processesand also a re-engineering of work processes.According to Secretariat of Malaysia National SMEDevelopment Council [2], an enterprise is classifiedas a SME in Malaysia if it meets the specifiednumber of employees or annual sales turnoverdefinition. SMEs in Malaysia are divided into fourdifferent sectors that are primary agriculture,manufacturing (including agro-based), manufacturing-related services, and services (including Informationand Communications Technology); and thedefinitions of the specified number of employees andannual sales turnover vary for each and every one ofthem.

CRM is accepted to can possibly make strides the execution and estimation of SMEs, yet very few SMEs embrace CRM framework because of different reasons for example, absence of learning about CRM, absence of assets to obtain the CRM framework, absence of abilities what's more, ability to actualize it et cetera. Therefore,the objective of this research paper is to study the reasons SMEs do not implement CRM system, thebenefits CRM system can bring to SMEs and the various methods CRM system can be implemented inSMEs. This paper will study and review existing related works about the above-mentioned aspectspecially implementing CRM system in SMEs so that the CRM system implementation success rate among SMEs can increase.

2. RELATED WORK

Existing work has demonstrated the reasons SMEs don't execute CRM framework, the advantages and the methods for actualizing CRM framework in SMEs. Ramaseshan and Chia [3] found that best administration bolster Mathematics and Computers in Biology, Business and Acoustics developed as the most imperative factor affecting reception of CRM in SMEs took after by different factors, for example, aggressive weight, government bolster, cost viability and IT information. In general, Winer [4] states that CRM systems improvecustomer lifetime value, which is the value of the customers to the company until one of them pulls outof the relationship. It is common to know that maintaining an existing customer saves more costthan trying to gain a new customer. Meanwhile, Tanoury and Pease [5], Adebajo [6]and Earley [7] mentioned the factors that caused the failure of the implementation of electronic customer relationship management (e-CRM) system. The first stated that most companies bought e-CRM system from vendors without having the resources and expertise necessary to understand how it would affect their organization, the second mentioned about the dynamism of the e-CRM vendors that makes the selection of an appropriate application a difficult task, while the third stated that most e-CRM systems are implemented hastily and without proper planning.

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3. SMES CRM SYSTEM IMPLEMENTATION ISSUES

CRM is a valuable apparatus for SMEs to oversee and sustain client relationship which offer assistance association to augment their business potential yet there are as yet numerous SMEs tend to modest far from CRM. Customers' demands are important and need to be fulfilled but customer relationships are more important in retaining existing customers [8]. Many SMEs not willing to adopt CRM system in their organization due to various reasons and this could be a big loss towards these organizations. CRM not exclusively will enable an association to hold existing clients yet in addition to will enable the association to grow their client to base and turn out to be more focused in this testing economy. Many SMEs tend to shy away from CRM, which will restrict the organizations' business growth and reduce the profits earned. There are few reasons SMEs modest far from CRM. Ramaseshan and Chia [3] expressed that numerous independent ventures don't embrace CRM in their associations because of the cost of equipment and programming. Ordinarily, before executing another innovation, the associations will assess the advantages they will pick up and ensure it comparable with the cost spends in actualizing the framework. This factor must take into consideration when adopting CRM because huge investment is needed in maintaining customer database.

A few associations confront disappointment in actualizing CRM framework and results in CRM to fall. A report of Gartner gather expressed that about 55% of all CRM ventures come up short and these disappointments 20% influence long-standing connections [9]. This is on the grounds that they have less understanding about CRM innovations and don't know how a specific CRM approach ought to be taken a toll viably actualized [10]. Reynold et al. [11] specified that for little organizations, for the most part the proprietors and representatives have constrained specialized learning or mastery and assets with regards to executing new innovation in the association. Absence of learning of Data Innovation (IT) would drove numerous association have a tendency to put off the usage of the new development and may even impact the mentality of the proprietors that IT would not have any utilization to their association. Lacking assets will likewise make CRM flop halfway as the cost for keeping up CRM framework is diminished. These components can be maintained a strategic distance from by utilizing specialists in this field and give adequate assets to a fruitful CRM system. Cragg and Lord [12] brought up that apparent relative preferred standpoint of IT is the factor for IT usage in SMEs. This is because by implementing new innovation, it will help to reduce the turnaround time, provide better customer service, reduced unnecessary costs, etc which benefits the organizations. Many organizations are encouraged to find out more about new technologies, as it will help to maximize business potential. Organizations can conduct researches to find out more about new innovation and try it out to find out whether it suits the organization and able to help the organization in business growth.

Grover and Goslar [13]; Ang and Pavri [14]; Rogers [15]; and Ramaseshan [16] stressed that top management support is the most important factor increasing a supportive condition and providing adequate resources for implementation of a new innovation. With the support of the higher management, CRM can be successfully implemented because funds used to maintain customer database, software and hardware are sufficient and employees will be given sufficient training to comprehend and deal with the complex system. In this challenging economy, the adoption of new innovation is essential as competition and tough rival increases [17]. By adopting CRM in an organization, it will help to create competitive advantage as businesses operation changes and able to outperform Mathematics and Computers in Biology, Business and Acoustics rival and get new businesses [3]. Marinescu et al. [10] pointed out that many board-level managers not dare to take the risk in adopting CRM in their organization because they do not know how and where to get started with this system and technology option also become one of the factor that the firms must consider when adopting new innovation. Board level managers should be clear of the form of CRM that suit their business so that the percentage of failure in implementing CRM system can be minimize. Ramaseshan and Chia [3] discovered that best administration bolster developed as the most critical factor affecting appropriation of CRM in SMEs took after by relative preferences. Different factors, for example, aggressive weight, government bolster, cost viability and IT learning were observed to be minor components impacting reception of CRM. Every one of these elements must think about while receiving CRM framework in association in light of the fact that each and every factor will influence the usage of CRM and cause real misfortune towards association.

4. IMPLEMENTATION BENEFITS

In this competitive market, customer is the most important property in an organization. It is not surprising that CRM is increasingly used by the organizations to support different type of their customer. SMEs can attempt to receive the CRM projects to fulfill the client's prerequisites with a specific end goal to develop a long haul relationship. It is conviction that the CRM execution can streamline association's gainfulness and income by fulfill the client's need and needs. Thusly, the consumer loyalty's is the fundamental goal for SMEs to develop and broaden their business later on. An association ought to comprehend about their client's necessity before can begin to manufacture an association with the clients. Any association ought to see how well it truly knows its client, which information are accessible to be utilized as a part of the association administration, how unique parts of association consider their clients, and which potential outcomes are essential for association particularly SMEs to expand their business. According to Chen and Popovich [18] and Zablal et al. [19], CRM usage permits clients' data sharing all through the association. It gives the capacity to the association to characterize distinctive client bunches that will be served in various ways. For instance, the best level clients empower to get individualized and customized administrations from contact staff while the later levels clients are urged to connect with the undertaking through self-benefit channel. By having the client's data, CRM usage enables the association to concentrate its opportunity and assets

on its most productive clients. It is bolstered by the investigation of Adebajo [20] that CRM execution can enhance the exchange procedure by assisting the accumulation and utilization of the data from clients.

With a specific end goal to achievement in the focused market, researchers have since quite a while ago recommended that a client focused is an intense procedure for association like SMEs to hit their business target. As indicated by Ryals and Payne [21], Kumar and Ramani [22], and Boulding et al. [23], an association either a major organization or SMEs need to in consistent touch with their clients so as to develop a long haul relationship. For this situation, SMEs receives the CRM program understands that client connections are the imperative resources that should be ensured with a specific end goal to build future business. Additional work was done by Coltman [24] to determine a successful CRM program should include the combination of technical, human and business capabilities. This complete CRM implementation can drive a portfolio of the CRM processes that include all the aspects in the transaction such as cross-selling, up-selling, marketing and fulfilment, customer service and support, field service operations and retention management. In this manner, the CRM usage is important to incorporate client content, client contact data, and end-to-end business forms all through the association. Once when the association gets the clients and can have them lastingly until the end of time. This implies that the customer will become more loyal and making good use of the services of the organization. According to Harej and Horvat [25] and Darajeh and Tahajod [26], customer's satisfaction became one of the most important principles for the organization management to improved customer loyalty leading to repeat business in the future. An association can receive CRM usage to foresee future clients' conduct that will be measured and broke down under an expansive scope of conditions keeping in mind the end goal to comprehend those client examples and inclinations. So, the CRM usage can be utilized to plan, calendar and control the presales and post-deals exercises in SMEs.

5. CRM IMPLEMENTATION OPTION

There are now a considerable measure of CRM framework usage all over, particularly in vast organizations. SMEs now have the advantage of picking the best and most fitting CRM framework for themselves, since there are presently such a significant number of alternatives accessible for them to do as such. SMEs with a legitimate Data Innovation (IT) group can endeavor to build up their own CRM framework sans preparation themselves to better suit their business needs, gave the abilities and aptitude to do as such are accessible. Open source CRM frameworks are additionally effortlessly accessible now, and SMEs simply need to get one reasonable for them, study and actualize it in their business operations. Additionally, there are a great deal of CRM sellers giving an extensive variety of CRM framework applications for various types of employments. The issue lies in by what means ought to a SME pick the privilege CRM framework to actualize, which we will address in the later areas. There are a great deal of existing works talking about on the techniques for executing CRM framework in SMEs. Parvatiyar and Sheth [27] stated that a front-line information system sharing related customers' information across the whole organization is essential for a good CRM implementation, therefore the use of relational databases, data mining and data warehousing tools are important for CRM systems; and involvement of all relevant users such as the marketing, sales and finance department in the implementation efforts are important as well. They proposed a CRM framework that builds on other types of relationship development process models. It initially distinguishes the motivation behind the CRM framework; at that point chooses the general population identified with the fitting CRM programs, including clients lastly creates and executes the CRM program. Characterizing the reason for the CRM framework distinguishes the CRM capacities to be performed and furthermore makes the assignment of recognizing and choosing the general population identified with the CRM program less demanding. Next, SMEs can start to identify the departments that will be involved in the CRM programs and also which customers they would like to focus their CRM effort on. At last in the wake of everything is chosen, at that point the CRM program can begin to be produced. In any case, the framework is from every angle a touch unreasonably expansive and nonattendance of a couple of purposes of enthusiasm, for instance, the capacities and resources thought.

Kim [28] tended to the issue by proposing a procedure display for an effective Data Frameworks (IS) advancement (which can likewise be connected to CRM frameworks). The proposed CRM framework advancement system can be separated into five sections, in particular hierarchical sense of duty regarding the CRM venture, venture administration methods, technique and process factors, innovation accessible to utilize and outcomes of execution. The proposed systems won't not suit all SMEs, as some of them are tiny and won't not have the specialized mastery or assets to do as such. Fortunately it isn't generally important to build up a CRM framework, given the numerous choices accessible at this point. Alt & Puschmann [29] and Adebajo [20] stated that there is no definite way to implement a CRM system. Every CRM system is different and the success of the CRM system depends on the need of the company and how the company implements it. The former revealed results of the cross-industry benchmarking project conducted that 120 companies has participated in and came up with some critical success factors for CRM projects; some of them are selecting the right way to implement CRM system according to CRM focus; for example purchasing from a vendor or develop an in-house CRM system, starting with operational CRM and improve later with analytical and collaborative CRM, top management's involvement, project progress are 'intime' and 'in-budget', involvement of all relevant users in early stages to communicate on CRM goals and make sure CRM is used on management level as well. The last did a relative investigation of three contextual analyses of various ways to deal with e-CRM usage by three SMEs and the outcome demonstrated that albeit every one of the three SMEs receive CRM in various ways; the primary purchased an essential and cheap off the-rack CRM application, the second built up a CRM framework

themselves while the third obtained a CRM application and customized it as indicated by their own particular needs; every one of them picked up profits by the CRM framework and it can be considered as a win, to various degrees. Be that as it may, each of the three of their frameworks have their own requirements; the capacity to keep up, adjust or coordinate with different frameworks is a portion of the issues that could happen.

6. RESULTS AND DISCUSSION

In spite of the fact that CRM framework is a decent apparatus in improving client relationship, there are as yet numerous SMEs tend to modest far from actualizing CRM because of the reasons specified. This is a major misfortune for those SMEs in light of the fact that CRM framework can enable an association to improve its clients' relationship and this will build organization's benefits and turn out to be more focused. Top management support and cost of software and hardware considered as important reasons influencing implementation of CRM because only with supportive condition and adequate funds can maintain CRM system and make use of CRM system effectively. Different factors, for example, restricted specialized information or ability and assets, saw relative favorable position of IT, aggressive weight and misty about CRM framework additionally cause SMEs not embracing CRM in their association. Each one of these components ought to be thought about while getting CRM system in light of the fact that by grasping new advancement would impact the affiliation's strategy structure and affiliation will oversee genuine hardship if anything happens. Proprietors and the representatives of the association must be watchful of the CRM framework appropriation with the goal that they can actualize it in helpful and powerful way.

SMEs should endeavor to receive CRM frameworks in light of the fact that CRM frameworks have a great deal of advantages. CRM usage that concentrated on clients' fulfillment can amplify SMEs' benefit and income. The clients' prerequisites are a critical issue to be worried and additionally to fulfill the client's needs and needs. Customers' satisfaction can be achieved when the customer's requirements are clear to be defined. Thus, SMEs need to update the customers' requirements from time to time in order to build up a long-term relationship with them. Other than that, clients' data gives the capacity to SMEs to recognize their client aggregate that can be served in various technique. It can abbreviate the exchange procedure and spare the clients' profitable time. Hence, the CRM usage should worry about the security and protection issues of their client's data while sharing the client's data all through the association. To boost the association's productivity and income, SMEs ought to decide how much time and exertion ought to be put resources into the CRM usage. Hence, it can't be denied that CRM has a lot of advantages. However, SMEs has to plan and analyze the benefits of the CRM implementation to ensure that the benefits always outweigh the cost of CRM implementation.

Since the potential advantages of CRM framework are known, the issue lies in how to execute an effective CRM framework. We presumed that fruitful CRM usage rely upon a few primary components and we will propose a structure on the most proficient method to actualize an effective CRM framework. Most importantly, SMEs need to set and characterize the motivation behind the CRM framework, that is the thing that it will be utilized for, in what capacity will it be utilized, who will utilize it, et cetera. It is best to include all related individuals in this phase to guarantee everybody's conclusions are heard and needs are met. Next, SMEs need to distinguish and assess the conceivable choices that are reasonable for them to actualize. Each factor must be contemplated and broke down, including practicality examine, cost/advantage examination and hazard investigation. For instance, if a SME chooses to utilize an open source CRM framework, a portion of the issues to take a gander at are the capacity to comprehend and execute it, the significance of the CRM framework's capacities with the planned reason, et cetera. In the wake of everything is broke down, at that point the best option will be picked and the execution can start. However, before the implementation begins, the process must be thought and planned carefully throughout with proper project management techniques. The usage of a CRM framework will be considered a win in the event that it capacities well and meets its unique expected reason.

7. CONCLUSION

It would not be well before SMEs begin to actualize CRM frameworks, because of the conspicuous capability of CRM frameworks. Adebajo [20] called attention to that there is a developing pattern of the reception of e-CRM. E-CRM is the execution of client relationship administration framework utilizing innovation, for example, PCs, Web or portable. The primary issues keeping the selection of CRM framework in SMEs for example, absence of help from top administration, absence of information about CRM frameworks and absence of specialized abilities and skill to execute and look after CRM framework will be explained soon later on. This is since top administration will soon understand the capability of CRM framework as they are ending up additional also, more prominent; and its quantity graduates is expanding step by step. With such a great amount to offer, CRM frameworks are difficult to stand up to. In light of the investigation directed, the advantages CRM framework conveys to SMEs are:

- Empower more orderly obtaining, gathering, investigation and use of clients' data.
- Acquire consumer loyalty and in a roundabout way enhancing the business association with the clients, and expanding the client lifetime esteem.
- Giving customized and tweaked administrations to a particular gathering of clients.

- Acquire benefits in deals through better reaction to clients and the capacity to keep up existing clients and getting new clients.

The fundamental issue is to actualize an effective CRM framework. It is futile if the SME just thinks about the capability of CRM frameworks without knowing how to actualize one, or fizzled at executing one. There are a considerable measure of strategies to actualize a CRM framework now, for instance:

- Get an open source CRM system from the Internet.
- Purchase a CRM solution from a CRM vendor.
- Implement an in-house CRM application.

All in all, there are numerous ways SME can execute CRM framework, and the way it will be executed varies for each SME. The achievement of CRM really varies for each organization as they characterize their prosperity distinctively and have extraordinary association structures, clients, purposes, objectives also, spending plans. A more point by point and tried structure to help SMEs in picking the privilege CRM framework and the best approach to actualize could be proposed in the future.

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