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Investigating readiness of University of Isfahan in implementing Customer Relationship
Management (CRM) according to opinions of the students

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Abstract

Purpose of the Study: This study aims to investigate the readiness of University of Isfahan in implementing Customer Relationship Management according to opinions of the students in this university. This study is an applied one and in its nature and method, it is a descriptive and survey-based one. The statistical population of this study included 12815 persons, including all Bachelor's, Master's, and Ph.D. degree students at the second semester of academic year 2010-11. Sampling method is a stratified random sampling based on the students of different section and faculties of this university. The instrument used in this study is proved to enjoy content validity. The reliability of the instrument is also tested by Cronbach's α. And data analysis is carried out using SPSS. The students evaluated three criteria of Customer Relationship Management (Educational Processes, Service-Providers, Educational Technology) in the University of Isfahan to be at an average level. Indeed, the results of this study revealed that University of Isfahan lacks the required grounds in these three aspects in order to implement a decent Customer Relationship Management (CRM).Finally, lack of the required grounds for implementing Customer Relationship Management in an educational system according to its customers (the students) is considered as a major failure which needs to be taken into serious consideration by the managers and experts in order to improve the situation and to satisfy its customers.

Keywords: Customer Relationship Management (CRM), Relation-based Marketing, Internally-Generated Marketing, Customers Satisfaction

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Introduction

The advantages of CRM cannot be taken merely by buying or setting up CRM software. For a CRM system to be practically useful, an organization must first know what data or information should be looking for about its customer. Also what is meant to be achieved by such a data collection, in order to make its performance in harmony with the rapid changes surrounding it, especially the needs and demands of its customers. Successful organizations have realized that the customers are their real asset, so they try to satisfy their demand and set their goals according to such goal. That's why customers are important to them as an individuals and not as groups. Indeed, to ensure their survival at this market, organizations have accepted that they have to be adjusted to these never-ending changes or, in other words, to continue their activities according to market-based and modernknowledge. One of the most useful instruments for the organizations to improve their capabilities and performance, to make better decisions, and to achieve the competitive advantage is to utilize information systems that are capable of covering all activities and duties in an organization, and so providing the users with the required information at the appropriate time. Through the progress of Information Technology, novel systems are introduced that can help the organizations reduce their internal costs, have a more desirable interaction with their environment, and finally gain profit. Customer Relationship Management (CRM) is one of these tools. The purpose of CRM is to helporganization in interacting contacts with its customers and maintaining them.As mentioned earlier, CRM responds to modern needs of the managers in the process of their competition; however, there have been many reports on the failure of CRM that makes the companies to be doubtful about investing on that. The high potential of Customer Relationship Management is accompanied with the doubts related to the former failures and this necessitates the identification of the factors affecting CRM for a better utilization of it (Brown, 2000). Due to differences between CRM and other information systems, CRM entails many risks that an organization will face and it will fail if it is not prepared to encounter these problems or control risks before applying such systems.

Significance of the Study

Since time and funds need to be spent on the utilization of CRM in an organization and yet CRM projects have a high rate of failure, the significance of evaluating the readiness of an organization for adopting CRM has been addressed in many studies. As Vince Kellen (2002) believes, an organization should evaluate the grounds for CRM before applying it, because if there are not suitable grounds for CRM in an organization, its application may face failure.

The grounds for CRM are fairly the same in different literature. Chen and Popovich (2003) suggest an electronic model for the implementation of Customer Relationship Management. According to their theory, a CRM implementation model relies on three factors which include: Individuals, process, and technology. The result of their study reveals the reason behind the failure of many Customer Relationship Management projects and the reason is that organizations lack a deep conception of the initiatives of CRM. This case study involves one of the major universities in Iran where many students are educated every year and then enter into the society as skilled specialists. These people are customers of this organization.. Therefore, the findings of this study help the organization under study to make scientific and justifiable decisions on the adoption and implementation of CRM and institutionalizing it in the organization.

Purposes of the Study

Purpose of this study is to evaluate the readiness of University of Isfahan in adopting of Customer Relationship Management. For an organization to be ready to adopt CRM, its capabilities play the most important role. So, considering the model applied to this study, following issues have to be taken into consideration.

1. Identifying the level of customer satisfaction with the way of performing the educational processes at the university;

2. Identifying the level of students satisfaction with the service-providers (the personnel and senior directors);
3. Identifying the level of responsiveness of the technology applied to the educational system (computer and internet services related to the educational affairs) of the university according to students opinions.

Theoretical Framework-- Relation-Oriented Marketing
Relation-oriented marketing is the identification, introduction, maintenance and promotion of relationship with the customers and the beneficiaries of the company. This will be achieved by developing trust and confidence as a result of fulfilling the commitments. Relation-oriented marketing is an attempt to attract the involvement of the customers, suppliers and other beneficiaries in the marketing and development activities of the company [4]

Internal Marketing
All marketing activities performed in every organization are aimed at attracting, keeping and improving the customer's loyalty to the organizations. Besides, Human Resources Management is also seeking to gain the commitment of the internal customers, job satisfaction and attracting confidence in the managers and this has been intermingled with the activities of the internal marketing of the organization [1].

Customer Satisfaction
Several definitions have been offered for customer satisfaction by marketing theoreticians. Cutler defines customer satisfaction as the degree to which real performance of a company satisfies the expectations of customers. To Cutler, if performance of a company satisfies the expectations of the customers, the customer will feel satisfied, otherwise, the customer will be dissatisfied.
Jamal and Naser (2002) define customer satisfaction as feeling or attitude of a customer toward a product or service after using them. Blanchard and Galloway believe that customer satisfaction results from the conception of customer within a value-based relation or transaction, so that price equals the proportion of quality of offered services to the prices and expenses paid by the customer [5]

Service Quality
Quality is a dynamic feature that is related to production, service provision, personnel, processes and environment which can reach the levels expected by the customers or even beyond that [11]. Generally speaking, most definitions offered for quality are customer-oriented when they are used about services. In other words, service quality is assessed based on the customer's conception of services [9].

Customer Relationship Management
CRM was first used in a general sense by Management teachers such as Peter Drucker and Theodore Levitt in 1960s. Customer Relationship Management includes individuals, processes and technology and it is seeking for the customers' conception of an organization. CRM is a combined approach for managing the relationships while focusing on keeping customers and improving relationships with them.

CRM Conceptual Model
The term **'people'** refers to the firm's customers, employers, and stakeholders. Customers are the lifeblood of the organization; it is their needs and desires that the firm is trying to satisfy and ultimately, the firm wants to form profitable relationships with their customers. Employees are responsible for implementing strategies and tactics for the firm that impact individual customers. Additionally, employees manage and operate the hardware, software, and perform data analysis; and, they serve as the face of the firm to customers, during both current and future time. Finally, stakeholders are another important group the firm ought to include into their planning, they are "groups or individuals outside the organization that are significantly influenced, by or have a major impact on the organization[6]. With respect to CRM, these stakeholders can be suppliers of inputs to the firm or government regulatory agencies who oversee the numerous customer privacy laws.
'Processes' refer to the ongoing activities, routines, policies, and structures involved in managing customer data and relationships, beginning with its acquisition to its conversion to information for managerial decision making

and the development and implementation of strategies and tactics, to assessing the performance of the firm's activities

'Technology' particularly information technology(i.e., hardware and software), has a central role in CRM initiatives as well, for it is the tool that plays facilitating role, enabling firms to collect customer data, store the data in databases, and allow for data retrieval in a timely and efficient manner. Once customer data are retrieved, through data analysis they can be converted into information summarized or categorized data[7].
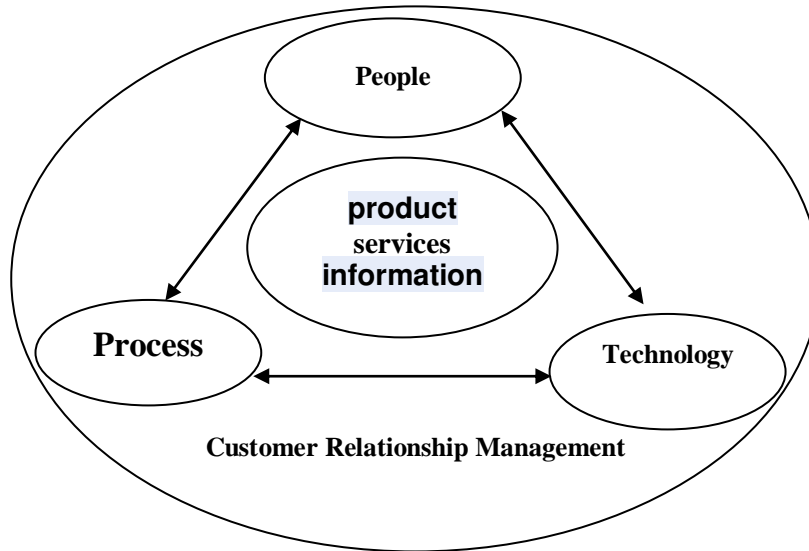
Torres (2004).

Research Method

In this study, first a questionnaire was prepared based on the research model and the ideas of the experienced experts of the organization. To overcome the ambiguities of the questionnaire based on the opinions of the students, ten questionnaires were randomly distributed among them and the ambiguities were resolved. To estimate the size of the sample, 30 questionnaires were distributed among the students of the University of Isfahan and then Chronbach's α was estimated to be 0.92 and its reliability was proved, then the required number of samples was estimated to be 250 students. The samples were selected based on a stratified random sampling from 12815 students of 7 faculties.

$$n=\frac{Nt^2pq}{(N-1)d^2+t^2pq} \qquad n= \frac{12815\times(1.96)^2\times0.79\times0.21}{(12814)\times(0.05)^2+(1.96)^2\times0.79\times0.21}=250$$

Data Analysis

1. **Comparison Test of Research Question with Standard Score (Assumed Mean of 3)**

A) To what extent are the students satisfied with the performance of affairs related to the educational processes in the university under investigation?

Table 1. Comparison of the mean score for students' satisfaction with educational processes

	Mean	SD	Standard Error	Sig	T	df	High limit	Low limit
Educational Processes	2.86	0.661	0.041	0.002	-3.11	249	-0.04	-0.21

According to the results of table 1, the resulted *t* is less than the critical value of the table at the error level of 5% and the mean for educational processes is less than the average level. On the other hand, as both confidence limits are negative, the students of this university are not satisfied with the implementation of affairs related to educational processes.

B) To what extent are the students satisfied with the educational service providers (the personnel and the senior directors) for their desirable communication with the students?

Table 2. Comparison of the mean score for students' satisfaction with educational service-providers

	Mean	SD	Standard Error	Sig	T	df	High limit	Low limit
Personnel	2.87	0.798	0.050	0.015	-2.43	249	-0.02	-0.22

According to the results of table 2, the resulted *t* is less than the critical value of the table at the error level of 5% and the mean for the personnel is less than average level. On the other hand, as both confidence limits are negative, the students of this university are not satisfied with the educational service-providers (personnel and senior directors).

C) To what extent are the students satisfied with the technology in the educational system (computer and internet services related to the educational affairs of the students)?

Table 3. Comparison of the mean score for students' satisfaction with the technology used in the educational system

	Mean	SD	Standard Error	Sig	T	df	High limit	Low limit
Technology	2.96	0.776	0.049	0.455	-0.749	249	0.06	-0.13

According to the results of table 3, the resulted *t* is less than the critical value of the table at the error level of 5% and the mean for the technology is less than average level. On the other hand, as one of the confidence limits is negative and the other is positive, the students of this university are not satisfied with the technology used in the educational system.

4. Comparison of the Means for the Factors Related to Student Satisfaction

Table 4. Comparison of the Mean Score for CRM according to the Students

variables	Mean	SD
Educational Technology	2.96	**0.776**
Service-Providers	2.87	**0.798**
Educational Processes	2.86	**0.661**

T^2=4.71 F=2.34   sig=0.098

The results of table 4 reveal that *F* is not significant at p≤0.05, so there is no difference between the customers' satisfaction with the studied dimensions according to the customers. The highest level is related to the educational technology and the lowest level is related to the educational processes.

The findings of this study conform to the findings of Chen and Popovich (2003) considering the analysis of CRM dimensions. As according to Chen and Popovich, a Customer Relationship Management Model relied on three factors: individuals, process and technology.

Conclusion

Students are not satisfied with three dimensions of educational processes, service-providers and educational technology. Indeed, the results of this study showed that the University of Isfahan lacks the grounds required for the implementation of CRM at these three dimensions. CRM includes all service-providing processes and it has been focused by many successful companies of the modern world, considering the increased choices for the customers, similarity of different brands and the reduction of customer faithfulness. Somehow, the organizations of the modern age can not survive in this competitive world, unless they pay required attention to this phenomenon. Universities, as the organizations that are in contact with a great portion of the society, should take this fact into consideration, as the universities of many countries are competing in providing up-to-date educational services in order to promote their rank among several universities. Considering relatively low ranks of Iranian universities, and the University of Isfahan, it is highly significant to pay a favorable attention to CRM as an effective step forward.

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