

# Critical Success Factors for Implementing Customer Relation Management (CRM) System within University Context Concepts and Literature Review the Gulf Region Perspective

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## Abstract

Higher education institutions all over the world are currently going through important changes on how they interact with students, donors, alumni and researchers. Most of these institutions are mainly focused on ways to cut costs and become efficient in the way they respond to customers' needs and hence gain competitive advantage. This study therefore examines the critical success factors (CSFs) which HEIs particularly those in the Gulf region in Middle East should consider in order to successfully implement the CRM system and help them achieve their objectives. Literature review was used to collect data for this study where peer reviewed journals were the main sources used. Despite several studies indicating different CSFs, this study has focused on four factors; people, technology, process and culture. Further, recommendations on how universities in the Gulf region should implement CRM successfully have been provided.

## Keywords

CRM, CSFs, People, Process, Technology, Culture, University, Gulf Region

## I. Introduction

Customer Relationship Management (CRM) system was initially designed for organizations in the private sector to help them manage their customers' data as well as their engagement and relationship with the organizations. As a result, the organizations are able to identify and address the needs of the customers regarding their existing products and services. Nowadays, universities are implementing CRM system to assist them in building and maintaining relationships with their students. [10] argue that educational institutions are constantly competing to attract student's attention as well as engage them while sharing valuable information regarding their institution. Thus, it is important for universities to differentiate themselves from other universities and this mainly involves giving students information about how the university can empower as well as assist them to become successful in future. CRM system has now spread over all departments in the universities and it is being used to collect information about students and engage them into one platform [10].

## II. Research Problem

This study aims to answer one major question: What are the critical factors for implementing Customer Relationship Management (CRM) system within universities in the Gulf Region in Middle East? With the current degree of technological advancements that have taken place across the globe, it is becoming more and more inevitable for organizations and institutions across the globe to implement such technologies in order to maintain their relevance and competitiveness in these changing times. It is therefore necessary to study the benefits that are offered by CRM as well as the challenges that may be expected. This way, the findings

will be used to make necessary recommendations on how these systems can be implemented and managed.

## III. Significant of the Study

Higher education institutions across the world today are undergoing major changes on how they interact with their past, current and prospective students. The reduction in funding by the government and increasing students' fees has forced these institutions to track all their revenue streams to ensure no costs are lost [21]. In order to effectively attract and manage their relationships with students, some students have embraced the use of the CRM system. The system helps them to track the students' activities throughout their campus life and even after completing their degrees. However, not all universities have embraced CRM system especially those in the Gulf region in the Middle East. Also, not many studies have been conducted regarding the use of CRM systems in higher education sector in the Gulf region. Thus, it is important to conduct more research regarding the critical success factors that universities in the Gulf region should consider when implementing the CRM systems.

## IV. Limitation of Study

One of the main limitations for this study is finding research materials which have the specific information regarding CRM implementation in universities. This subject has not been widely researched on hence the researcher could only find a few sources which only had similar content and not specific to the subject under study. In addition, since secondary sources that were published well in the past may have outdated information, the researcher opted to use sources that were published from 2010 and up. However, considering that this area of research has not been researched on as much, getting these sources was quite difficult. The sources published from 2010 and up only contained similar content but did not meet the researcher's needs. Moreover, some of the sources available were just a small portion of the study and in order to get the complete report, the researcher was forced to purchase it which was quite expensive. Therefore, a lot of time was spent searching for the sources leaving little time to analyze the data and compile the report.

## V. Operational Definition

Customer Relationship Management (CRM) refers to how an organization manages the relationship with its customers in order to boost customer loyalty and increase their sales. Basically, it is about providing customers with good service. In the education sector, CRM reinforces the student recruitment process which has resulted in a positive in the universities that have used it.

## VI. Previous Studies

### A. Use of CRM System in Universities

The increasing competition for students in the higher education

sector is placing universities under great pressure financially. Thus, in order to overcome the issues associated with the decreasing revenue and rising costs, many Higher Educational Institutions (HEIs) are turning to CRM system to assist them to reduce their expenses and increase revenue. [16] point out that universities have realized that a well implemented CRM system can help to cut costs, streamline operations, improve management, and enhance their revenue generation activities. Moreover, they can help them manage their efforts better so that they can secure funding from donors, government, alumni organizations and philanthropists [16]. Fortunately, there are several companies that offer CRM solutions for higher education institutions such as Microsoft, Campus management, Oracle Siebel, and SunGard Higher Education among others.

According to a study by [1], about 64% of universities in the United States use atleast one form of CRM while 36% do not. Out of the 36% universities that do not use CRM, 46% stated that they were considering starting to use one [1]. Further the study found that most insitutions use CRM to help in the recruitment and admission of students while a few others use it offer students lifecycle management support. Out of the the universities studied, 59% stated that they have been moderately successful with the use of CRM while 41% [1]. However, the main challenge they faced when implemeting CRM was lack of enough time to implement and people with the right skills.

### **B. Ways through which Universities use CRM System**

Some universities used the CRM system to track the retention rate of their students and the rate of degree completion[2]. Information regarding the academic goals of the students can be hosted in the system and used to assist them meet their needs. For instance, the Sugar CRM system enables the university to track trends present among students every semester and thereby make informed decisions. Moreover, there are CRM systems that are capable of sending a warning to the management when a student performance falls below the cut mark.

CRM systems are also used to track the application process or enrollment and admission of students. As a result, the universities are able to know the specific needs and interests of students joining them and thus manage their relationships effectively. Other universities use the CRM to build relationships between the university and its alumni and donors. [16] explains that through CRM systems the universities are able to automate their communication with donors and always keep them updated on how the students are performing and programs are being implemented. Also, CRM helps analyze fundraising events as well as implement trends that increase contributions [16]. Moreover, universities are able to centralize information regarding the donors and catalog previous interactions that they have had with them.

According to [2], there are several departments in universities and thus tracking the various activities in each one of them can be difficult. Therefore, some universities have adopted CRM to help them manage their day-to-day administrative and faculty tasks as well as empower their employees by enabling them to make informed decisions. It helps them to monitor the performance in each department and facilitate the decision making process that can help them. [2] believes that with the increasing growth of cloud-based solutions, universities that use CRM can be able to access it anytime and anywhere. This is because a cloud-based CRM solution eliminates the need to install and maintain the CRM system.

### **C. CRM System in the Gulf region in Middle East**

Relationships in the Middle East, whether personal, business, or religious, are of utmost importance [23]. This strong preference for relationships even in business has in the past being making it difficult for organizations to adopt the use of CRM systems. Nevertheless, in the recent past, the demand for CRM system has increased in the Gulf region. CRM systems are slowly being adopted in institutions like banks, hospitals, hotels and customer contact centers among other institutions. As a result, most of the money in organizations in the Gulf region is being invested to enhance the internal systems through the use of CRM with the aim of recovering from the present financial crisis. For instance, in UAE, the retail sector is expected to spend a lot of money on enterprise application software including CRM, human resource management (HRM) and enterprise resource planning (ERP) solutions.

[23] explains that the use of CRM in the gulf region is in its early stages where organizations are trying to get a better understanding of their customers. Hence, most of the organizations are using customer contact centers which are rapidly growing due to the increasing need for businesses to develop and maintain strong relationships with customers. In order to reduce costs, the contact centers have adopted the use of CRM systems which they consider a cost saving measure. [23] argues that organizations in the gulf region do not see CRM systems as a means of automating customer service rather they view it as a way of assisting the contact center agencies to deliver better customer service. For this reason, they do not use computers to even find out whether their customers are satisfied with their services, instead they let the agency assess customer satisfaction and come up with solutions on what to do if the customers are not satisfied.

Similarly, most organizations use social CRM to listen to customers and get feedback regarding their products and services, but in the gulf regions, companies use it to aid customers. Moreover, they pay agents to spend extra time engaging customers so as to discover their needs and interest both current and future. This is considered an effective approach to customer service compared to the one used by western companies of asking agents to minimize the time they spend on every service call. It is therefore clear that organizations in the gulf region use CRM to emphasis on customer relationship while in western countries, emphasis is mostly on management.

### **VII. Methodology**

Extensive literature has been reviewed above regarding the CRM systems and the critical success factors that influence its implementation. Therefore, the methodology for this research is be based on studying and reviewing the relevant literature from various secondary sources with appropriate information regarding the research subject. This mainly includes the critical factors that influence the CRM implementation process which will be obtained through comprehensive analysis of literature from different studies about CRM. A structured approach will be used to select the source with the most adequate material for review. Peer-reviewed or scholarly journals were the main source of data about CSFs and CRM implementation in universisties. However, a few books that contained the relevent data were used in this study.

The peer-reviewed journals were obtained through the university library while google scholar search engine was used to look for more research material. According to [8], it is important to consider the date the sources were published because it shows the accuracy of the information they contain. If the sources are not upto date,

they may not reflect the present situation and hence the accuracy and reliability of the information gathered from them would be questionable [9]. Therefore, when collecting data from these sources, the researcher ensured accuracy by using sources that were up-to-date and published not more than five years ago.

**VIII. Results of the Study**

**A. Critical Success Factors for Implementing CRM in Universities**

Critical Success Factors (CSFs) refers to the important conditions, characteristics and variables which an organization needs to properly manage and address so as to achieve success [18]. There are several studies that have been conducted to identify CFSs. For instance, according to a study by [7], implementation of CRM consists of a multi-layered approach involving four factors; culture, people, technology and process. Similarly, a study by [17] identified infrastructure, process, customer and organizational performance as the critical success factors influencing the implementation of CRM. Another study by [19] showed that factors affecting CRM include organizational strategy, customer strategy, organizational culture, value creation and human factors, leadership, technology, knowledge management and process while [25] added technical infrastructure, continuous improvement, executive management and organizational infrastructure. Based on this studies, process, people, technology and culture stand out as the most critical success factors in the implementation of CRM system. (See fig. 1 below)

Studies/Years	Factors
(Vazifedust et al., 2012) . (Skaates & Seppanen, 2002) (Almotairi, 2009) . (Chen & Propovich, 2003) . (Loria & Obeng, 2005) . (finegann & Curri, 2010) . (Mohebi et al, 2012).(	Culture
(Arab et al., 2010) . (Ijaz, 2005) . . . (Lindgreen et al., 2006) (Chen & Popovich, 2003) . ( Woodcock, Stone & Foss, 2003) . (Chen, 2001) . (Chang, 2001 . ( Ahmed, 2005) . (Tohidi, 2012) . (Reynold, 2002) . (Bolton, 2004 (	Technology
(Currie, 2010 & Finnegan) . ( Almotairi, 2009) . (kavosh et al, 2008) . (kavosh et al, 2008) . (Mankoff, 2006) . (Tellefsen & Thomas, 2005) . (Richards & Jones, 2008) . (Woodcock, Stone & Foss, 2003) . (Safavi Mirmahalleh et al, 2012 . ( Lindgreen et al., 2006) . (Moreno & Melendz, 2011.(	People
(Loria & Obeng, 2005) . (Brown & Gulycz, 2002) . (Woodcock, Stone & Foss, 2003) . (Chalmeta, 2006) . (Chang, 2007) . (Yamaguchi, 2009) . (Arab et al, 2010 (finegann & Curri,2010).(	Process

Fig. 1: Critical Success Factors (CSFs) for Implementing CRM

Source: [15].

**1. Culture**

Success factors that are associated with culture include change in culture and having a no conflict culture in the organization. According to [25] culture is a critical success factor which requires the relationship management in an organization to change its strategy from a product based culture to one that focuses more on the customer. Also, the organization is also expected to change its culture among the employees and promote CRM in all its departments and management levels [3]. In order for an organization to successfully implement CRM and achieve its goals and objectives, it should establish a culture in which all employees are motivated to share as well as learn from the new organizational structure and information based on the clients [19]. Similarly, a successful CRM implementation should be well-matched with the current organization culture so as to avoid a culture of conflict. [15] showed that with a culture that focuses on customers, creates a learning environment, and enables adaptability to change, organizations can create an appropriate cultural setting so as to enhance CRM strategy.

**2. Technology**

According to a study by [15], technology enables an organization to acquire as well as manage data gathered from the customers through the use of tools like Data warehouse and data mining to analyze any information provided by the customer. Moreover, through technology, software systems such as CRM are used to conduct day-to-day activities and operative relationships with customers [11]. It is also used to design CRM-oriented websites, data standardization, create of virtual communities, and provide reliable and consistent information regarding customers [15]. Thus, according to [7], technology refers to all the computing capabilities which help an organization to gather, organize and save customer information for use in product and service development. The main success factors for technology component include software for CRM, sales force automation, help desk, data mining and Data warehouse, internet influence and call centers. (See fig. 2 below)



Fig. 2: Success Factors of Technology Component

Source: [7]

**3. People**

[12] argue that for successful implementation of the CRM system, an organization must have the right people such as business analysts, frontline sales, managers, marketing and service providers and IT professional who should work together to make sure that the CRM strategy is well defined and implemented. [7] explain that successful implementation CRM system requires a workforce that is fully commitment to serve customers and meet their every need. The workforce should be skillful workforce and well paid, which are the two main success factors associated with employees that are likely to influence the implementation of CRM [6]. Further, the top management should also be committed and provide employees with the necessary support such as training them about CRM concepts and how they should be applied in their daily activities at work.

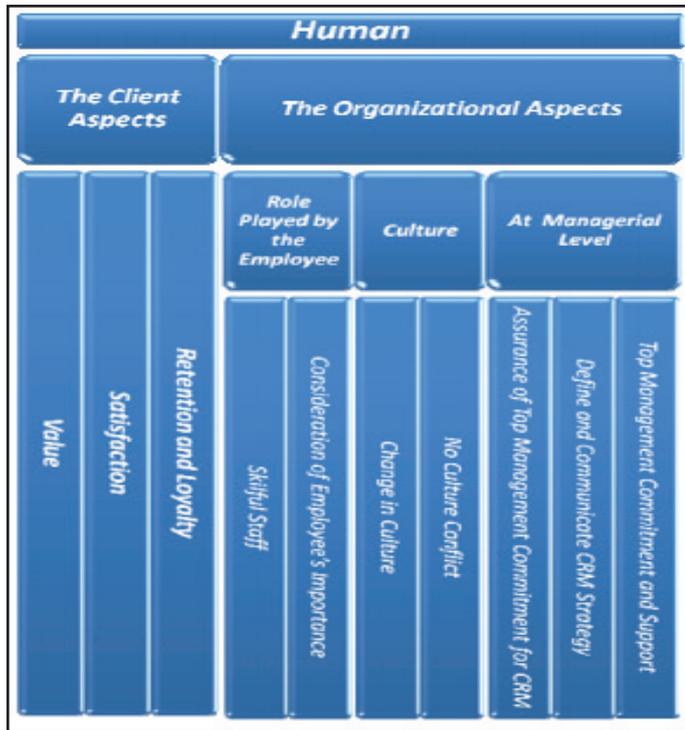


Fig. 3: Success Factors of People Component

Source: [7]

**4. Process**

According to a study by [5], successful implementation of CRM requires an organization to change or improve its business processes to emphasis on a customer-focused approach. Therefore, business processes that involve all forms of customer interactions, whether direct or indirect, must be analyzed and assessed. For this reason, all customer interactions must also be managed through processing so as to create long term and profitable relationships with them [24]. This can be achieved by developing and improving various processes in the organization such as integration of company processes, quality of products and services, customer development, targeting the right customers and knowing the company's customers [15]. [7] state that the main processes that should be addressed to ensure successful implementation of CRM system are sales, marketing, time and budget management, customer involvement, personalization process and defining and communicating CRM strategy. (See fig. 4 below)



Fig. 4: Key Processes for Successful Implementation of CRM  
Source: [7], [25]

**B. CRM Implemetation Failures**

In order to successfully implement the CRM system, it is important to consider the reason behind some of the past CRM implementation failures. [25] report that there is a high rate of failure for CRM projects which is a sign that the implementation of CRM is usually carried out without an understanding of how culture, people, processes and technology should be integrated within an organisational context so as to succeed [22]. Although some of this reasons are inevitable, many of them can be easily avoided by identifying the main cause of the problem which are mostly as a result of organisational and technical issues. There is a wide range of possible causes as identified by [5] which include lack of support from the top management lack of focus on return on investment, and not aligning the internal organisation processes. Similary, [20] supported some of the past failures and included more reasons for CRM failure such as poor quality data, lack of vision and strategy, not involving the customers when designing CRM solutions, and thinking of CRM purely as a technological concept.

Moreover, [25] identified the main reasons behind these failures as lack of a good strategy, lack of change management, inadequate planning, inadequate post implementation operation, lack of passion for the customer, and improper assessment of the existing processes [25]. Some studies have focused more general reasons as the cause for CRM implementation failure. For instance, a study by [13] indicates that organisational change, lack of CRM skills, and organisational policies as the main causes of CRM failures. [14] argue that failure of the CRM system not only affects the performance of the organisation but also negatively affects the motivation of employees and consquently affect customer satisfaction. This is because the financial performance in the business is affected as well as quality of customer service, organisation's culture and sales productivity.

**IX. Recommendations**

According to [4], in order to succeed in the implementation of CRM system, universities in the Gulf region must consider various strategic principles, which can help them gain competitive advantage and achieve long term success. One way to do this is by effective change of management across people, culture, process and technology when implementing CRM system. Further, they should approach the CRM system implementation in a measured way that focuses more on quick wins at first and then working towards improving the successes over time. Universities usually have several value propositions for different segments like students, researcher and alumni. This value propositions could be good starting point for them when implementing CRM. However, they should view them as marketing output rather than organizational capabilities. This means that the universities should ensure that the people engaging and interacting with customers have the appropriate skills that can help them identify and construct a value proposition.

Another recommendation is that universities in the gulf region should develop several frameworks that can help them to effectively understand and engage with customers through the CRM system. This framework should include the students' lifecycle from the day they interacted with the university until they become alumni, and their lifetime value. Moreover, the universities in this region must be learn how to balance efficiency and effectiveness, focus on customer insight, align their marketing strategies with the interests of the customer, and manage the experience of customers. They must be able to guide their customers appropriately, connect their

back office and front office operations, develop a customer driven value network and adopt technology framework for adaptability as well as integration.

In order to overcome the reasons that lead to failure of CRM implementation, it is recommended that universities in the Gulf region motivate their employees, involve the top management and communicate its CRM strategy purpose and goals to the employees. In CRM system, the aspect of motivation is an important factor since it concerns the people component which is a key element of CRM. Motivated employees are more committed to implementation CRM which makes it successful. Similarly, involving the top management in the implementation process promotes CRM in a way that develops a common understanding and commitment in the organization. It is the top management's responsibility to explain the benefits of CRM to the staff so that they can be participate and commit to implementing CRM. Similarly, employees need to understand why they need a CRM and why it should be implemented in the institution. Therefore, university management should communicate CRM strategy purpose and goals with the employees so that they can be fully informed.

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