

Customer Relationship Management (CRM) and Its Risk Factors

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Abstract— Today, the relationship with clients is highly regarded, and many of the organization's or company's strategies are established based on them. But as much as this issue is important, considering the risk factors and the challenges is very important and vital as well. Because the lack of importance may cause the project to be failed. In this article, CRM is firstly taken account, and after expressing the problems, a few of the important risk factors for customer relationship management projects has been reviewed.

Index Terms— Customer Relationship Management (CRM), Risk factors, Customer Satisfaction, psychology.

1 INTRODUCTION

IN 1990s, trading management is transformed into relationship management in many of organization's strategies. By relationship paradigm, it is meant that all the activities are oriented to establishment, expansion, and successful communication exchange [1].

These paradigms are called relationship management system towards customers, which if used effectively, a company's capabilities for achieving the final target, that is customer's maintenance, will be increased, and consequently, a strategic benefit against the competitors will be achieved [2].

From the point of view of theoreticians, some of the definitions of customer relationship management are as follows:

1. CRM is a part of an organization's strategies for recognizing and satisfying the customers and making them as permanent customers. They also can help organization in terms of customer relationship management and maximizing every customer's credit [3].

2. CRM is the set of methodologies, processes, software and the systems that help organizations and companies have an effective and systematic management relationship with customers [4].

3. Customer relationship management includes monitoring on customers (such as suitable collecting data related to them), management and evaluation of data, and finally, creating a real benefit from extracted information in interaction with them [5]

4. Customer relationship management is the set of busi-

nesses and networking that makes processes technologies and all of the businesses activities around the customer [6]

From these definitions, it can be concluded that CRM is a type of strategy that helps the organization in achieving the customer's satisfaction and therefore, their maintenance in business.

2 EXPRESSING THE ISSUE

After the experiments showed the significant effects of customer attraction and the value of customer maintenance, all the attentions has been focused on the necessity of customer relationship management. In fact a new economy was emerging. The organizations and companies decided to increase their budgets concerning customer relationship. Nevertheless, many of the projects concerning customer relationships were failed.

The significant amounts of failure in these projects coerced the scientific groups to deal with the problems and risk factors relating to them.

Inappropriate applying of these projects makes the customer trust to be damaged. Therefore, the necessity of paying attention to risk management in these projects was revealed more than ever [7].

3 PROCEDURE FOR PAPER SUBMISSION

Considering all the risk factors is beyond the extent of this article; therefore, some of them are reviewed.

3.1 Customer dissatisfaction

Companies and organizations should have a more awareness of their types of customers. For example, how managers can have an effective sale to irritable customers. What types of behaviors managers can have towards the customers who have not much stability and easily change their behavior from warm-tempered to cold-tempered. Not only a seller should be a lot of patience, but necessarily know the techniques of how to sell their goods to these types of people, and must be aware that the base of these

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people's personality traits is fear. However, a successful marketer and seller should be armed with customers' epistemology. What so far are effective in an effective selling is no more necessarily successful for enhancing the selling in the future [8].

3.2 Weakness in IT and E-commerce

In implementing customer relationship management, that kinds of organizations are experienced in terms of IT that in implementing integrating technological systems have enough experiences [9]. Having enough experiences in this context is one of keys to succeed in customer relationship management [9].

3.3 Lack of customer-oriented culture

Customer is the main and primary factor in survival of an organization. Therefore, customer-oriented culture is the main factor in succeeding and surviving of an organization, as well. Customer-oriented culture is the prerequisite for gaining qualified information from the customers and creating and distributing the achieved knowledge from the customers and the origins of changeable ideas and improving the organization processes [10].

3.4 Weakness in the relationship with the customers

The relationship with the customers is has a key role in customer satisfaction. Therefore, those who have direct interaction with customers should be chosen appropriately. It is necessary to pay attention to enough synergetic forces within different communication channels and their integration. Developing the suitable communication channels with customers is the key factor in customer relationship management success [11].

3.5 Lack of suitable commercial brand

An IJSER copyright form must accompany your final Lack of suitable commercial brand is one of the determining factors in repeating purchases of the customers. The more the commercial brand successful, the more the customer's loyalty towards it [12].

3.6 Inappropriate recognition of customer relationship management in Iran

Of the factors concerning the lack of senior manager's support of customer relationship management project can be their unawareness of the benefits and opportunities that the organization can achieve by implementing customer relationship management [13].

Of the most important factors of customer relationship management projects can be the inappropriate definition of customer relationship management nature [14].

3.7 Lack of consecrating enough funding for customer relationship management

One of the matters the senior managers should focus in an organization to customer relationship management can be the amounts of funding they consecrated to this

matter. Because the lack of enough funding can lead to these project's failure. As one of the experiments pointed out, applying customer relationship management project is a costly one and its implementation needs a funding equals to 60-130 million \$ [7].

3.8 Weakness in how the project is implemented and managed

The lack of a comprehensive and integrated methodology for implementing customer relationship management projects is one of the obstacles in succeeding these kinds of projects [15]. According to an experiment conducted, 61% of the organizations which apply customer relationship management have not a defined framework in implementing customer relationship management [16].

3.9 Lack of cooperation in different parts

CRM is an integrated orientation and it requires that the different parts of business cooperate with each other which acted independently before. The data collected in one part should be shared in all other parts. It is possible that some parts are reluctant and dissatisfied to share their data towards others [17].

4 RESULTS AND DISCUSSION

By considering the materials mentioned above, it is found out that though the CRM is founded its station in business market, lack of attention to the problems, challenges, and risk factors may lead the project to be failed. It is recommended that the organizations pay attention to how they interact with customers, and have more efforts in IT and E-commerce of CRM. They should become aware of their customer's morale and moods in order to far better provide customer satisfaction. They also should internalize customer-oriented culture in organizations or companies. Worthy and cognizant managers should be chosen to have a mutual relationship with the customer, and enough and appropriate funding must be consecrated in this regard.

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