

A study on important factors influencing customer relationship management: A case study of Mobile service provider

Naser Azad* and Shahram Hashemi

Department of Management, Islamic Azad University, South Tehran Branch, Tehran, Iran

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ABSTRACT

Customers are considered as essential assets in any organizations including mobile services. During the past few years, mobile industry is growing rapidly and the competitions among business owners increases steadily. In this paper, we present an empirical investigation to find important factors influencing customer relationship management. The proposed study of this paper designs a questionnaire and distributes it among 253 customers in mobile industry in city of Tehran, Iran. All questions are designed in Likert scale and Cronbach alpha is calculated as 0.816, which is relatively reliable value. There were 28 questions in this survey and the proposed study extracts five important factors including economic factors, communication skills, organizational resources, service capabilities and flexible market.

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1. Introduction

Customers are considered as essential assets in any organizations including mobile services. During the past few years, mobile industry is growing rapidly and the competitions among business owners increases steadily. Steadily, customers are anticipating more and better service and consequently, business owners require guidelines and frameworks to address people's requirements. The idea of process completeness assists us to investigate service from the customer's viewpoint. Process completeness is normally obtained when a firm's service delivery system fits customer's expectations. While customers normally require alternative services business owners may focus only on single services. Therefore, there is a need to find a compromise solution strategy between these two components (Piccoli et al., 2009).

Corresponding author.
E-mail: dr.naserazad@yahoo.com (N. Azad)

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Wouters (2004) investigated whether customer service actually had order winning potential in B2B situations, which customer service strategies were deployed, and what detected customer service relevance. They determined four customer service strategy options including customer integration, customer adaptation, logistical precision, and standard customer service. In their survey, various firms were positioned in the least attractive customer service strategy option: customer adaptation. Partially, this is caused by challenges in evaluating the customer service capability and the customer's sensitivity for customer service.

According to Gil et al. (2008) job satisfaction of service employees plays an essential role in customer evaluation of service result along with other variables such as the service process, perceived service value and customer satisfaction. Williams et al. (2011) compared customer behaviour of stayers and defectors in B2B services based on respondents from a Fortune 100 company. The results indicated that the commonly used customer metrics of service quality, satisfaction, and behavioral intentions had some differences between stayers and defectors and their findings had substantial implications for the design and use of customer-focused research by managers.

Bygballe et al. (2012) investigated the organization and management of international supply from a total cost perspective including purchasing and logistics costs, as well as customer service and agility. They utilized the supply management literature and an instance of a Norwegian retail and wholesale company to analyze and discuss these configurations and their impacts on total costs and customer service. The paper's theoretical contribution is the conceptualization of a total expenditure perspective on international supply management.

Merlo et al. (2006) argued that the structural, relational and cognitive dimensions of social capital within retail stores could provide an insight into the antecedents of customer service orientation and store creativity. Steven et al. (2012) studied the linkages between customer service, customer satisfaction, and firm performance in the US airline industry. More specifically, they examined the moderating impacts of market concentration and firm dominance on the service–satisfaction–performance relationship. They reported that market concentration dampens the relationship between customer satisfaction and airline profitability.

Kang and Hyun (2011) performed an investigation to detect the optimal aspects of communication style for customer-oriented service employees and to test different ways in which the customer-oriented service employee (COSE) induces luxury restaurant patrons' dedicational behaviors. The results of data analysis disclosed that five kinds of communication styles including attentive, friendly, impression leaving, open, and relaxed had positive impacts on COSE, while one communication style maintained a negative impact.

According to Butcher et al. (2009), small hospitality business units are normally unwilling to embrace business improvement activities in general and customer service training in particular. Yang and Liu (2009) proposed a standard for managing customer service processes, in which language-action was integrated into blogs to leverage blog characteristics. This standard includes new specified dialogue patterns for collaboration, suggested customer service processes, and supporting system architecture.

In this paper, we present an empirical study to find important factors on better serving customers who are using mobile services. The organization of this paper first presents the proposed study in section 2, while section 3 describes details of our findings and concluding remarks are given in the last to summarize the contribution of the paper.

2.The proposed study

The proposed study of this paper presents an empirical investigation to find important factors influencing customer relationship management. The proposed study of this paper designs a questionnaire and distributes it among 253 customers in mobile industry in city of Tehran, Iran. All

questions are designed in Likert scale and Cronbach alpha is calculated as 0.65, which is relatively reliable value. There were 28 questions in this survey and the proposed study extracts five important factors. Table 1 introduces 28 factors detected in our survey as follows,

Table 1
The summary of 28 different variables

No.	Variable	Reference	No.	Variable	Reference
1.	Investment on equipment	Piccoli et al., 2009	15.	Clustering customers	Dong et al., 2010
2.	Customer oriented approach	Kang & Hyun, 2011	16.	Dynamic market	Bygballe et al., 2012
3.	Competition in related industries	Steven et al., 2012	17.	Customer satisfaction	Gil et al., 2008
4.	Faster customer services	Steven et al., 2012	18.	Professional services	Le Bon & Hughes, 2009
5.	Providing better quality services	Florez et al., 2012	19.	Economic changes	Kankanhalli et al., 2005
6.	Increasing communication skills with customers	Le Bon & Hughes, 2009	20.	Economic recession	Kankanhalli et al., 2005
7.	Having competitive advantage on market	Merlo et al., 2006	21.	Learners organizations	Piccoli et al., 2009
8.	Pricing strategy	Bygballe et al., 2012	22.	Organization status among competitors	Merlo et al., 2006
9.	Long term relationships with customers	Wouters et al., 2004	23.	Customer loyalty	Williams et al., 2011
10.	Good insider organization cooperation	Yoo et al., 2011	24.	Demand elasticity	Florez et al., 2012
11.	Knowledge oriented within organization	Piccoli et al., 2009	25.	Building a good brand	Wouters et al., 2004
12.	Building informal communications	Steven et al., 2012	26.	Raw materials	Bygballe et al., 2012
13.	Detecting customers' needs	Florez et al., 2012	27.	Product innovation	Merlo et al., 2006
14.	Organizational equipment for better serving customers	Kang & Hyun, 2011	28.	Service contracts	Yoo et al., 2011

We have performed factor analysis using 28 variables introduced in Table 1 and KMO and Bartlett's Test has been used to verify the overall questionnaire. The result of Kaiser-Meyer-Olkin Measure of Sampling Adequacy is equal to 0.655. In addition, the result of Bartlett's Test of Sphericity yields Chi-Square of 720.005 with sig. = 0.000. Finally, Cronbach's Alpha based on standardized items is equal to 0.816, which is well above the minimum desirable limit. In addition, Fig. 1 demonstrates the results of Scree Plot, which indicates that we can extract five factors out of our factor analysis.

Scree Plot

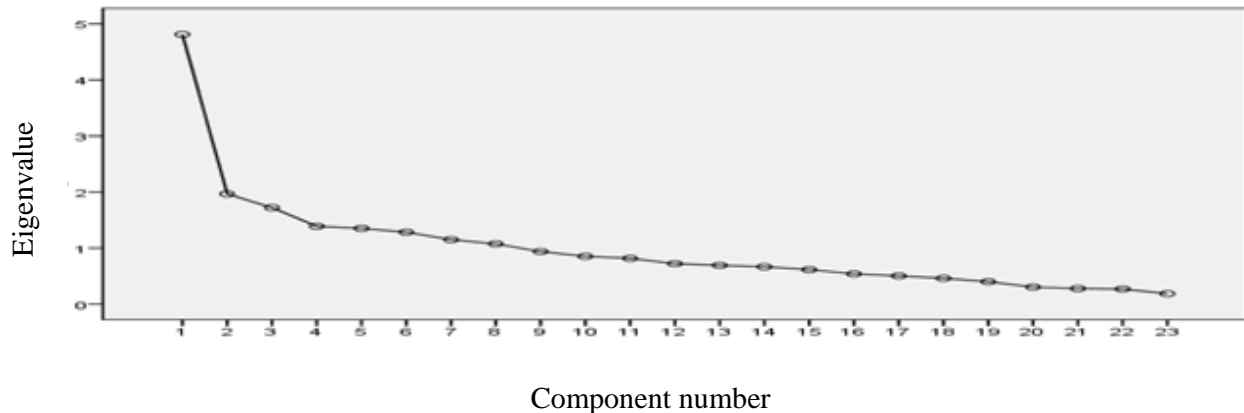


Fig. 1. The results of Scree Plot

According to our survey, we have detected five important items including economic factors, communication skills, organizational resources, service capabilities and flexible market.

3. The results

In this section, we present details of our findings on five important factors.

3.1. The first item: Economical factors

The first important factor is devoted to economic factors and Table 2 demonstrates the results of our survey as follows,

Table 2

The summary of factor associated with economic factor

Option	Factor weight	Eigenvalues	% of variance	Accumulated
Economic recession	.800			
Economic changes	.822	2.048	51.202	51.202
Inside organization cooperation	.499			
Pricing services	.694			

Cronbach alph =0.676

The results of Table 2 explain that economic change is number one priority followed by economic recession.

3.2 The second item: Communication knowledge

The second option is associated with communication knowledge and Table 3 demonstrates the results of our survey on this factor.

Table 3

The summary of factor associated with communication knowledge

Option	Factor weight	Eigenvalues	% of variance	Accumulated
Knowledge oriented organization	.761	1.516	50.519	50.519
Building formal and informal channels	.663			
Building organizational learning groups	.705			

Cronbach alph =0.5

The results of Table 3 show that knowledge oriented organization is number one priority followed by building organizational learning groups and establishing formal and informal channels are the last priority in our survey.

3.3. The third item: Organizational resources

The third option in our survey is associated with organizational resources and Table 4 presents details of our findings,

Table 4

The summary of factor associated with organizational resources

Option	Factor weight	Eigenvalue	% of variance	Accumulated
Brank reputation	.538			
Access to raw materials	.772	1.028	17.125	53.423
Innovation in new services	.641			
Having service contracts	.585			
Better resources to provide better services	.534			
Investment on equipment	.504			

Cronbach alph =0.643

According to the results of Table 4, Access to raw materials is number one priority followed by product innovation and better service contracts.

3.4. The fourth item: Service capabilities

The fourth item is related to service capabilities and Table 5 demonstrates the results of our survey.

Table 5

The summary of factor associated with service capabilities

Option	Factor weight	Eigenvalues	% of variance	Accumulated
Professional services	.686			
Customer loyalty	.729	1.851	46.279	46.279
Customer satisfaction	.686			
Building a long term relationship with customers	.615			

Cronbach alph =0.61

The results indicate that customer loyalty is number one priority followed by professional services and customer satisfaction.

3.5. The fifth item: Service capabilities

The fourth item is related to service capabilities and Table 5 demonstrates the results of our survey.

Table 5

The summary of factor associated with flexible market

Option	Factor weight	Eigenvalues	% of variance	Accumulated
Professional skills on customer communications	.443			
Potential market	.679			
Clustering market	.845	1.033	34.420	80.126

Cronbach alph =0.37

The results of Table 5 show that clustering market is number one priority followed by potential market and building professional skills on customer communications is the last priority.

4. Conclusion

In this paper, we have presented an empirical investigation on extracting various factors influencing better serving customers in mobile industry in Iran. The proposed study used factor analysis and detected five important figures including economic factors, communication skills, organizational resources, service capabilities and flexible market. In our survey, in terms of economic factors, economic change is number one priority followed by economic recession. In addition, in terms of communication knowledge, knowledge oriented organization is number one priority followed by building organizational learning groups and establishing formal and informal channels are the last priority in our survey. In terms of organizational resources, “raw materials” is number one priority followed by “product innovation” and “better service contracts”. In terms of service capabilities, “customer loyalty” is number one priority followed by “professional services” and “customer satisfaction”. Finally, flexible market is the last item where “clustering market” is number one priority followed by “potential market” and “building professional skills on customer communications” is the last priority.

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