APPRAISING THE TECHNOLOGICAL PERSPECTIVE OF CRM: A CASE STUDY OF SEVEN-UP BOTTLING COMPANY PLC APAPA REGION LAGOS, NIGERIA

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Abstract

Technology is an indispensable ingredient of the customer relationship. The technology requirement needs to be carefully thought out to develop a single source of customer information that is interactive, fully integrated and enterprise wide and to ensure the use of innovative technology to support customer channels and delivery of value. As a result of the above, this paper tends to appraise the effectiveness of the CRM technology using seven –up Bottling company Apapa, Lagos as a case study This takes into consideration that CRM is organization specific. The study uses a five point liket scale to elicit information from salesmen. The study collected data from 45 respondents as uses simple frequency distribution analysis.

The study concludes that efforts should be made to first establish sales as Marketing process and strategies that would support customers' strategy before we talk on the appropriateness of the technology.

Introduction

CRM is defined an integrated sales, marketing and service strategy that provide long showmanship and that depend on coordinated actions; delivery high quality service and achieving high customer and market share Kotler and Keller (2003) define CRM as a process of managing detailed information about individual customers and carefully managing all the customer "torch points" with the aim of maximizing customer loyalty. CRM aligns business processes with customer strategies, build customer loyalty and increased profits over time.

Rigby et al (2002) noted that most definitions of CRM would look as "CRM align business process with customer strategy to build customer loyalty that increase profit over

time". From above, they noted that technology and software are conspicuously absent from the definition. They then suggested a better definition, that CRM allows companies to gather customer data swiftly, identified the most valuable customer over time and increase customer loyalty by providing customized products and services. The CRM reduce cost of serving these customers and it makes it easier to acquire new customer down the road. The above definition recognizes the importance of technology and software development. This implies that CRM has some assumption. The most important is that it is a software tool that manages the customer relationship. We know this is not all true. CRM is the building of customer strategy and processes supported by the relevant technology for the purpose of improving customer loyalty and eventually corporate profitability. In other words CRM expansively describe a technologically supported customer centric orientation approach that allows companies to take a far more individualized approach to their customer's need perspective rather than from a vendor supply perspective.

As company search for ways to differentiate themselves in today's competitive environment, they are embracing CRM software and services. Also many CRM management consultants are now on the internet to assist companies. Yet many firms still failed to create value form CRM largely because they expect technology to do the job. A survey carried out by Baines on different management tools to track corporate use of and satisfaction with management technologies reveals that CRM ranked in the bottom three for customer satisfaction out of the 25 popular tools. Rigby Baines et al. (2001). the reasons produced were that most executive don't understand what they are implementing let alone how to manage it. This explains the reason why this study is interested in the technological tool aspect of CRM.

Implementing CRM Technology

Implementing customer relationship management technology requires three way enables (Eric et al, 2002)

- ❖ Qualified professional
- ❖ Well design process
- ❖ Leading edge technology

Successful customer relationship management strategies require professional people who are then extensively trained in dealing with customers in a professional manner and with handling technology expertly. This also requires a clear definition of business requirements and objectives in order to streamline processes to meet these requirements.

As an indispensable ingredient of customer relationship, the technology requirement will need to be carefully thought-out to develop a single source of customer information that

is interactive; fully integrated and enterprise wide and to ensure the use of innovative technology to support customer channels and deliver of value.

Barry (1999) said that customer relationship management should be a multiphase strategy that may begin as a separate initiative from different parts of the organization, with a common goal of providing a consistent customer-Centric behaviors, process and technology that support coordinated customer interactions throughout all the channels.

The customer relationship management involves all the process of recruiting, training, mentoring and motivating the staff in order to turn them to assets for the realization of the overall objective of satisfying the customer needs.

Meta group (2000) defines CRM an an automation of horizontally integrated business process involving front office customer contact points (marketing, sales, service and support) via multiple-interconnected delivery channel. In this definition, CRM is positioned in the information technology corner. Technology facilitates or makes customer contact possible between employees for different department via internet, telephone or even through face to face channel.

Literatures on some of the definitions that recognized technology are reviewed. CRM can be an integrated sales, marketing and service strategy that predict long showmanship and depend on coordinated actions. Delivering high quality services and achieving high customer and market service. (IBS 2003). It is also a process of managing detailed information about individuals' customers and carefully managing all the customers to touch points with the aim of managing customers' loyalty (Keller 2003). CRM can further be defined as a software tool that will manage customer relationships for organizations. (Darriell 2002). It is the building of improved customer loyalty and, eventual corporate profitability.

'Writing on Sales force-system interaction, Growth of Sales force automation (SGA)', Kelly recognizes SFA to be used often integrally with CRM. He recognizes SFA to include communication technologies CRM and knowledge management technology (Rivas and Dart 1999). The SFA recognizes technology as a tool used in marketing information system necessary for success of market/ customer driven firms. Role expectations of salesmen are changing (Honeycutt et al 2005). CRM technology is aimed at achieving what Honeycutt et. Al 2005) called SFA that is taking care of orders, processing contact, management scheduling, information management orientating, tertiary and route mapping, prospecting and sales forecast analysis and staff performance evaluation.

CRM is all about the customer and a review of the literature on the customer orientation literature reveals that researchers initially considered and measure market orientation as management–employee perceived phenomena

(Warner and Slater 1990, Kehli and Jaworski 1990). Recent thinking suggest that customer/market orientations confirms a strong customer focus and by expressing the production services, especially in the long-term relationship context, customers are qualified to form opinions (Akinyele 2007) Here we recognize the customer and the management view of customer/market satisfaction. Despite the views above, we are going to use salesmen for this study since they form a link between the market and the management and they have high level interactions with the C R M technology tool under investigation.

The functions of CRM Technology

The CRM Technology was to perform the following functions:

❖ The need to gather customer information swiftly suggests that a technical tool is needed to gather the information. These can be done depend on the type of service using either internet, mail service, electronic device install at gates, secondary data from records and so on.

❖ Identifying the most valuable customer overtime needs tools/ Software that can immediately identify the customers already monitored by computer or otherwise after setting criteria for "most valuable" customers. The software can rank the customers, identify the number of calls and or the account and provides assistance on how to manage the customer.

❖ The time needed to gather information reduces significantly when CRM technology is used.

❖ For organization with a large number of customers, it is with the assistance of CRM technology that the data on those customers could be sorted easily so as to provide customized service and get customer loyalty.

❖ The CRM technology also assist the organizations to keep historic record of performance of each customers thereby deliverying high customer service.

Objective of the paper

This paper tends to appraise the effectiveness of the CRM technology in the organization under study which is tailored towards the first objective of the C R M technology.

Secondly the paper is interested in the level of compliance of the CRM technology requirements, that is, gathering customer data, identification of the most variable customer overtime, processing of the information about the customer and so on.

Case study software (CRM technology)

The software that is used in seven-up bottling company as at the time of the study is called sales tracking system. The sales tracking system was developed by soft solutions limited, a software company located in Lagos, in seven-up bottling company in Nigeria.. The first thing of importance to these studies is to recognize the outputs expected from the software and these includes sales summary either on a daily, weekly, monthly or even annually, the expected call frequency, Sales asset utilization level, (i.e Electric cooler, tables and chairs and so on), product mix, territory report and/or salesman performance. This e information's may be at the territory level or at the regional or even national level. In summary the output at regional level includes sales input, product mix analysis, call frequency analysis, Electric cooler utilization analysis, asset sales, utilization analysis and glass rotations among others.

For this software to be able to function, it requires some data which include customers name and address, seven – up company, glass level, competitor glass level, all sales asset in the dealer outlet including that of competitors. We have to note that majority of soft drinks sold in Nigeria at this time (year 20005) are mainly inside bottles.

Methodology

In order to effectively appraise the appropriateness of the technology as implemented by seven-up bottling company and the level of compliance with the requirements of the CRM technology, Questionnaires was administered to all salesmen in the region under study since they provide the source of data into the system. They are about 45. As mentioned earlier, the choice of the salesman was done since they constitute the links between customer and the company's management and they provide the information/data. Simple frequency distribution was used to analysis information's acquired. To get sincere reactions, demographic information, particular name, age and sex were avoided.

We also used a 5- point rating scale that attributes from 'poor' to 'excellent' to elicit information from the respondents (Salesmen). The questionnaire was structured in such a way as to bring out the opinion of the staff, particularly salesmen on the performance of the CRM tool used by the company. This is intentional since the salesmen interact with customers on the performance of the company and with the management on what is required for improved performance

Analysis

      We will approach the discussions on the appropriateness of the tool under management commitment (Table 1) and staff cooperation (Table2) while effectiveness of the tool will be discussed under the appraisal of CRM technology tool (table 3).

Table 1: Management commitment.

S/N	Section A	Excellent	Very Good	Good	Fair	Poor
1.	How do you rate tool STS	29(64.0)	10(22.2)	4(8.8)	5(11.1)	-
2.	What is the level of training on STS	-	6(13.3)	10(22.2)	19(42.2)	10(22.2)
3.	What is your opinion is the staffing position to man the STS	10(22.2)	15(33.3)	18(40)	3(6.6)	2(4.4)
4.	What is the level of feedback got from the management on the success of STS	-	-	-	10(22.2)	35(77.7)
11.	What is the level of management support	25(55.5)	5(11.1)	5(11.1)	5(11.1)	-
12.	Do you have enough computer system to undertake STS	-	10(22.2)	25(55.5)	5(11.1)	5(11.1)

Source : - Researcher survey 2008

      First is the issue of the management commitment. That is the adequacy of the tool is the provision of adequate tool (computer) for effective operation of the CRM, Here in question 1 the respondents rating of the tool STS indicates 'Excellent' and 'very good' and when combined gives 86.6%. This implies the tool was very good and appropriate. Also In the table above 'good' and 'fair' together implies 19.9%.This implies the tool, sales tracking system used by seven-up bottling company Nigeria is very appropriate but it can still be improved upon. Also , question 5 indicates that there is enough computer for the operation of STS (good combined)

      On the aspect of training,(Question 6) the management was scored low since 'fair' and 'poor' combined constitute 64.4% of the respondents. 'Excellent' is zero and 'very good' is only 13.3% 'good' is only 22.2% This indicates that the management need to improve on the training aspect by involving all stakeholders including the big customers on what is required for the success of the CRM tool. (STS). Indicates 77.5% of the responses. This could be better since the response to excellent is zero

      In general, the level of management support for the STS is good. The staff agreed that management support is high. In the table above, both excellent and very good combined is 66.6% and good is 11.1%.

      On Staffing, the management was also scored high as 'excellent' and 'very good' combined constitute 55.5% of the respondents. (Question 9) This implies that majority of the

respondents is alright with the staffing position that will assist the successful implementation of the CRM technology as at that time.

On the level of feedback to the stakeholders on the operations of the CRM tools. The management was scored on 'fair' and 'poor' combined as 100%. (Question 4) When probed further, the respondents said management hardly discusses the issue of the STS with the front line staff which are salesmen. We can conclude here that there is a low interaction between the management and staff particularly the stakeholders (STS & salesmen, supervisors, customers) as regards CRM implementation. However we need to recognize that, though the interactions may be important but it may also be dangerous for some vital information may be leaked to the competition. This can cause peril to the company. We suggest a guided interaction since it will motivate the staff and encourage the 'sense of belongings' by the staff.

Table 2 : - Staff co operation to the use of CRM technology.

S/N	Section B	Excellent	Very Good	Good	Fair	Poor
5.	How knowledgeable are you in the use of sales tracking system (STS)	-	5(11.1)	10(22.2	20(44.4)	10(22.4)
6.	What is the level of staff cooperation on the use of STS	-	7(15.5)	10(22.2	20(44.4)	17.7%
7.	What is your knowledge about the reason for introducing STS	-	5(11.1)	10(22.2)	25(55.5)	5(11.1)
8.	Since you provide sales data, How correct is the data provided	-	5(11.1)	10(22.2)	15(33.3)	15(33.3)

Source: - Researchers survey 2008.

On staff cooperation, Question 1 indicates that most stakeholders do not have a good working knowledge of the tool, sales tracking system (about 66.6% of the ratings of 'fair' and 'poor' combined), particularly the low cadre.. They are just given instructions on the information / data that they should bring but they know why. The management should have done a workshop for all stakeholders on the importance of software (STS) so as to increase the staff interest and cooperation. This cooperation is needed for the commitment of the staff to supply reliable data.

On the level of staff cooperation in question 6, Both 'fair' and 'poor' combined gives 62.1%. This confirms that there is no enough cooperation as may be because they don't know the definition of importance of the tool. This also shows that many of the data supplied were manipulated just to satisfy the management (see question 8) and the implication of this is that the output will not be correct for meaningful analysis. There is no amount of monitoring that will improve the situation except the staff is committed. The management must work in this direction.

The respondents also indicted the management since most respondents particularly the junior staffs don't know why the sales tracking system was introduced and its importance (Question 7). Here 'excellent' in zero percent, 'very good' is just 11.1%, 'good' is 22.2% while fair and poor is 55.5% and 11.1% respectively.

Table 3 : - Appraisal of the CRM technology tool.

S/N	Section C	Excellent	Very Good	Good	Fair	Poor
9.	What is the level of customer awareness of the tool	-	-	5(11.1)	30(66.6)	10(22.2)
10.	Since the introduction of the STS, in your opinion, Has the customer benefit.	5(11.1)	18(40)	12(26.6)	10(22.2)	-

Source : - Researchers Survey 2008.

In the appraisal of the tool in the opinion of the staff respondents, (Question 10) indicates that they are not sure that the customers know about the tool STS. Over 68.6% of the respondent's staff stated that the customer has 'fair' awareness while 22.2% rated it 'poor'. However, 11.1% still believe that customers have a 'good' awareness about the tool. 'Excellent' and 'very good' combined is zero percent

Lastly, on the benefit of the customers, (Question 11) responses indicates 51.1 % of 'excellent' and 'good' combined of the respondents felt that customers have benefited from the scheme. While 22.2% of the respondents felt it is 'fair' and' poor' combined. The implication of this is that the tool is worthwhile and appropriate and all efforts should put to make sure that it is working for the benefit of the customers and the company.

Judging from above, the level of compliance with the requirements of the CRM technological tool is not so encouraging since staff commitment was low however the customers accept that it is effective

Recommendations

That the management should know that they have to improve on the staff knowledge of the CRM technology tool, that is the sales tracking system used by the seven-up. This will ensure commitment from the staff to the success of the tool.

Secondly, the management should monitor the data received from the field particularly from the salesmen because when you input the wrong data, the system will process it and give you back wrong output. This will affect planning and the success of the CRM tool. However, the commitment mentioned above will improve the quality of the data and gives less to do on monitoring.

Thirdly, as noted by Rigby (2002) CRM technology tool is to help to support the customer strategy and process that had been already put in place. This implies that CRM is

not the strategy itself. This suggests that the appropriate customer strategy and process should come first and be put in place before taking on the appropriate technology. As observed earlier; most of the respondents do not know why the tool was put in place. That is, they don't know if there are customer strategy or processes in the company talk less of the technology. This should be given a priority and all staff should imbibe the CRM technology tool as a culture.

Conclusions

From the above, we conclude that the CRM tool is a worthwhile tool in today's highly competitive, highly fragmented industry particularly for Mass Consumer Goods Industry to which the seven-up bottling company PLC belongs. In as much as CRM technology is very desirable, efforts should be made by companies to first establish the sales and marketing process and strategy among others, that would lend support to customer strategy before talking on the appropriate CRM technology.

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