

# **Review and Rating factors affecting the Deployment of (CRM) Customer Relationship Management at Nestle Company**

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## **Abstract**

The aim of this study was to identify and rank the factors affecting the deployment of customer relationship management at Nestle Company. The research method in this study is a descriptive -survey. The population of this study is all staff of the Nestle Company which is 255 people and were selected randomly. The sample size for this study given that the population size is limited is obtained at the 0.95 Confidence level and accurate 0.01 using Cochran formula for 102 persons. Data collection tool in this study is a questionnaire that its validity by professors and its reliability by CRONBACH's alpha coefficient 0.804 were confirmed. Data analysis is performed using descriptive statistical methods, as well as Student t tests, Friedman test, independent t-test and ANOVA analysis is performed using SPSS software. The results showed that the components of the current culture of the organization and the organization's current strategies support the implementation of customer relationship management at Nestle.

**Keywords:** Management, Customer Relationship Management, Customer

## **Introduction**

In the new business trends, obtaining customer satisfaction dedicates to itself critical place in the goals of the organization, and senior managers know their success in reaching overall goals

of the organization depends on customer satisfaction. On the other hand, we can not be said that all customers have important roles the same as each other in the success of the organization. Thus, key customer satisfaction will be more sensitive. Thus, it is necessary a system to attract and retain customers be designed and implemented, a system that can properly manage customers and the organization relationships. Today, these systems are known as Customer Relationship Management systems and software are entered to the market with the name of CRM that make organizations more able to satisfy the customers (SARJOUGHIAN, 2012). In this paper, in addition of that we introduce customer relationship management and benefits of its use in an organization, we identify and rank factors that influence CRM implementation at Nestle.

## **Background**

The concept of customer relationship management, in a subsequent period has grown since the beginning of time that will lead us towards improving business performance. In today's highly competitive business world, customer relationship management can be considered as a final solution for the customer and for the organization. In the customer relationship management, customers are not considered as an external component, but are considered as internal members of the business and aim is to create a long-term relationship with them. So, a lot of customer contact, commitment and service are among essential features about customer relationship management. Customer relationship management is a continuous process of identifying and creating new value with each customer and then sharing benefits obtained of it in throughout the company's life. This requires an understanding of, and focus on the management of ongoing cooperation between manufacturer and customer selected for creating mutual value and sharing it through dependency, and organizational settings (ABBASI, 2010).

Experience in customer relationship management, or CRM, can be traced back to about a thousand years ago. Once Mesopotamian people have learned agriculture and could produce products more than their needs, they have to exchange surplus goods, early businessmen your registered their business accounts on ceramic discs, information about which product will be sold to which customer, how much will be it and all was recorded on clay tablets (KESPEDES, SMIT 1993, Roberts 2001). Customer relationship management in the ancient business world has been born, in centuries, sometimes under different titles until the middle of the twentieth century has spread (MOETAMENI, and others, 2009). In the 1990s, interactive processes of customer management based on information technology ( which is in the end of business processes and customer relationship) were performed about re-engineering which today is known as customer relationship management (GHAFOURIAN,2009). In the latter half of this decade, the first systems of customer relationship management emerged (Boon, 2005). In recent years, increasing global competition, many organizations have understood the need for better and more stable relationships with customers. Hence, customer relationship management has become a strategic necessity for many organizations (FOTOUHI POUR, 2009). Customer information retrieval, detailed and objective analysis, with emphasis on due to customer as the core of activities of the organization lead to more ability of organizations to achieve their goals. Obviously, for the development of e-commerce in country and entering to

the global markets and membership in organizations such as the World Trade, having Customer Relationship Management is considered as one of the basic requirements. Whatever more companies take action to implement the concept of customer relationship management, the issue of how implementation of customer relationship management systems remains as a main challenge in companies. Many efforts to implement and deploy a customer relationship management system are carried out in organizations and companies. Which with spending time and money, they have faced with some problems and difficulties in the implementation and execution and even have not caused any specific opportunities in comparison with before the implementation of these systems (KAMAN GHAD, 2009). Therefore, identifying key factors and ranking of these factors in terms of importance can influence the implementation of process customer relationship management systems in the Nestle Company and play a decisive role in it. In general, given the importance of customer as one of the elements of an organization's life and focus CRM on these factors, the following reasons can be considered as requirements of the use of CRM in organization (given the complexity and extent of the activities of each organization):

- Improving Services
- Customer satisfaction
- Reducing costs
- Contact person, even with millions of customers

## **Hypotheses**

### **The main hypothesis**

There is the possibility of establishing a customer relationship management system (CRM) in Nestle Company.

### **Sub- Hypothesis**

The current culture of the organization supports deploying CRM system in Nestle.

The current strategy of the organization of the organization supports deploying CRM system in Nestle.

The current technology of the organization supports deploying CRM system in Nestle.

The current structure of the organization of the organization supports deploying CRM system in Nestle.

## **The research Method**

The population of this study is all staff of the Nestle Company which is 255 people and were selected randomly. The sample size for this study given that the population size is limited is obtained at the 0.95 Confidence level and accurate 0.01 using Cochran formula for 102 persons. Data collection tool in this study is a questionnaire that its validity by professors and its reliability by CRONBACH's alpha coefficient 0.804 were confirmed. Data analysis is performed using descriptive statistical methods, as well as Student t tests, Friedman test, independent t-test and ANOVA analysis is performed using SPSS software. The results showed that the components of the current culture of the organization and the organization's current strategies support the implementation of customer relationship management at Nestle.

## **Tests of Hypotheses**

**First hypothesis: The current culture of the organization supports deploying CRM system in Nestle.**

$$\left\{ \begin{array}{l} H_0 : \mu=3 \\ H_1 : \mu > 3 \end{array} \right.$$

Table 4.7 - Student t test related to the first factor

Row	Factor	Average hypothetical	Average	Degrees of freedom	T-statistics	Significance level
1	The current culture of the organization	3	3.42	101	3.48	0.01

Equation (1.4)

$$t = \frac{\bar{X} - \mu}{S_{\bar{X}} / \sqrt{n}} = \frac{3.42 - 3}{\frac{1/22}{\sqrt{102}}} = 3.48$$

Since 3.48 is greater than 1.645, so it is in the range of  $H_1$ , then  $H_0$  is rejected and  $H_1$  is accepted. Thus, can be said that component of the current culture of the organization for the implementation and deployment of customer relationship management at Nestle is provided, that means to move towards establishment of CRM, Nestle has a good bankroll in terms of current culture of the company.

**Second hypothesis: The current strategy of the organization of the organization supports deploying CRM system in Nestle.**

$$\left\{ \begin{array}{l} H_0: \mu=3 \\ H_1 : \mu > 3 \end{array} \right.$$

Table 4.8 - Student t test related to the second factor

Row	Factor	Average hypothetical	Average	Degrees of freedom	T-statistics	Significance level
1	The current strategy of the organization	3	3.44	101	3.18	0.02

Equation (2.4)

$$t = \frac{\bar{X} - \mu}{s_{\bar{X}} / \sqrt{n}} = \frac{3/44 - 3}{\frac{1/89}{\sqrt{102}}} = 3.18$$

Since 3.18 is greater than 1.645, so it is in the range of  $H_1$ , then  $H_0$  is rejected and  $H_1$  is accepted. Thus, can be said that component of the current strategy of the organization for the implementation and deployment of customer relationship management at Nestle is provided, that means to move towards establishment of CRM, Nestle has a good bankroll in terms of current strategy of the company.

**The third hypothesis: The current technology of the organization supports deploying CRM system in Nestle.**

$$\left\{ \begin{array}{l} H_0 : \mu = 3 \\ H_1 : \mu > 3 \end{array} \right.$$

Table 4.9 - Student t test related to the third factor

Row	Factor	Average hypothetical	Average	Degrees of freedom	T-statistics	Significance level
1	The current technology of the organization	3	3.14	101	1.13	0.26

Equation (3.4) 
$$t = \frac{\bar{X} - \mu}{s_{\bar{X}} / \sqrt{n}} = \frac{3/14 - 3}{\frac{1/22}{\sqrt{102}}} = 1.13$$

Since 1.13 is smaller than 1.645, so it is in the range of  $H_0$ , then  $H_0$  is accepted. Thus, can be said that component of the current technology of the organization for the implementation and deployment of customer relationship management at Nestle is not provided. It can be said that the current technology which is an important component for implementation of customer relationship management is not provided at Nestle.

**The fourth hypothesis: The current structure of the organization of the organization supports deploying CRM system in Nestle.**

$$\begin{cases} H_0 & \mu=3 \\ H_1 & : \mu > 3 \end{cases}$$

Table 4.10 - Student t test related to the fourth factor

Row	Factor	Average hypothetical	Average	Degrees of freedom	T-statistics	Significance level
1	The current structure of the organization	3	3.13	101	1.00	0.32

Equation (4.4) 
$$t = \frac{\bar{x} - \mu}{s_{\bar{x}} / \sqrt{n}} = \frac{3/13 - 3}{\frac{1/38}{\sqrt{102}}} = 1.00$$

Since 1.00 is smaller than 1.645, so it is in the range of  $H_0$ , then  $H_0$  is accepted. Thus, can be said that component of the current structure of the organization for the implementation and deployment of customer relationship management at Nestle is not provided. It can be said that the current structure which is an important component for implementation of customer relationship management is not provided at Nestle.

**Friedman test**

The four components were used to identify the possible deployment of CRM. To investigate the importance of dimensions which does it the same as each other or not, Friedman test was used. According to Table 4 sig value is less than 0.05, which demonstrates the importance of this aspect is not important for employees.

Table 4.11: Friedman test

102	Number ( N )
11.87	Chi-Square
3	Df
0.008	Sig

In Table 11-4 Average rank of these dimensions are given. Given the significant difference in ranks, it could be argued that the strategy factor (mean rank 2.72) is more important than the other aspects. And structure factor (mean 2.27) is less important in terms of the employees view.

**Table 4-12: Ranking Factors**

Variable	Mean rank
Current Culture	2.66
Strategy	2.72
Structure	2.27
Technology	2.35

**Variance Analysis Test**

Is there a significant difference between Individuals with different education about the possibility of deployment of CRM?

Since the variables are Tuesday-mode in nominal level and variable of views of these four groups is in the distance measuring level, ANOVA test was used.

- There is no significant difference among the 4 groups =  $H_0$
- There is significant difference among the 4 groups =  $H_1$

**Table (4-13): One-way variance analysis**

Sig	F	The mean of square	Degrees of freedom	Total square	
0.327	1.16	22.920	3	1.98	Between groups
		0.567	98	55.59	Within groups
			101	57.57	Total

As shown in Table (4-12) with respect to the  $F=1.16$  and  $P= 0.327$  and its value is greater than 0.05, It can be concluded that the null hypothesis based on no difference between groups is accepted.

**Independent t-test**

There is a significant difference between managers and employees in the deployment of customer relationship management.

$$\left\{ \begin{array}{l} \mu_1 = \mu_2 : H_0 \\ H_1 : \mu_1 \neq \mu_2 \end{array} \right.$$

**Table 4-14: Independent t-test**

	Number	Average	Standard deviation	T	Df	Sig	Test result
Manager	9	2.8	0.59	2.15	100	0.034	There is a significant difference
Employee	93	3.33	0.70				

According to the results shown in Table 4-13, the sig= 0.034 and is less than 0.05, so H<sub>1</sub> is accepted, this means that between managers and staff, there are significant differences in the implementation of customer relationship management. In other words, employees are more interested in creating a customer relationship management.

There is significant difference between the opinions of men and women about the implementation of customer relationship management system.

$$\left\{ \begin{array}{l} H_0 : \mu_1 = \mu_2 \\ H_1 : \mu_1 \neq \mu_2 \end{array} \right.$$

**Table 4-15: Independent t-test**

	Number	Average	Standard deviation	T	Df	Sig	Test results
Man	93	3.29	0.71	0.64	100	0.523	There is no significant difference
Woman	9	3.13	0.68				

According to the results shown in Table 4-14, the sig= 0.523 and is greater than 0.05, so H<sub>0</sub> is accepted, this means that between managers and staff, there is no significant differences in the implementation of customer relationship management.

**Results**

The results showed that the components of the current culture of the organization and the organization's current strategy support customer relationship management at Nestle. But situation is not appropriate for the components of the current structure of organization and the current technology of organization about deployment of customer relationship management. Also, based on the Friedman test, we can say that the strategy (mean rank 2.72) is more important than the other aspects. Other factors respectively are: the current culture, technology and structure



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