

CRM Activity Implementation

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ABSTRACT: *Under the pressure of a highly competitive environment, how to integrate the concepts of information technology, market orientation, and organizational learning into customer relationship management activities, so as to provide customers with better product quality and improve operational performance, has become the focus of many companies' business strategies. This study analyzed and explored the correlation between market orientation, organizational learning, information technology input, the implementation degree of customer relationship management activities, and operational performance. By doing so, the impact of market orientation, organizational learning, and information technology on the implementation degree of customer relationship management activities and the impact of the implementation degree of customer relationship management activities on operational performance were understood.*

KEYWORDS: *market orientation, organizational learning, customer relationship management activities*

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I. RESEARCH BACKGROUND AND PURPOSE

Under the pressure of a highly competitive environment, how to integrate organizational learning, market orientation concept, and information technology into customer relationship management activities, so as to provide customers with better product and service quality and improve operational performance, has become the focus of many companies' business strategies. Few empirical studies have incorporated the concepts of organizational learning, market orientation, and information technology input into customer relationship management activities to explore their impacts on operational performance. Therefore, this study explored the correlation between market orientation, organizational learning, information technology input, the implementation degree of customer relationship management activities, and operational performance. Based on the results of this study, suggestions for implementing customer relationship management activities and improving performance were provided.

II. LITERATURE REVIEW

2.1 Market Orientation

Narver and Slater (1990) divided market orientation into three dimensions, including (1) customer orientation; (2) competitor orientation; and (3) cross-departmental coordination. Kohli and Jaworski (1990) pointed out that market orientation includes (1) collecting market intelligence: collecting relevant information in the market; (2) transmitting market intelligence: enabling the collected market intelligence to be effectively communicated and spread among departments; and (3) responding to market intelligence: response to market intelligence. This study selected the viewpoint of market orientation proposed by Narver and Slater (1990) as the research dimensions.

2.2 Organizational Learning

Sinkula et al. (1997) pointed out that organizational learning can be measured by three dimensions: commitment to learning, shared vision, and an open mind. Tippins and Sohi (2003) divided the content of organizational learning into four aspects: information acquisition, information dissemination, shared interpretation, and organizational memory. Huber (1991) systematically constructed the content of organizational learning into four dimensions, namely, knowledge capture, information dissemination, information interpretation, and organizational memory. This study took the four dimensions of organizational learning proposed by Tippins and Sohi (2003) as the dimensions of organizational learning activities.

2.3 Information Technology Input

Sakaguchi and Dibrell (1998) mentioned that the degree of information technology input can be measured by the investment and training of information technology. Miller and Doyle (1987) suggested that it must pay attention to the following three aspects for information technology input: (1) understand the importance of information technology in a company; (2) a certain degree of investment in software, hardware,

and personnel can bring benefits; (3) personnel training should be conducted based on the needs of developers and users. Based on the literature (Miller & Doyle, 1987; Duffy, 2000; Sakaguchi & Dibrell, 1998) review, this study divided the degree of information technology input into four aspects: personnel cognition, hardware and software investment, personnel training, and the degree of information technology application.

2.4 Customer Relationship Management

Kalakota and Robinson (1999) pointed out that the implementation of customer relationship management activities includes three different stages: obtaining potential customers, improving the profitability of existing customers, and maintaining valuable customers respectively. Swift (2001) mentioned that enterprises can implement customer relationship management activities through four steps: knowledge discovery, market planning, customer interaction, and analysis and correction. This study took the four steps proposed by Swift (2001) as the dimensions of implementing customer relationship management activities.

2.5 Operational Performance

Tippins and Sohi (2003) measured organizational performance with profitability, return on investment, customer retention rate, and sales growth rate. Shrader (2001) measured operational performance with profitability and sales growth rate. In the study of Su et al. (2003), operational performance was measured with profit revenue and customer satisfaction. Based on the literature review, this study took the achievement rate of operative goals, product quality satisfaction, revenue growth rate, operational efficiency improvement, the growth rate in customer number, and corporate competitiveness as indicators to measure performance.

III. RESEARCH METHOD

This study explored the correlation between organizational learning, market orientation, information technology input, the implementation degree of customer relationship management activities, and operational performance, while proposing the following hypotheses:

H1: The degree of market orientation has a significant positive impact on the implementation degree of customer relationship management activities.

H2: The degree of organizational learning has a significant positive impact on the implementation degree of customer relationship management activities.

H3: The degree of information technology input has a significant positive impact on the implementation degree of customer relationship management activities.

H4: The implementation degree of customer relationship management activities has a significant positive impact on operational performance.

3.1 Market Orientation and Customer Relationship Management Activities

Jaakkola et al. (2009) pointed out that in order to establish and develop customer relationships, a market-oriented culture must be established within an organization. Chen and Ching (2004) suggested that the degree of market orientation affects the implementation performance of customer relationship management activities. Based on the above literature review, H1 was supported.

3.2 Organizational Learning and Customer Relationship Management Activities

Uusikoski and Uusitalo (2008) suggested that organizational learning contributes to the implementation of customer relationship management activities. Benaven and Villarmois (2006) mentioned that the improvement of organizational learning ability contributes to the implementation of customer relationship management activities. Based on the literature review, H2 was supported.

3.3 Information Technology Input and Customer Relationship Management Activities

Linoff (1999) suggested that customer relationship management activities combined with the application of scientific and technological information can retain customers who contribute to enterprises. Ko et al. (2008) indicated that the maturity of information systems will affect the implementation degree of customer relationship management activities. Based on the literature review, H3 was supported.

3.4 Customer Relationship Management Activities and Operational Performance

Hou and Tu (2008) mentioned that the implementation of customer relationship management activities contributes to the improvement of operational performance. Yim et al. (2004) pointed out that implementing customer relationship management activities can improve enterprise operational performance. Based on the above literature review, H4 was supported.

IV. CONCLUSION AND SUGGESTIONS

Few empirical studies have explored the impacts of organizational learning, market orientation, and information technology input on customer relationship management activities. This study showed that organizational learning, market orientation, and information technology input had significant positive impacts on the implementation degree of customer relationship management activities. The implementation degree of customer relationship management activities had a significant positive impact on operational performance. This study can provide manufacturers with a reference to promote customer relationship management activities and avoid unnecessary waste of resources.

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