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The relationship Customer Knowledge Management and Customer Relationship Management with improving organizational performance

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ABSTRACT

This study was conducted with aim to investigate the relationship between Customer Knowledge Management (CKM) with Customer Relationship Management (CRM) and Improve organizational performance in the Mehr Eqtesad Bank of Ardabil Province in 2015. the statistical community consists of Ardebil province Mehr Eqtesad Bank employee, statistical sample were obtained 133 persons according to Cochran formula. Sampling method was stratified random. Research method is correlation descriptive that was conducted in cross-sectional form. The data collect tools were standard questionnaires to examine questionnaire validity, and to examine questionnaire reliability, Cranach's alpha in software SPSS were used. Before testing the hypothesis Data normality was confirmed by using Kolmogorov-Smirnov tests. Results showed that data research was normal. To test the hypothesis one to three the Pearson correlation and linear multivariate regression method were used. Those results showed significant relationship between CKM with

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CRM and Improve organizational performance also there was significant relationship between CRM and Improve organizational performance.

KEYWORDS: CKM; CRM; performance; Mehr Eqtesad Bank.

La relación gestión del conocimiento del cliente y la gestión de la relación del cliente en la mejora del rendimiento organizacional

RESUMEN

Este estudio se realizó con el objetivo de investigar la relación entre la gestión del conocimiento del cliente (GCC) con la gestión de relación del cliente (GRC) en la mejora del rendimiento organizacional del banco Mehr Eqtesad de la provincia de Ardabil en 2015. La comunidad estadística abarca empleados del banco Mehr Eqtesad de la provincia de Ardabil; se obtuvieron muestras estadísticas de 133 personas según la fórmula de Cochran. El método de muestreo fue estratificado al azar. El método de investigación es una correlación descriptiva que se realizó en forma transversal. Las herramientas de recolección de datos fueron cuestionarios estándar para examinar la validez del cuestionario, y para examinar la confiabilidad del cuestionario, se utilizó el alfa de Cronbach en el software SPSS. Antes de probar la hipótesis, la normalidad de los datos se confirmó mediante el uso de las pruebas de Kolmogorov-Smirnov. Los resultados mostraron que la investigación de datos era normal. Para probar la hipótesis uno a tres se utilizó la correlación de Pearson y el método de regresión multivariable lineal. Esos resultados mostraron una relación significativa entre GCC con GRC y la mejora del rendimiento organizacional; también hubo una relación significativa entre GRC y mejora en el desempeño organizacional.

PALABRAS CLAVE: GCC; GRC; rendimiento; Banco Mehr Eqtesad.

Introduction

Ever increasing demands of customers concerning quality and innovativeness of products and services put companies under pressure. In combination with global competition, they change the rules of the market and force companies to adapt swiftly (Österle and Winter, 2000).

Notwithstanding theoretical researches conducted still some obscurities remain in what is the difference between Customer Relationship Management (CRM) and Customer Knowledge Management (CKM). Management, customer and retailer can refer to this information. Knowledge Management (KM) is to get the knowledge about customer, constantly improve it and share it through those parts of organization, which need the knowledge to use it hence add value to their work. A very simple definition for CKM is to get involved knowledge from customer in an organization's value creation process through direct contact. In addition CKM is applying KM on CRM (King, 2007). With regard to the importance of Customer Knowledge (CK) rules in today's organization management concept is going to become an essential enterprise's concern.

In the 1990s, in the business domain gradually emerges the concept of «Customer Relationship Management» briefly called CRM- which from the very first years, CRM prevailed, gained prominence as a legitimate area of scholarly inquiry and stimulated the interest of global business and research community. For Galbreath & Rogers (1999), CRM is nothing more than an approach that stems from the need to create a new business environment, which allows a more effective management of relationships with customers. Simultaneously, the concept CRM -for many academics- is theoretically founded on Relationship Marketing, whose philosophy lies on improving long-term profitability establish as strategic goal retention of the customer through a more effective management of customer relationships. Besides, in the academic community the terms «Relationship Marketing», «one - to - one Marketing» and «CRM» are often used interchangeably (Chen and Popovic, 2003; Frow & Payne, 2009; Payne and Frow, 2005).

Customer Relationship Management (CRM) is a comprehensive strategy and process of acquiring, retaining and partnering with customers to create superior values for the company and customer (Parvatiyar and Sheth, 2001). Hence, the performance of CRM is defined as the success of creating values for customers through organizations in the objective of increasing the retention, repurchase and word of mouth in order to achieve improvements on relationship qualities. Although CRM has become the in-thing of marketing strategies nowadays, it is unfortunate that many people are still confused about the actual domain of CRM which perceives customer and service providers the act as major players. It is very important to measure the performance of CRM in any organization. Previous researchers believed that CRM performance should be measured ultimately in terms of customer behaviors since they are the underlying sources of current customer values within a firm. Researchers also believed that CRM has the potential to increase future revenue streams associated with them and to those prospective customers (Wang et. al., 2004). Their argument was supported by Grant (1995) who said that the fundamental of CRM is to ensure steady streams of revenue and maximizations of customer lifetime value or customer equity,

which in this case - customer behaviors become strategically significant (Grant & Schkesinger, 1995).

Social CRM (or CRM 2.0) is considered to be the “sequel”, the “natural evolution” of traditional CRM, an evolution imposed by modern-Social Customer-reality. In this sense, the principles of traditional CRM remain in force in the context of Social CRM. Greenberg defines Social CRM as (2010a, pp. 34): “a philosophy and a business strategy, supported by a technology platform, business rules, processes and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment. It is the company’s programmatic response to the customer’s control of the conversation.”

Past research suggested that customer behavior in improved organizational performance should consider other possible factors derived from literature. This review shows the possibilities of proposing CRM & CKM performances as the preceding factors for improved organizational performance among banking employees. On this reason, e-banking adoption was chosen as the prime result of CRM performances in this research.

Ina This study focuses on the components of customer knowledge management and customer relationship management relationship of these variables will be measured with improved organizational performance?

1. Methodology

The framework for this empirical research is illustrated in Figure 1.

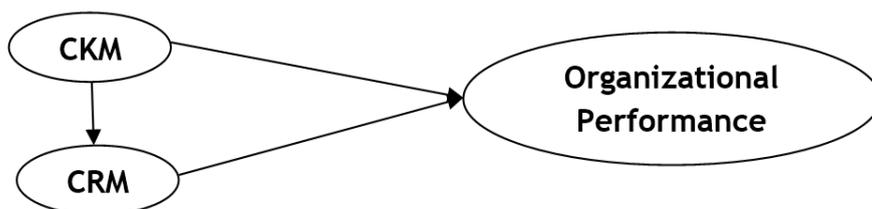


FIG: 1. Conceptual Model

CKM: Customer Knowledge Management

CRM: Customer Relationship Management

1.1 Sampling design and sample selection

The population of this study is the employees of Mehr Eqtesad bank in Ardabil province. Samples in this study selected with Cochran formula. The sampling was done using stratified proportionate sampling according to employee number of branches. A total of 109 set of questionnaires were returned and analyzed.

1.2 Data measurement and collection

Field data collection was done using questionnaire. Three questionnaires were used to collect data: In this study, to measure the variable “**Customer Knowledge Management (CKM)**”, standard role transparency questionnaire presented by Rahnavad & Mohammadi (2009) With 44 questions was utilized. For measure the variable “**Customer Relationship Management (CRM)**”, standard role transparency questionnaire presented by Kalantari (2010) With 30 questions was used also, to measure the variable “**Organizational performance**”, Haghighi et al standard questionnaire (2010) With 10 questions was used.

1.3 Validity and reliability

Validity means that measuring tool is able to measure the attributes and characteristics. To determine content validity, the questionnaire was administered to a number of experts and professors practicing in the area of behavioral sciences, and they presented their comments on the research hypotheses questions and evaluation method, and the questionnaire validity was confirmed, and the questionnaire reliability for the dependent variable and each of independent variables was measured using Cronbach's Alpha coefficient, and the alpha of all of them was over 0.82.

1.4 Data analysis

In the current research, to analyze the assumptions of parametric tests were used according to the Kolmogorov-Smirnov, to extract data and their analysis, SPSS software was used.

Finding Analysis

Descriptive Analysis

In this study, 109 patients were the respondent to questionnaires that summary of the status of demographic variables shown in Table 2.

Table 2: Results of Descriptive Analysis

Characteristics	Class	Frequency	Frequency percentage
SEX	male	109	100
	female	0	0
Total Sum		109	100
Age	20 - 30	25	22.93
	30 - 40	45	41.28
	40 - 50	39	35.79
	>50	0	0
Total Sum		109	100
Education	Diploma	3	2.75
	Associate Degree	29	26.6
	Bachelor	73	66.97
	master degree	4	3.68
Total Sum		109	100
Work Experience	<5	41	37.61
	5 - 10	12	11
	10 - 15	37	33.94
	> 15	19	17.45
Total Sum		109	100

1.5 Inferential Analysis

Before the research hypotheses to be addressed, Kolmogorov-Smirnov test was used for all variables.

The rationale for using this test to determine the normality of data, which we will use of parametric test (Pearson correlation and linear regression) (significance level > 0.05) and non-parametric test (Spearman correlation coefficient and nonlinear regression) (significance level < 0.05) in the case of normal non - normal data, respectively. The results of this test are shown in Table3.

Table 3: Results of Kolmogorov-Smirnov test

Performance	CRM	CKM	Statistical index
0.893	1.338	1.132	Z
0.403	0.056	0.154	Sig

According to Table 3, data distribution is normal and parametric test was used for variables.

Hypothesis 1: there is a significant relationship between customer knowledge management and customer relationship management.

Table 4: The correlation coefficient between customer knowledge management and customer relationship management

		CKM	CRM
CKM	Pearson Correlation	1	**0.81
	Sig. (2-tailed)	-	0.000
	N	109	109
CRM	Pearson Correlation	**0.81	1
	Sig. (2-tailed)	0.000	-
	N	109	109

* Significant at a 0.05significance level

** Significant at 0.01significance level

Pearson correlation test was used to test this hypothesis. Table 4 shows the correlation between independent and dependent variables of the research.

According to the results of Table 4, it is clear that there is a significant relationship between the components of customer knowledge management and customer relationship management ($p < 0.05$). The results showed that the correlation coefficient is 0.81 between customer knowledge management and customer relationship management. And since obtained significant level is less than standard significant level 0.05 can be claimed that there is a significant relationship between customer knowledge management and customer relationship management.

Hypothesis 2: There is a significant relationship between customer knowledge management and performance improvement.

Pearson correlation test was used to test this hypothesis. Table 4 shows the correlation between independent and dependent variables of the research.

According to the results of Table 4, it is clear that there is a significant relationship between the components of customer knowledge management and performance improvement ($p < 0.05$). The results showed that the correlation coefficient is 0.908 between customer knowledge management and performance improvement. And since obtained significant level is less than standard significant level 0.05 can be claimed that there is a significant relationship between customer knowledge management and performance improvement.

Table 5: The correlation coefficient between customer knowledge management and performance improvement

		CKM	PI
CKM	Pearson Correlation	1	**0.908
	Sig. (2-tailed)	-	0.000
	N	109	109
PI	Pearson Correlation	**0.908	1
	Sig. (2-tailed)	0.000	-
	N	109	109

* Significant at a 0.05significance level

** Significant at 0.01significance level

PI: performance improvement

CKM: customer knowledge management

Hypothesis 3: There is a significant relationship between customer relationship management and performance improvement.

Pearson correlation test was used to test the relationship between these variables, according to data normality, which the results of this test are shown in Table 6.

Table 6: The correlation coefficient between customer relationship management and performance improvement

		CRM	PI
CRM	Pearson Correlation	1	**0.747
	Sig. (2-tailed)	-	0.000
	N	109	109
PI	Pearson Correlation	**0.747	1
	Sig. (2-tailed)	0.000	-
	N	109	109

* Significant at a 0.05significance level

** Significant at 0.01significance level

Table 6 shows the correlation coefficient between the independent variables that in some cases it is very high. The results showed that there

is significant relationship between customer relationship management and performance improvement because obtained significant level is less than standard significant level ($p < 0.05$).

2. Discussion and conclusions

Multivariate Pearson correlation coefficient test was used to survey the research first hypothesis, to assess the relationship between Customer Knowledge Management and its components with customer relationship management. The results showed that there is a significant relationship between customer knowledge management and its components with customer relationship management. Because obtained significant level for each variable is less than standard significant level 0.05, this part of research findings is consistent with Outi Gholami and Ebrahimian Jelodar (2013) results, so that they reported a significant relationship between customer knowledge management with customer relationship management.

Multivariate Pearson correlation coefficient test was used to survey the research second hypothesis, to assess the relationship between Customer Knowledge Management and its components with performance improvement. The results showed that there is a significant relationship between customer knowledge management and its components with performance improvement. Because obtained significant level for each variables is less than standard significant level 0.05. Haji Karimi and Mansurian (2012) also showed that, customer knowledge management has significant impact on performance improvement that consists with this research results. Mansuri and lor (2014) reported the significant relationship between customer knowledge management and performance improvement that confirmed the research results.

Multivariate Pearson correlation coefficient test was used to survey the research third hypothesis, to assess the relationship between Customer relationship Management and its components with performance improvement. The results showed that there is a significant relationship between customer relationship management and its components with performance improvement. Because obtained significant level for each variable is less than standard significant level 0.05, results of this research was consistent with Koltman (2007), ordan Ebrahim (2009), Mooghali and bavandpour (2010), Sadeqianpour (2012) and Khezapr (2013) findings.

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