Survey of the relation of Customer Value with CRM function

(Case study of Cement Factory of Hormozgan)

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Abstract. The recognition of the significant issues in the challenging world of today is a remarkable ability that managers in this clamorous field should be equipped with. This study investigates and analyzes the relation between the customer value and function of Customer Relationship Management (CRM) in cement factory of Hormozgan. Based on the brief background of studies, researches and literature on this topic, four customer values are recognized in Wang's theory (2004) which includes: Functional value, social value, emotional value and perceived sacrifices. Finally, in this study the significance of these four values was evaluated relying on the opinions of the customers of the cement factory of Hormozgan using a questionnaire. It was revealed that two factors of functional value and emotional value play the most significant role in improving the function of CRM in cement factory of Hormozgan.

Keywords: Customer Relationship Management (CRM), value, loyalty, customer satisfaction, brand.

1. Introduction

In recent years customer relationship management (CRM) has been raised as a serious and widespread phenomenon to the extent that present companies are heeding to it more than before. Increase of competition among companies for marketing their products and services and also accretion of customers' power in world of today have caused companies not only search for new customers but also try to preserve their former customers. Within the past decades, many of organizations of each size and kind have reached to the importance providing the satisfaction of their customers and perceived that preserving the customers is cheaper than attracting new ones. In addition, the powerful relationship between customer satisfaction and profit-making has been accepted, so; customer satisfaction and its growth has become an operational goal for most of the companies. With accretion of customer will-power in the game between buyer and seller, companies are facing with more knowledgeable customers having more freedom for choice and decision making and the more their understanding increase, the more their expectations soar. This issue augments the importance of a close and continuous relation with clienteles [2].

It must be mentioned that a CRM system is more complicated than automation of traditional operations of sale, marketing and chain of providing or representing services through technology. A CRM system is also more than the issue of quality of services. CRM systems are systems for change of all the organization and its mentality about the customers [3]. This means that what is said to customers about the products should be inclusive and exact. In communication with customers, what is promised should be valid not of accidental occurrence [5].

A key factor in CRM strategy is how to communicate with customers. This issue emphasizes the fact that for enjoying this relationship, there must be two involved sides at least [4].

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2. Discussion

Nowadays, one of the categories having a great importance and preference in attracting and preserving the customers which stands as a significant factor in achievement and success of companies is customer value. In the customer-based new era customer value is a   strategic weapon in attraction and keeping customers. Customer Relationship Management is trying to represent more values to clienteles to access overt and covert profits emanating this relationship.

Nowadays, it is believed that for developing the function of CRM, companies should change their operations for the sake of creating and representing more values for customers. The Question which is raised here as research topic and also as an important challenge is how companies should access to CRM? In fact, the subject that what causes customer values and method of its operational-making has stood as one of the most important obstacles in researchers' road. So, recognition and analysis of key dimensions of customer value for the sake of causing improvement in the function of customer relationship is of extraordinary significance, due to companies should perceive the effects of each facet in customer relationship and allocate their limited recourses correctly [6].

In this research we consider the relation of customer value and CRM in cement factory of Hormozgan.

2.1. Research Question

What are the key aspects of customer value to improve the function of relationship with customers?

2.2. Research Intention

1. The general purpose of this research is to arrive at the important and key aspects of customer value. As mentioned before, realization of these aspects can have an effective and determining role in companies achievements and those companies who are able to improve CRM effectively can exploit multiple profits of this relationship ,so; access and perception of these aspects and assessment method of CRM function which is visible in customers' behavior are the main goals of this research.

2. In addition to general goals, the present research tries to recognize superiority and significance degree of all these aspects reflecting their roles to decision makers so that they perform operations and activities with better understanding and insight, to allocate limited resources of organizations in a more effective way.

2.3. Theoretical Framework of Research

To represent theoretical framework of the research, the theoretical basis of the customer value assessment was considered, and regarding Wang's perceptual model, effective causes of improvement in CRM function were known one after the other.
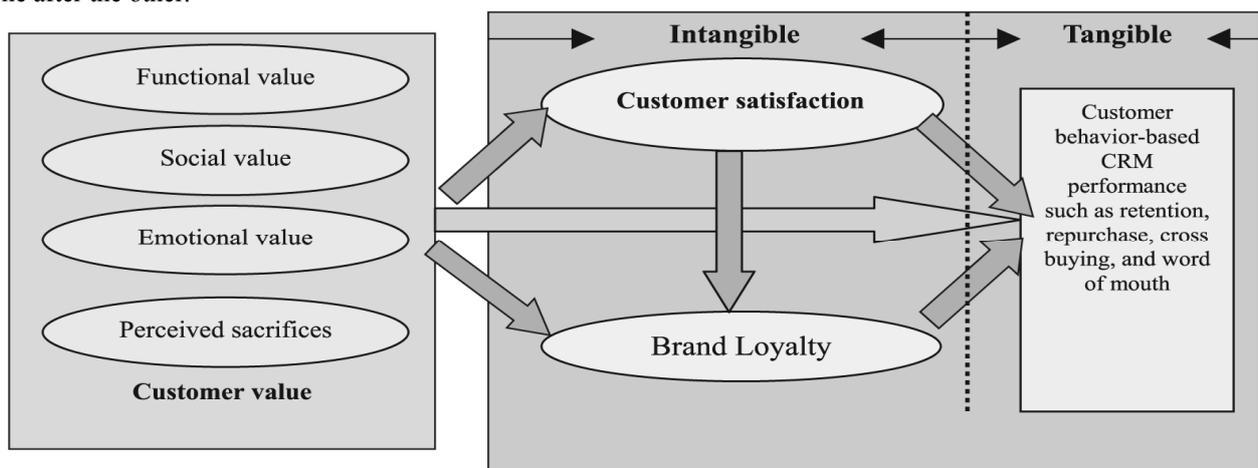

Fig.1: "Analytic Model" [6].

Concrete Framework for Customer Value and CRM.

In the previous model customer values including Functional Values, Social Values, Emotional Values and Perceived Sacrifices were considered as independent variable, customer satisfaction and loyalty to brand as intervening variable and CRM function as dependent variable.

2.4. Research Hypothesis in cement factory of Hormozgan

1. There is a meaningful relationship between customer value and function of CRM

2. There is a meaningful relationship between customer satisfaction and customer value.

3. There is a meaningful relationship between customer value and loyalty to brand.

4. There is a meaningful relationship between customer satisfaction and CRM function.

5. There is a meaningful relationship between loyalty to brand and function of CRM.

6. There is a meaningful relationship between customer satisfaction and loyalty to brand.

7. There is a meaningful relationship between functional value and CRM function.

8. There is a meaningful relationship between social value and CRM function.

9. There is a meaningful relationship between emotional value and function of CRM.

10. There is a meaningful relationship between perceived sacrifices and function of CRM.

2.5. Research Method

Based on goals, this research is placed in applicable research group, and of data collecting in descriptive research group. The research also considered the data related to one period of time, so it is cross-sectional.

Sampling method used in this research is of categorical sampling. Categories of statistical community include: producers, final consumers and structural companies of Hormozgan province.

2.6. Research Instrument

To understand the society opinions we used a questionnaire. The questionnaire is of Likert's spectrum using items of very low, low, mid, high and very high ordered with ranks of 1, 2, 3, 4and 5. The questionnaire was made after observations using opinions of experts, specialists and related theory makers. Then it was copied and distributed. So it can be claimed that elevating instrument of the research have a good scale certainty. For evaluating the questionnaire Gronbakh Alpha was used.

2.7. Result Analysis

- Statistical assessment of the first hypothesis (H1): there is a meaningful relationship between customer value and CRM function in cement factory of Hormozgan. Because the end of this survey is to find relationship between the variables, we used Pearson coefficient of correlation to evaluate all the hypotheses and their meaningfulness. Pearson correlation coefficient for this hypothesis is 0/341 and meaningfulness percentage equals 0/021 which is less than 0/05(percentage of assessment meaningfulness). So the first hypothesis is verified. Positive percentage of correlation coefficient also motions the direct relationship between the variables.

- Statistical assessment of the second hypothesis (H2): there is a meaningful relationship between customer satisfaction and customer value in cement factory of Hormozgan. Pearson coefficient of correlation for this hypothesis is 0/255 and meaningfulness percentage equals 0/021 which is less than 0/05(percentage of assessment meaningfulness). So the second hypothesis is verified. Positive percentage of correlation coefficient also motions the direct relationship between the variables. In other words, there is a direct and meaningful relationship between customer value and customer satisfaction in cement factory of Hormozgan.

- Statistical assessment of the third hypothesis (H3): there is a meaningful relationship between customer satisfaction and customer value in cement factory of Hormozgan. Pearson coefficient of correlation for this hypothesis is 0/283 and meaningfulness percentage equals 0/021which is less than 0/05(percentage of assessment meaningfulness). So the third hypothesis is verified. In other words, there is a direct and meaningful relationship between customer value and customer value and loyalty to brand in cement factory of Hormozgan.

- Statistical assessment of the fourth hypothesis (H4): there is a meaningful relationship between customer satisfaction and CRM function in cement factory of Hormozgan. Pearson coefficient of correlation for this hypothesis is 0/351 and meaningfulness percentage equals 0/014which is less than 0/05(percentage of assessment meaningfulness). So the fourth hypothesis is verified. In other words,

there is a direct and meaningful relationship between customer value and customer satisfaction and CRM function in cement factory of Hormozgan.

- Statistical assessment of the fifth hypothesis (H5): there is a meaningful relationship between loyalty to brand and CRM function in cement factory of Hormozgan. Pearson coefficient of correlation for this hypothesis is 0/122 and meaningfulness percentage equals 0/527which is more than 0/05(percentage of assessment meaningfulness). So the fifth hypothesis is not verified however Positive percentage of correlation coefficient motions the direct relationship between the variables. In other words, there is not a direct and meaningful relationship between loyalty to brand and CRM function in cement factory of Hormozgan.

- Statistical assessment of the sixth hypothesis (H6): there is a meaningful relationship between loyalty to brand and customer satisfaction in cement factory of Hormozgan. Pearson coefficient of correlation for this hypothesis is 0/484 and meaningfulness percentage equals 0/000which is less than 0/05(percentage of assessment meaningfulness). So the sixth hypothesis is verified. Positive percentage of correlation coefficient motions the direct relationship between the variables. In other words, there is a direct and meaningful relationship between loyalty to brand and customer satisfaction in cement factory of Hormozgan.

- Statistical assessment of the seventh hypothesis (H7): there is a meaningful relationship between functional value and CRM function in cement factory of Hormozgan. Pearson coefficient of correlation for this hypothesis is 0/364 and meaningfulness percentage equals 0/007which is less than 0/05(percentage of assessment meaningfulness). So the seventh hypothesis is verified. In other words, there is a direct and meaningful relationship between functional value and CRM function in cement factory of Hormozgan.

- Statistical assessment of the eighth hypothesis (H8): there is a direct and meaningful relationship between social value and CRM function in cement factory of Hormozgan. Pearson coefficient of correlation for this hypothesis is 0/159 and meaningfulness percentage equals 0/408which is more than 0/05(percentage of assessment meaningfulness). So the eighth hypothesis is not verified. In other words, there is not a meaningful relationship between social value and CRM function in cement factory of Hormozgan.

- Statistical assessment of the ninth hypothesis (H9): there is a direct and meaningful relationship between emotional value and CRM function in cement factory of Hormozgan. Pearson coefficient of correlation for this hypothesis is 0/296 and meaningfulness percentage equals 0/012which is less than 0/05(percentage of assessment meaningfulness). So the ninth hypothesis is verified. In other words, there is a direct and   meaningful relationship between emotional value and CRM function in cement factory of Hormozgan.

- Statistical assessment of the tenth hypothesis (H10): there is a direct and meaningful relationship between perceived sacrifices and CRM function in cement factory of Hormozgan. Pearson coefficient of correlation for this hypothesis is -0/275 and meaningfulness percentage equals 0/017which is less than 0/05(percentage of assessment meaningfulness). So the tenth hypothesis is verified. In other words, there is a meaningful relationship between emotional value and CRM function in cement factory of Hormozgan.

3. Conclusion and suggestion

-paying more attention to goals and roles of functional and emotional values to cause repetition of purchase and also customer loyalty to products and services of mentioned factory(Hormozgan Factory) having a connected role derived from direct an indirect relationship with Customer Relationship Management.

- It is suggested to increase the customer loyalty to brand of Hormozgan cement factory in competition with other brands, the company must represent better values to customers and emphasizes them to traverse the essential steps.

- It is suggested that cement factory of Hormozgan financial and non-financial loss and desertions with evaluation and assessment of perceived sacrifices based on customer perception to be established.

- Perceived sacrifices have a direct and negative relationship with function of CRM. In other words, increase of material and nonmaterial perceived loss and disservices of cement factory of Hormozgan caused by purchase reduction leads to decrease of customer loyalty and his dissatisfaction. This case can be caused by decrease of government intervention and also increase of customer volition due to establishment of new factories leading to excess supply in cement industry.

- Emotional value has a direct and positive relationship with CRM function in statistical community. This relation shows a high understanding of products of Hormozgan cement factory in mentioned markets which is indicator of customer satisfaction and general desirability of the product.

- With regard that more direct and positive relationship between social value and CRM function has been denied, it is necessary for cement factory of Hormozgan to prevent loss and shocks with evaluation and assessment of sacrificed social values based on the magnitude of customer perception.

- Considering the high correlation coefficient of functional value and emotional value with CRM, the role and importance of these aspects in repetition of purchase and customer loyalty to products can be understood.

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