

CUSTOMER RELATIONSHIP MANAGEMENT FRAMEWORK FOR
CENTER OF INFORMATION AND COMMUNICATION TECHNOLOGY
UNIVERSITI TEKNOLOGI MALAYSIA

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This page is dedicated to my family for their endless support and encouragement.

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ABSTRACT

The Customer Relationship Management (CRM) model has attracted significant interest since its existence. Basically, the model can be characterized by the relationship it establishes between an organization and its customers. For an organization to reach its full potential in executing a CRM-based business operation, customer satisfaction, customer-centric business and customer relationship development must be at the fore-front. The benefits of adopting a CRM approach to business ranges from rewards in customer satisfaction, loyalty and a long run profitability. The challenge often associated with the CRM is that its implementation can be considered to be elusive given the fact that it appears differently to many organizations. And so there has been no specific way of executing CRM model. In some instances of implementation the organization in question might disregard some vital aspect of the CRM model, such as a company-wide, cross-functional, customer-focused business re-engineering process, that are required for the CRM to be effective. Given the fact that the CRM is basically technology driven, does not mean that it should be viewed or implemented technology-wise. When it is viewed as a technology-only solution it is more likely to fail. Therefore, managing the CRM requires the integration and a balanced combination of technology, process, and people. In this study a CRM model that can restructure operations and relationship satisfaction between the CICT organization and its customers is developed. In the proposed CRM-based model for the CICT, the model is developed to address CICT-customer related problems. Using a qualitative and a quantitative analysis method, the customers to CICT relationship were determined. Through experimental validation it can be shown that the performance indication for the CICT to customer relationship is poor. Hence, a CRM-driven CICT is important for the organization to achieve customer satisfaction with increased profitability.

ABSTRAK

Kewujudan Model Pengurusan Hubungan Pelanggan telah menarik perhatian yang signifikan dari pelbagai pihak. Secara amnya, model ini boleh dikategorikan sebagai hubungan di antara organisasi dan para pelanggan. Untuk sesebuah organisasi mencapai potensi maksima di dalam melaksanakan operasi perniagaan berdasarkan CRM, kepuasan pelanggan, perniagaan yang berpusatkan kepada pelanggan, dan perkembangan hubungan pelanggan mestilah berada dibarisan hadapan. Manfaat menggunakan perniagaan berasaskan CRM adalah ia dapat memberi kepuasan pelanggan, menarik kesetiaan mereka dan menjana keuntungan di dalam jangka masa panjang. Cabaran yang biasa berlaku dengan CRM ialah perlaksanaannya yang dianggap sukar kerana ia berfungsi secara unik bagi setiap organisasi. Oleh kerana itu, tiada cara yang spesifik untuk melaksanakan model CRM. Dalam keadaan tertentu, organisasi tersebut mengabaikan aspek-aspek penting model CRM, contohnya adaptasi yang memerlukan keseluruhan syarikat, fungsi bersilang dan proses kejuruteraan semula perniagaan, yang mana diperlukan untuk mencapai CRM yang berkesan. Walaupun sebahagian besar daripada CRM berfokuskan teknologi, ia tidak sepatutnya dilihat atau diimplementasikan sepenuhnya secara teknologi kerana ia berkemungkinan besar akan gagal. Oleh itu, menguruskan CRM memerlukan integrasi dan kombinasi seimbang di antara teknologi, proses dan sumber manusia. Di dalam kajian ini, sebuah model CRM dibina untuk menyusun semula operasi dan hubungan kepuasan di antara CICT dan pelanggan-pelanggan mereka. Model yang dicadangkan ini dibina untuk menyelesaikan masalah berkaitan CICT para pelanggan. Dengan menggunakan analisis kualitatif dan kuantitatif, hubungan di antara pelanggan dan CICT dapat dikenalpasti. Dengan menggunakan pengesahan secara eksperimental, ianya dapat dibuktikan melalui kajian ini bahawa prestasi hubungan di antara CICT dan pelanggan adalah rendah. Oleh itu, CICT yang didorong oleh CRM adalah sangat penting agar organisasi dapat mencapai kepuasan pelanggan dan meningkatkan keuntungan.

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CHAPTER 1

RESEARCH OVERVIEW

1.1 Introduction

An effective customer relationship management (CRM) should be the heart of every organization. It should be noted that the customer is the external image of an organization. In the case where the customer is dissatisfied with an organization's services it is likely that the customer will share the experience with at least three people. In most cases the number can likely increase depending on the environment in question. This goes to show that a happy customer is of marketing value to an organization, which can ensure longtime customer commitment. Given the implication of customer dissatisfaction, it cannot be ruled out that CRM is the key to business success.

For a fast growing industrialized economy, every business has to become competitive to succeed from a global perspective. The technology-driven CRM is a sure approach towards a growing and successful business operation that meets the demand of the fast growing economy (Timm and Jones, 2005).

1.2 Problem Background

The Center for Information and Communication Technology (CICT) in the Universiti Teknologi Malaysia has a vision to provide quality and innovative ICT services within UTM. Its also aims at becoming a leader in excellent and innovative information technology services for a centralized and integrated ICT services. The CICT being the only center for ICT in UTM, it faces great demand in satisfying a large number of customers, which includes student, staff, and all other internal bodies and also external bodies such as UTM SPACE. There has been an ongoing problem of sustaining good and close relationship with customers, which has led to many times of customer outsourcing ICT services. It is therefore paramount that CICT incorporates staff experience, knowledge sharing, cooperation and collaboration within and outside the university with customer satisfaction.

Amid the CICT operations and goals, without a satisfied customer or a platform that ensures satisfactory feedback from customers, its image will diminish across its servicing bodies. A typical example can be a situation in CICT whereby a customer cannot determine who complaints should be directed to or existing complaints were not addressed or instances the issues reported becomes outstanding-problem for a long time without being addressed. These and many more are the limitations of CICT services at the present to its customers. Thus, it is of no doubt to say that CICT is lacking in its customer satisfaction related services even though its other sectors of operations are well executed. It is important then that the CRM model is implemented to the CICT operations for quality of its services provided to customers within UTM and across.

1.3 Problem Statement

To address the problems highlighted in the previous section, three important areas need to be emphasized. The first is the elements of service in CICT, the second is using the elements of CRM in CICT, and while the third is that there is no CRM model that can be used to enhance services in CICT. Based on these problems the following questions are ensued:

1. What are the elements of services in CICT?
2. What are the elements of CRM in CICT?
3. How can the CRM be implemented in order to enhance services in CICT?

1.4 Research Objectives

Today, with the focus on maintaining different levels of demand due to the fast growing technology-driven businesses, the competitive demands must have to be met along with delivering good services. Hence, the primary objectives of this study are:

1. To identify the service elements of CICT.
2. To analyze the level of CRM existing in CICT.
3. To develop a CRM framework that will enhance customer satisfaction for CICT.

1.5 Research Scope

The given scopes of this research are based on every possibility of achieving the aforementioned objectives. Hence, the scopes of this research are to:

- Only CICT is considered for this study.
- Discussions are limited to the service sector of CICT operations.
- Analysis made in the study surrounds the CRM that already exist within the CICT.
- The developed CRM model is to suggest possible functionality towards efficient service sector for CICT. In so doing only the HEP, clinic, colleges, administration, PHB, PSZ, PPIPS, Penerbit, SPACE and industrial centers are considered as the study reference.

1.6 Importance of the Research

As CRM encompasses the people, culture, technology, process and leadership and its implementation within an ICT service organization will give major contribution and guidance towards the organization's success. The importance of this study is further elaborated based on the CICT services:

1. Since the CICT core business function is to provide ICT services, incorporating a functional CRM model is essential for contributing to organizational success. The CRM is the foundation of customer satisfaction for effective CICT operations. Ensuring customer loyalty means that CICT must be able to achieve customer satisfaction and commit to a constant growing customer relationship, which at the long run will facilitate external services.

2. Cultural is another vital aspect touched in CRM. The culture within CICT working environment should be geared towards a clearly defined customer orientated business strategy. Sharing and generating knowledge through CRM will add more value to both the customers and CICT as well.
3. A successful CRM strategy depends on how highly motivated and competent staffs are, which will maximize its business potential both technology-wise and operative-wise.
4. Economically, effort to maintain the relationship of the customer is important as it's the key to CICT success. The competitiveness of CICT also will depend on how well their service and relationship is with their respective customers.
5. The importance of the study is geared towards the need to incorporate CRM and service quality concepts within the CICT. It is therefore important for CICT to facilitate its service sector in the fast growing technology-driven economy with technology-driven CRM tool.

1.7 Chapter Summary

In this chapter is presented the major problems that the CICT is posed with in its service sector. The objectives of the study together with a detail of how each objective is to be achieved were also presented. Given the benefits of the study stipulated in this chapter, the CICT can be a more productive and customer centric organization provided that the developed CRM model is incorporated as CICT operation standard.

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