

Investigating the Impact of CRM on Organizational Performance: The Case Study of Cranberry (Charing Cross)

Ashik Rubaiyat, Md. Lokman Hossain and Arif Kaisar Topu

Institute of forestry and Environmental Sciences, University of Chittagong, Chittagong-4331, Bangladesh. Phone-008801717454861.

Program Officer, Environment and Social development organization, Dhaka-1207, Bangladesh. Phone-008801832253710.

Department of Business administration, University of Wales, United Kingdom. Phone-0044(0)7946530670.

ABSTRACT

For long term relationship with customers, organizations always try to improve their operations for getting organizational success. Customer relationship management depends on many factors of customer satisfaction management through their proper organizational set up. The study is designed to find importance of CRM and its relation with organizational performances. The lack of proper handling of customers through various initiatives can make negative perception about its company's brand instead of creating a good relationship with them.

The study was conducted for Cranberry Ltd. Charring Cross Branch in London. Interpretivism approach was used to conduct research on CRM and its relationship with organizational performances only related with the customer of that particular target company. In that context, fifty sample customers were chosen randomly and in stratified sampling. With these sampling, customers were found from different demographic situation.

It was found from majority respondents with their opinion for Cranberry customer service and they said that it was improved. The result indicates that Cranberry recent development of online shopping and loyalty card opportunity given extra performances on their CRM. The study was given further research opportunities to improve the sector of more option of target market by segmentation of its customers. Mainly they can improve relationship with students' community and youth people for which Bank and other mobile phone companies making their relationship with those segment market for future opportunity to have their customers.

Key words: Customer Relationship Management (CRM), Organizational Performance, Customer, product, customer service, customer satisfaction and Cranberry.

Corresponding Author: Ashik Rubaiyat

Introduction

Nowadays, organizations are thinking more to make long-lasting relationship with their customers due to rising competition in the current financial crisis. Businesses are struggling with losing their existing customers. The relationship with customers sustainably can improve organizational performances thorough more selling from those customers. These statements might not be true in all businesses aspects. It might true for fast food industry but not might be company like Cranberry which sells different type of breakfast product in morning among the commuting customers. For the purpose, this was conducted to know the relationship between Customer relationship management and organizational performances in case of Cranberry business.

CRM is a system to increase relationship between customers and organizations. A number of authors also described CRM as a social exchange process because it highlights social context in organizational environment for customer relation. In practical, CRM starts with identification of customers which is followed by the differentiation of service, interaction with customer and customization of products, services and communication. According to CRM value chain model, proposed by Buttle (2009), profitability of an organization is facilitate by customer portfolio analysis and customer intimacy with a proper support of organizational culture, leadership and management process. The main objective of this paper is to identify influential factors of CRM in organizational performance.

Cranberry is a name which is prominent in the UK market and often equated with quality with regards to dried fruits and nuts which are considered as the core products of the company. It buys high quality products in pursuit of bringing the best to the market and making it available for the consumption of the public. The main market which is being targeted by Cranberry would be those customers who are looking for alternatives to traditional snacks, and for those who would rather have healthier choices compared to the former. Aside from the high quality of the products, the company is also known for the delivery of supreme value through its highly trained staff that has been highly influential in its successful business performance (Cranberry, 2012).

The company has also been engaged in a multi-faceted distribution and selling strategies of their products, making them available in both physical and online store locations. The natural, delicious, and unique flavours of their products set them apart from the rest of food providers in the UK market, especially considering the fact that they offer healthier alternatives to traditional choices (Cranberry, 2012).

One of the ways in which CRM is evident with the business operation is demonstrated when the business launched its Store Loyalty Card. In the UK, the popularity of Cranberry could be attributed to the fact that it has one of the widest selections of dried fruits and nuts. In recent years, as a means of demonstrating the willingness to foster better customer relationships, the company has decided to go online as an avenue of reaching higher sales through bringing the

products closer to their customers, making online purchases possible (Cranberry, 2012). In this case, it would be safe to assumed that relationship with the customer is built on the basis of building brand loyalty, which can be achieved through a combination of different factors such as high quality of the products, delivery of superior customer service, customization of offerings, and the enhancement of other product and service characteristics (Wisner & Stanley, 2008). The use of back-end integration in this case can provide convenience for the customer, especially taking into account the fact that they can shop even at the comfort of their homes and simply wait for the products to be delivered right in front of their door (Brown & Gravely, 2003).

Methodology

Methods of data collection

In a business research, a researcher collects primary data to answer selected research questions. Data can be collecting through observation, experiment, interview and survey. However, overall judgement is required to select what types of data needed for a research problem and what procedure should be followed. Therefore, the most suitable data collection method should be selecting before starting data collection from the respondents. One important factor of data collection is types of data such as qualitative or quantitative research. In this research, the researcher has used questionnaire conducting for collecting data from customers of Cranberry. There are two types of data have been used in the research, such as- i) Primary data and ii) Secondary data.

Collection of primary data

These data are treated as primary data as because those are raw and unpublished data, gathered from field either contained with human opinion or natural property (like heat, temperature, velocity etc.). In qualitative research, those data are treated as human opinions or any other non-parametric element which are gathered from different types of interviews and questionnaire techniques. Denzin and Lincoln (2005) had described its nature and expressed that it is the unique to the researcher by nature of its preliminary collection and no one can get access to it unless it get published. In the study, customers' opinions were taken through questionnaire about their perception on Cranberry products and services. The two different types of participants have been designed as research participants from the primary data sources. They are customers' group and management level employees.

Data sampling

The sample has been selected through stratified random sampling for sample 50. In case of sample selection, time frame of research and data processing has been considered. As research is done only in the Cranberry charring cross store, therefore sample was small in size. Furthermore, it is not possible to get large sample respondents in interview technique; therefore it approached both inductive and deductive approach combined way to find the scenario.

Data analysis

The data analysis is important due to the organisation purpose of scattered data. For the purpose all data has been organised in according to the theories of the research objectives.

Results and discussion

Thematic analysis

In qualitative research, thematic analysis is used to make the relationship of the idea in highlighted form and applied necessary themes for the purpose of subdivide and organization of the consideration of the research findings. Gibson and Brown (2009) the method “refers to the process of analyzing data according to commodities, relationships and differences across a data set.” (p.127). In addition, Boeije (2010) defends that “these themes represent a pattern in the data that the researcher, by analyzing the data, had to find an extract.” (p.153).

Green and Browne (2005) stated that there are three steps may be used in the analysis of the research findings through the approach of theme. There will have great chance to find those steps in overlapping form in the analysis without any necessary identification. Following table will be discussed thoroughly the thematic analysis of the particular opinions from the customers and employees of Cranberry. This analysis is important due to the interpretation of much data on the research questions. The reason for taking the managers as respondents in this occasion is due to the requirement of the involvement and practice of CRM into the overall operations in the organization by the managers. The managers in the organizations are the key operators to achieve the organizational objectives. They can asses in their activities to which level their organizational goals are achieved. That is why; it was required to take their opinions on the CRM implementation to find properly its impact on the organizational performance.

Demographic analysis

In this investigation, it has been found that majority of the respondents from the age group between age of 26 and 34. It shows in Figure 4.1 that 45% respondents of the total 50 respondents from that group and then next largest group is ranges between 35 and 44 years old age. 22% respondents belong to this range. Fig 4.2 shows that majority participants are female who 62% are where male are rest 38% of the total 50 participants.

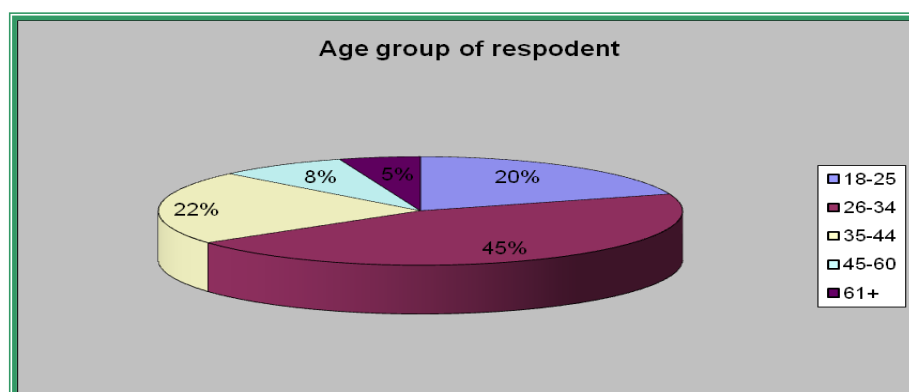


Fig i: age group of respondents

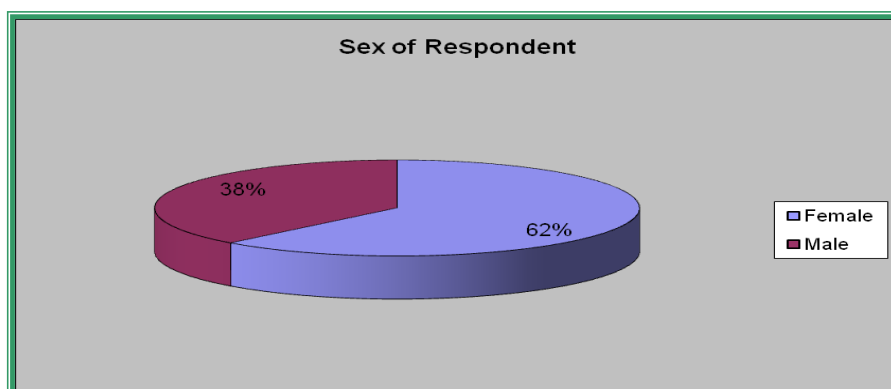


Fig ii: sex of respondents

Customer satisfaction

Customer satisfaction level in the Cranberry's customer group shows in the Fig 4.7 as bar graph where all components of customer satisfaction were designed in a single graph to analyze. 52% respondents were thought that time management of Cranberry is very important to them whereas rest 8% was not decided about the importance. About the question about fast service providing at pay point, Cranberry's customer had given their opinion in different ways. Some of them respondents (22%) thought that this is very important issue for satisfying the customer. On the other hand 36% respondents could not decide about their opinion in a single option. In terms of price of the product 80% respondents were thought that it was very important and another 20% thought it was important.

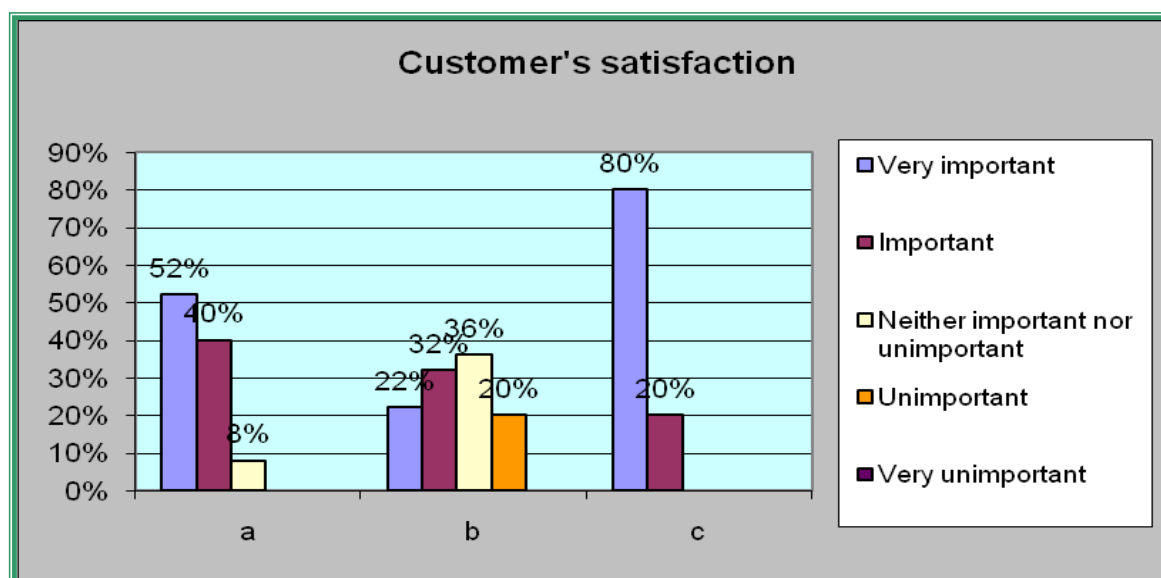


Fig iii: customer satisfaction

a= time management

b= fast service at pay point

c= price of the product

Service quality of cranberry

Another important component of organizational performance is service quality in the store. 38% respondents were strongly agreed about the helping situation of Cranberry's staffs whereas 12% were not agreed. In terms of shop floor is clean and tidy, 10% were agreed strongly agreed that Cranberry's floor was always clean and tidy. Another 44% were normally agreed with that. 26% were not decided about their opinion. To find a product from a shelf customers were in that case was happy with the Cranberry's product shelving system where 24% strongly agreed, 46% agreed about their system. In terms of to find items in layout of shelf 60% were agreed, 30% were strongly agreed and rest were not decided.

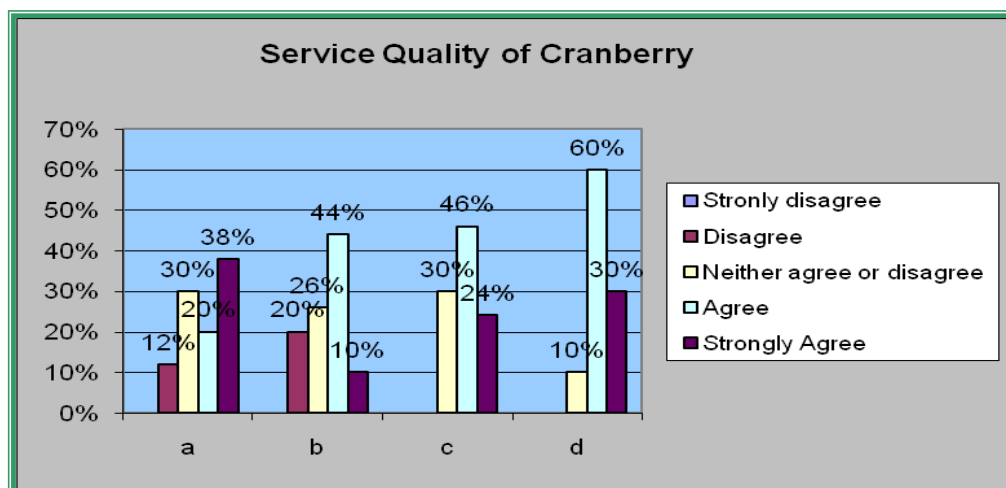


Fig iv: service quality of cranberry

a =staffs are helpful

b =shop floor is clean and tidy

c =easy to find items on self

d =easy to find items in layout of shelf

Knowledge and user of loyalty card

Loyalty card is designed due to the requirement of the relationship with the customers (Cranberry UK, 2011). Majority of the customers had given their opinion that they were not concerned about the loyalty card of the store. Only 24% said that they had clear about the purpose of loyalty card. Majority of the customer respondents were user of loyalty card of Cranberry stores. 86% were connected through the card to purchase more products of the Cranberry. It builds the relationship with the store. With these card, Cranberry give some discount on different purchasing but in the same time make relationship with customers where more customers became regular customers of Cranberry.

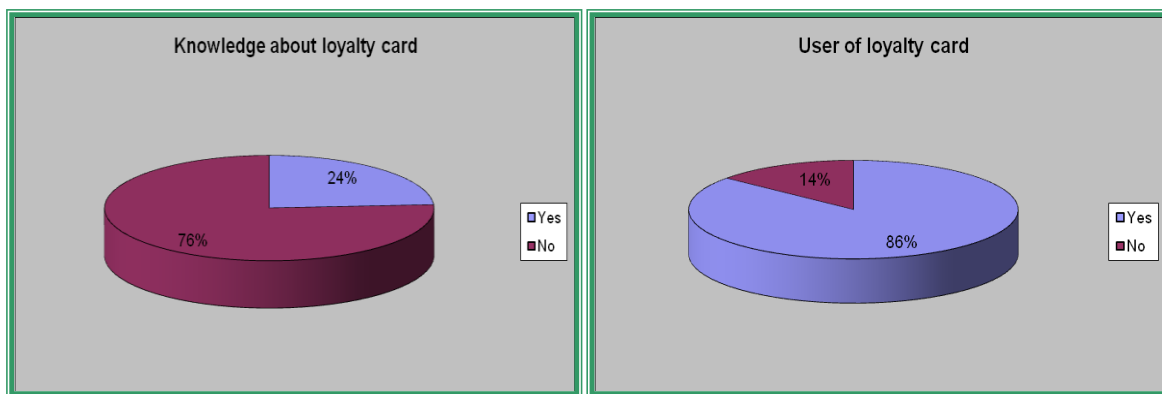


Fig v: knowledge about loyalty card

Fig vi: user of loyalty card

Conclusion

It is followed to the all discussion earlier result and discussion part, the customer relationship management (CRM) of Cranberry was subject to improve of customer service, loyalty card, online shopping was directly initiative for improving relationship with customers. On the other hand, it was also concentrated to improve its issue of their organizational performances. The important issue for improving CRM was done due to improve its organizational performances. The management of customer relationship inspires them to improve its employee's performance, loyalty card service, online shopping selection etc. Therefore it was definitely be identified or investigated at the end that Cranberry's CRM also had great impact on its organizational performances.

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Appendices

Table 1: Main themes of data analysis

Main theme	Perceived benefits	Key issues
Improved customer service	It can pave the way of increasing sales	Fast service Stock availability Product information Price information
Operation strategy	Perfect operation can save time in processing an order and improve customer satisfaction.	Marketing Promotion Quick delivery Customer loyalty card
Improved performance	Improved performance can ensure increase in sales and decrease in cost.	Minimum error Right order and delivery
Employee training	A trained employee can ensure better customer service	Performance assessments Training schedule