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Exploratory study of the companies' economic performance using a social customer relationship management

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Abstract

The epistemological positioning of scientific approach involves the diversity of the viewpoints of academics and specialists, exclusiveness not being considered. This paper aims to reflect own contributions to the development of management theory and management practice in Romania. First of all, the proposed scientific approach is a positivist approach, because it envisages the interposition of own reflections, an observation of what is happening in the market, an authentic presentation as it is. The main objective of this scientific research is to highlight the importance of social media as a mean of business development by creating new opportunities through promotion and a better brand visibility in the market. In the literature we have outlined a number of methods to assess the way in which companies approach the CRM: call method, the interview, the questionnaire, etc. Quantitative investigation of this paper was conducted based on assessment questionnaire, addressed to the employees of some Romanian companies. The qualitative investigation was conducted at the end of the research, based on analysis and structuring the information obtained. In this paper there were analyzed three elements: management position with the implementation of a CRM system; CRM to SCRM transition and the use of the new SM technologies in the implementation of a CRM system; applying of a SCRM system using social media platforms. As a result of the conducted study it was found that the media is one of the main trainers of public opinion, if not the main, controlling the public sphere. It conveys information, but also it controls and steers the public opinion. Thus, SM can form quickly enough media crisis to lower the public favorability for certain companies or politicians. In this way, by resorting to specific Social Media tools, the companies can obtain crucial information for evaluating the consumer satisfaction, information that would be more difficult to obtain traditionally.

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1. Introduction

The data obtained through the questionnaire allowed the evaluation of the respondents perceptions about the three elements analyzed: management position to the implementation of a CRM system, the transition of CRM to SCRM and the usage of the new SM technologies in applying a CRM system, and the implementation of a SCRM system using social platforms.

The results made it possible to outline the essential aspects of the three variables investigated in large, small and medium enterprises in Romanian economy, and to identify possible causes of the manifestation of certain situations.

2. Profile of respondents

The questionnaire was designed so as to provide information concerning the subjects investigated, as well as employing thereof. Therefore, as the first part of the questionnaire aimed the data completion on the employee's age, gender, legal status of employing company, enterprise capital type, activity sector, we present below a summary of such information, outlining the profile of respondents.

Analyzing the sample of respondents in terms of gender, most of them - 65.37% - are women, while males were represented in proportion of 34.63%.

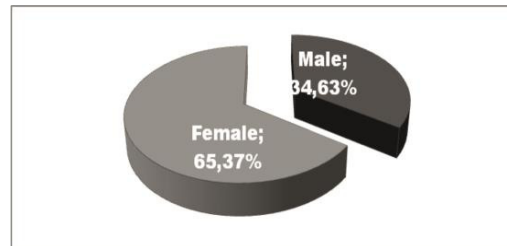


Fig. 1. Gender distribution

Most of the subjects participating in research are dealing within the organization functions at the operational level - 48.84%. This is a positive situation because, by analyzing the responses of employees at this level, the research captures specific phenomena to customer relationships even among employees forming work teams and which are directly affected by the company's policies and practices on those relations. Also, the employees of the medium and executive management level provide valuable information on how they perceive the customer relationships. It is needed, in the research, a thorough analysis of the dynamics of the respondents' answers according to the level of management that is.

Structuring the sample in terms of the type of company the respondents operates; it can be observed the fact that most of them are employees in small and medium companies - 61.76%, a significant percentage still representing the large local companies or multinationals.

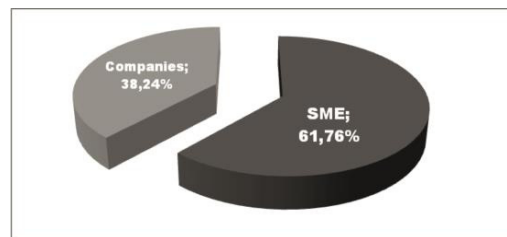


Fig. 2. The type of company in which the employees operates

Regarding the share of the companies based on the surveyed sectors, the largest share, after considering this criterion, lies to services, in the proportion of 39.53%. The next sector is sales, with 20.41%. There were investigated organizations in banking, manufacturing / engineering, medical, communication, tourism, etc.

In conclusion, the average respondent of this study is female, aged about 30 years and fits the lower category of management. Also, following the results on the companies included in the study, we can achieve also the company profile represented in the category of respondents: on average, the company investigated is organized as SME, it has local capital and it fits the "Services" field of activity.

3. Quantitative results on the perception CRM

In order to assess the variable called "Management position towards implementing a CRM system" there were used a total of six questions, which have been focused on the perceptions of respondents about this management system. These are presented in Table 2. Based on the responses of 387 interviewed subjects, there were achieved average scores for each question, highlighted in the second column of Table 1.

Table 1 - Summary of the results obtained on management position towards implementing a CRM system.

Questions regarding the implementation of a CRM system in companies	Average / score
I10. In your company is it quantified (measured, analyzed) the customer satisfaction in any way?	3,96
I11. To what extent the customer complaints are used for the improvement of services?	3,98
I12. Are there specific proper way of contacting the company by the customers?	4,25
I13. To what extent your firm's managers (heads of departments, directors, etc.) falls in contact with customers?	3,18
I14. What do you think are the most important measures for maintaining and even increase the customer satisfaction?	
I15. What do you think are the most important measures for increasing the number of customers?	
Respondents position on the implementation of a CRM system in companies - TOTAL	3,04

From the results obtained from the Research Questions the following conclusions emerges:

- all the companies surveyed offers its customers specific proper ways of contacting the company, but some of those ways are not very popular among the clients. This result shows that, both in SMEs and in large companies in Romania, the attention given to customers in terms of facilitation of their access to communication with companies is one above average.
- all the studied companies administrates by specific procedures the customer complaints, all those being treated in very short time and their causes removed. Moreover, a percentage of almost 37% of respondents said that there is implemented even a management of these complaints, and it is improved constantly in collaboration with both the employees and the customers of the company.
- Some of these companies (approximately 10%) does not check the customer satisfaction as a result of the answers they receive after complaints, this degree of satisfaction being not quantified any way.
- not all of the companies who are contacted by clients quantifies in any way their satisfaction, thus being unable to implement some concrete measures for improving the activity.
- however, it is notable the fact that 40% of surveyed companies mentions that they measures regularly the customer satisfaction, these surveys helping them to implement measures for improving the activity.
- more than about a half of companies managers, both middle management and top management, shall fall in personal contact with company customers. And here there is a rate of about 20% of respondents who mentions that they fall in contact with customers only occasionally, free of notable results for improving the customer relationships. Moreover, a percentage of approximately 10% of the interviewed subjects have responded that their managers do not fall in contact with customers at all.
- companies still need to diversify their proper ways to be contacted by the customers.
- in terms of their number of customers, attracting them by various methods in shops and offices yet it seems to be the main measure for increasing their number. Next measure that could be taken to increase the number of customers, in order of the percentage of respondents' options, is regularly grant discounts for products or services, a percentage of 23.83% of respondents' options heading towards this alternative response. Unfortunately, online methods to attract customers and increase their number drew attention to a lesser extent.

Using the scores and percentages obtained for the six questions that evaluated the variable "management position

with the implementation of a CRM system", the total score of the variable was calculated, which is 3.04 points out of a possible 5 points that can be recorded according to the scale used. After analyzing these scores, may be inferred that more than about a half (68%) of companies surveyed have implemented at different levels a CRM system, but the notion of SCRM remains one with a very weak spread, sometimes even not known, openness to online methods of increasing performance is still one restricted.

4. Quantitative results on the perception SM

An important aspect influencing the ability of companies to perform is the perceptions of their employees on implementing the necessary strategies. In this study, the use of new SM technologies in applying a CRM system was evaluated through 14 questions that measured employee perceptions of the companies participating in this study on the use of new SM platforms and of technology in general, in order to implement a CRM system in a company. Items formulated in this regard are given in Table. 2.

Table 2 - Summary of results obtained in relation to the respondents opinion about the implementation of a SCRM within the company

Questions regarding the transition of CRM to SCRM. Using new SM technology for implementing a CRM system	Average/ score
I8. Which is why you use a social network? Select all the reasons that fit.	
I9a. What is your opinion on the communication between the client and companies using social networks, on advertising?	2,47
I9b. What is your opinion on the communication between customers and companies using social networks, on sales?	2,44
I9c. What is your opinion on the communication between the client and companies using social networks related to complaints?	3,38
I9d. What is your opinion on the communication between customers and companies using social networks, on increasing customer satisfaction?	2,10
I9e. What is your opinion on the communication between customers and companies using social networks on maintaining contact with customers?	1,64
I20. How important are SM platforms for your professional activity?	1,64
I21. In general, how satisfied are you with the results of SM activities, professionally?	1,70
I 22. Does your company have implemented rules / policies regarding the use of SM?	1,61
I23. Are you aware of restrictions on posting information in virtual environment (copyright, privacy, etc.)?	1,17
I24. In what wxtent do you think that they are useful to the development of your company the following items?	1,45
• Marketing	1,30
• Sales made	1,79
• Handling the complaints	1,96
• Increase customer satisfaction	1,09
• Maintaining contact with customers	1,12
I25. How many hours per week in average do you use each from the following?	2,48
• Mobile Phone	2,82
• E-mail	2,34
• SM Sites	2,30
• Web Navigation	2,46
I26. Please mention the approximately number of contacts / customers / that you have in the list on the platforms below:	1,88
• Facebook	3,22
• Twitter	1,37
• LinkedIn	1,74
• Foursquare	1,45
• Google+	1,81
• Pinterest	1,66
I27. How have you learned facilitations use MS?	1,00
The respondents position on the transition of CRM to SCRM - TOTAL	2,51

The results reflect the following:

- 60% of respondents mentioned the fact that the company has not implemented at all rules or policies regarding the use of MS.

- keeping the links with customers represents the main reason for which the company uses SM tools (about 31% of respondents).
- only about a half of the companies appreciate that SM platforms are very important to professional activity (51% of respondents).
- SM instruments are somewhat unimportant to obtain performance in professional activity.
- the respondents are average satisfied with the results of the activities of SM professionally, the satisfied ones about these results represent only about 39% of the responding companies.
- just a small part of businesses in Romania (approx. 38%) are adopting well-established rules on the use of SM.
- the use at a very low level of the SM platforms is caused by the employees trend to use these platforms for personal purposes.
- if the respondents would use SM platforms in an organized framework, governed by rules and policies imposed by the company in this respect, the results obtained by companies would be considerably improved.

This potential that SM has for developing of Romanian companies emerged from the results we obtained, which notes that there is a percentage of 15.2%, represented by all categories of employees which actually use various online applications for more than 40 hours per week, while the opposite regarding the use of online applications stands the employees of top management.

În terms of age categories, as expected, young people aged between 18 and 29 years have currently the largest online presence, SM activity decreasing with age.

However, there is a SM platform used by the respondents, just în proportion of 10.85%, it's true, but they are using it just for professional reasons, otherwise the only one used only professionally, and this is LinkedIn, the most used platform worldwide in terms of business.

From the point of view of the employees, users of these online business platforms, the most numerous users stands in operational departments (3.90%), followed by those in lower management departments (3.60%), then the middle management (2.30%), the least numerous LinkedIn users standing in the top management (1%). These percentages are calculated from the mentioned total of 10.85% of LinkedIn users.

But totally lacking both rules and policies on the use of SM, and the knowledge on the regulation on posting information in the virtual environment in many Romanian companies, we can say that they are missing the premises of the accomplishment of transition to a SCRM system, which by definition represents a philosophy and a business strategy, supported by technology and online systems, designed to improve communication in business. This lack has an explanation, namely the very small importance the companies management grant to SM platforms, as a way to increase performance. As the employees' category decreases from management to operational, the importance they attach to SM increase.

5. Quantitative results on the perception of SCRM

To analyze in what extent the companies are using SM platforms in communication with customers, we used in the questionnaire a number of 6 questions, relating to the most used six SM platforms in the world: Facebook, Twitter, LinkedIn, Forsquare, Google plus and Pinterest.

Table 3 - Implementing a SCRM system in companies

Questions regarding the implementation of a CRM system in companies	Average / score
I28. Compared with other CRM methods, how do you consider SM in communication between companies and customers, regarding the following activities?	3,17
• Marketing	3,38
• Sales	2,75
• Handling the complaints	3,02
• Increase customer satisfaction	2,86
• Maintaining contact with customers	3,86
I29. What information do you consider useful in SM for a proper customer relationship management?	
I30. Indicate with what categories of people do you keep in touch through social networks more, for your business;	
I 31. What are the reasons that would lead for you to use a social network for your business?	
I32. To what extent you can improve the CRM in your company using these social networks?	3,61

• Facebook	2,82
• Twitter	3,97
• LinkedIn	3,91
• Foursquare	4,09
• Google+	3,01
• Pinterest	3,88
I33. For how long do you use the next tools of customer relationship?	4,50
• Customer Relationship Management	4,97
• CRM	3,87
• Social CRM	3,50
• Internet	5,68
I34. Do you think that if you do not implement a form of SM, company results will be affected?	1,61
Respondents position on the implementation of a CRM system in companies - TOTAL	3,22

The results of analysis of the replies received confirms again the weak opening of Romanian companies for using new media technologies in order to increase the performance:

- 21% of respondents consider that SM is less effective than other methods of CRM relating to communication of companies with customers in marketing sector (Research Questions 28), while only 9% of those surveyed felt the SM tools more effective than other methods of CRM in the same field.
- Only 2.84% of respondents believe that, in order to increase the sales, communication with customers using SM is much more effective.
- There are companies that never keep in touch with collaborators (partners, customers, suppliers) via social networks.
- 20.41% of the respondents generally thought that CRM can improve to a great extent using SM, while 17.31% have a contrary opinion, namely that the Facebook can improve CRM process in a very small extent.

But to note is a negative aspect, that the confidence in SM decreases with the level of management, employees in top management trusting approximately five times lower the SM instruments, than those from the operational departments.

6. Conclusions

We can say that the media is one of the main trainers of public opinion, if not the main, controlling the public sphere. It is careful to convey information, but also to control and steer the public opinion. Thus, SM can form media crisis quickly enough to lower the public favorability for certain companies or politicians.

Thus, by using the specific SM instruments, such as boxes for comments, forums, online surveys, providing ratings, etc., companies can obtain crucial information for evaluating consumer satisfaction, information that would be more difficult to obtain traditionally. They can be observed and collected through SM platforms such as Facebook, Twitter, LinkedIn, Foursquare, etc. (which are among the most used by companies) and used to assess customer satisfaction.

At a time when millions of people benefit from an Internet connection, it would be incomprehensible for companies to ignore such an opportunity to build lasting relationships and increase brand loyalty.

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