

ABSTRACT

To build an understanding of the impacts of Customer Relationship Management (CRM) on organizational behaviors and processes this study strives to develop a model of CRM effects on work practice, value-creation processes and organizational performance through iterative literature review and content analysis. The study then applied multiple case studies on five financial holding companies in Taiwan to test the propositions and build insights of the CRM use.

Major finding is that different types of CRM use can have different impact on the organizational culture and processes. Companies use CRM for serving customers experience cultural change in the area of customer service processes while companies use CRM for serving and retaining customers experience further cultural and process changes in all areas relating to customer value generation activities. For companies that use CRM as an infrastructure for serving, retaining and inventing customers, low cultural and process changes are noted due to the already-built market-orientation practice. The most critical challenge of CRM use is to understand the type of CRM use, the possible effects of CRM on both organizational behavior and processes, and the appropriate management initiatives for best use of the CRM system.

Through the cross case analysis three types of CRM use are identified. The three types of CRM use are: facility, analytical and infrastructure. They each have different management focuses and effects on organizational culture and processes. Organizations of the facility type of CRM use tend to gain productivity benefits in customer service while companies of the analytical use of CRM gain more benefits in customer retention and cross selling. For companies of the infrastructural use of CRM the established market-oriented processes can contribute greatly to the precision and flexibility of customer services.

This research consolidates findings of CRM use from cases studied and proposes useful recommendations on the management of CRM. Findings of CRM effects on market-orientation and the three types of CRM use clarify general understandings of CRM use and provide a base for enhanced understanding of the potential of CRM in different market situations. It is hoped that managers of CRM can benefit from the insights presented and be able to implement proper management plan of CRM use.

Keywords

Customer Relationship Management, organizational behaviors, organizational processes, market-orientation

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