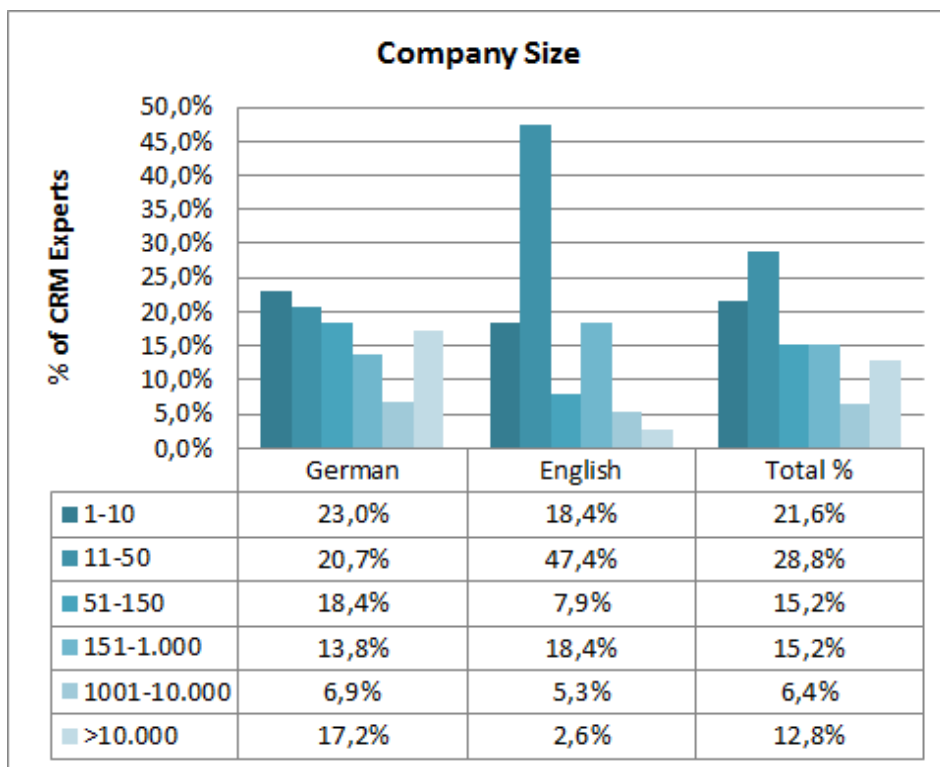




Discussion of a CRM System Selection Approach with Experts: Selected Results from an Empirical Study

Ina Friedrich², Jon Sprenger³ and Michael H. Breitner⁴



¹ Copies are available on inquiry: Institut für Wirtschaftsinformatik, Leibniz Universität Hannover, Königsworther Platz 1, 30167 Hannover, Germany (www.iwi.uni-hannover.de).

² Economist, Ph.D. student and manager, Accenture, Campus Kronberg 1, 61476 Kronberg, Germany (ina.friedrich@accenture.de).

³ Economist, Ph.D. student and research assistant, Institut für Wirtschaftsinformatik der Leibniz Universität Hannover, Königsworther Platz 1, 30167 Hannover, Germany (sprenger@iwi.uni-hannover.de).

⁴ Full Professor for Information Systems and Business Administration and head of the "Institut für Wirtschaftsinformatik, Leibniz Universität Hannover", Königsworther Platz 1, 30167 Hannover, Germany (breitner@iwi.uni-hannover.de).

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Abstract

Due to the high failure rate, the costs and the long project duration of CRM implementation projects, it is crucial to evaluate software solutions before making an investment decision. A methodological approach is required in order to make these decisions more effectively and efficiently. On the basis of the results of a comprehensive, structured literature review, a new CRM system selection approach for selecting suitable packages was developed in prior work. This approach must be evaluated by experts. In this paper, the results of an initial reality check are presented. The intention is to verify feasibility of the proposed approach with CRM experts who have practical experience with the selection of different systems. This is done by an empirical study that is subdivided into qualitative expert interviews and a quantitative online survey. Both surveys are described in detail relating to research design and results. The core results demonstrate that the approach is a valid method for evaluating CRM software applications.

Keywords

Customer Relationship Management, CRM System Selection, Empirical Study, Expert Interviews, Online Survey.

Introduction

In order to get an overview of the current status of CRM system selection the authors performed a comprehensive, structured review of the literature concerning the topic of CRM evaluation and identified a deficiency in this area in prior work. On the basis of the results of this analysis, a new CRM system evaluation approach for selecting suitable packages was developed (FRIEDRICH ET AL. 2010). This approach covers the whole process of selecting packaged CRM systems, once a CRM strategy has been defined, and before the implementation project begins.

The proposed approach must be evaluated by experts to verify its practicality and to refine the model. Therefore, the authors conducted an empirical study. This study was performed in two parts in order to combine qualitative and quantitative research methods (more precisely the research findings were combined, but not the methods and data). The qualitative research (expert interviews) was primarily used to explore the topic whereby the quantitative research (online survey) focused on testing the approach (MILES AND HUBERMAN 1994). Following GLÄSER AND LAUDEL (2006), the amendment of the literature-based findings with empirical data enables additional results.

Summarized, the empirical study was carried out to confirm the literature-based perceptions, achieve improvements, and ensure the practical relevance of the approach. The results are presented within this paper.

Research Design

2.1 Expert Interviews

At early stages of research qualitative methods are useful in order to get a professional perspective based on long-standing experiences (BECKER ET AL. 2009, MILES AND HUBERMAN 1994). Therefore, focused one-to-one expert interviews (YIN 2009, MERTON ET AL. 1990) with partly standardized interview guidelines (FIELDING 2001) were chosen as a suitable qualitative research method (PUNCH 2005, KLEIN AND MYERS 1999). To capture the full range of impressions on the proposed approach, the interview guideline was not applied restrictively and the results were analyzed according to guidelines from KLEIN AND MYERS (1999).

165 experts (persons with specific knowledge in the broader topic, GLÄSER AND LAUDEL 2006) were identified via business networks such as *www.xing.com*, *www.competence-site.de*, and *www.crm-expert-site.de*. These potential participants were invited to participate.

In addition to the interview invitations, the partly standardized interview guideline (Table 1) was sent to the potential participants. Finally, 18 experts were interviewed.

The interviews were conducted via phone between March and April 2010 with an interview length between 15 and 45 minutes.

The majority of the CRM experts was working in the consulting industry and had been involved in multiple CRM evaluation and implementation projects. Only two interviewees experienced CRM evaluation from a client's point of view. Two CRM experts worked for a CRM system manufacturer.

Due to the relatively small number of participants and the nature of qualitative data, a qualitative content analysis was conducted.

Research Results

3.1 Expert Interviews

Overall Rating and Feasibility of the Approach: About two thirds (67%) of the CRM experts rated the overall CRM system selection approach as excellent. They highlighted that the sequence is logically structured and therefore should be applicable in practice. Almost half of the respondents (44%) thought that application would be feasible in practice. Only three interviewees declared that they do not think that the proposed approach is realistic because too many aspects were missing in each process phase.

The core critical point was the narrowed focus on the main functional processes in the evaluation. According to their experience, a full requirement specification should be conducted earlier in the analysis phase of the evaluation, instead of later during the implementation of the software. Using the proposed approach, the experts thought it might be possible to define a quantity structure that could be taken as input for a cost calculation. Another important suggestion for improvement was limiting the number of vendor presentations to a maximum of two to four candidates. Further it was noted, that the approach might generally not be applicable without an external consulting company.

Criteria Evaluation: Most of the CRM experts (89%) agreed with the overall criteria catalog sometimes limiting their approval with specific remarks. The participants were asked to discard or to add sub-criteria to the quality, cost, or functionality compounds of the criteria groups.

Eight interviewees recommended eliminating popularity. However, five CRM experts determined that all sub-criteria of the catalog were necessary. Three participants suggested eliminating portability.

The most frequently named sub criterion to be added was ROI calculation (four interviewees). In addition, other financial ratios such as CAPEX and OPEX were mentioned. Some specific functions, such as checking for duplicates, a help desk, and web integration were also proposed. Six interviewees could not select the most important criterion per se as they thought it depended on the individual situation of a specific customer. Usability (e.g. improvement customer satisfaction, easy system usage) and user acceptance (e.g. system usage in various areas of daily work) were considered most important for an evaluation (four and three CRM experts, respectively).

Evaluation Technology: None of the interviewees had used AHP as an evaluation technique when conducting a CRM evaluation, although two had heard of it. Five CRM experts commented on using a similar technique after learning about AHP. Four experts did not use any kind of technique to verify their CRM system selections because they rely on 'gut instinct'. However, 80% named a technique they had used, with the Weighted Scoring Method (five CRM experts) being the one most commonly used for CRM evaluation. Overall, most CRM experts agreed that CRM system decisions need to be made based on both experience and evaluation results.

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