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Discussion and Validation of a CRM System Selection Approach with Experts

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ABSTRACT

Due to the high failure rate, costs, and long duration of CRM implementation projects, it is crucial to evaluate software solutions before making an investment decision. A methodological approach is required to make these decisions more effectively and efficiently. In this paper, an approach to evaluating CRM software packages is proposed that is the result of a literature review. In a second step, an initial applicability check of the approach is conducted. The intention is to verify the feasibility of the proposed approach with CRM experts who have practical experience with the selection of different systems. An empirical study that is subdivided into qualitative expert interviews and a quantitative online survey is used for this verification. The core results demonstrate that the approach is a valid method for evaluating CRM software applications.

Keywords

Customer Relationship Management, CRM Evaluation, CRM System Selection, CRM Software Selection, Evaluation technique, AHP.

INTRODUCTION

It is not uncommon for companies to operate under high levels of competition, which results in varying degrees of cost pressure. When a company is faced with these challenges, selecting the most appropriate software solution for its own specific context becomes very important. This paper focuses on evaluating customer relationship management (CRM) systems. The CRM solutions range from simple address and activity management applications to integrated software packages that link front and back-office functions (Chen and Popovich, 2003; Finnegan and Currie, 2009). This means that there is a multitude of different characterizations for CRM. Due to quality problems and the speed at which evaluation results become outdated, new CRM solutions or updated versions of established products are constantly coming to market. The implementation of such a system usually entails high costs, and the success rate of CRM implementation projects is still not satisfactory, as was mentioned in earlier works (Becker, Greve and Albers, 2009; Fielding, 2001). Since CRM systems connect all core domains (such as supply chain, production, and finances) of a company, and taking the current economic climate and high failure rate of CRM implementation projects into consideration, it is crucial to evaluate software solutions before making an investment decision. The term CRM has been discussed in the literature since the nineties, while IT evaluation dates back to the eighties (Farbey, Land and Targett, 1999). CRM system selection describes the methodology of analyzing a variety of CRM software systems and selecting a system that best suits a company's individual needs. In order to get an overview of the current status of CRM system selection, the authors performed a comprehensive, structured review of the literature with regard to CRM evaluation and identified a deficiency in this area in advance of this paper (Friedrich, Sprenger and Breitner 2010). On the basis of this analysis, a new approach to selecting CRM systems was developed. The approach covers the whole process of selecting packaged CRM systems, once a CRM strategy has been defined, and before the implementation project begins.

To verify its practicality, this approach must be evaluated by experts. Therefore, the aim of this paper is to conduct an applicability check of the proposed approach with an empirical study. The expert verification was done in two steps: In step one, the authors explored the topic more intensively by performing qualitative expert interviews. In a second step, the approach was tested via a quantitative online survey. The following questions provide the framework to our research:

- What do experts think of the proposed CRM system selection approach?
- Which criteria of the proposed approach need to be changed or optimized?