

The relationship between the implementation of customer relationship management, customer satisfaction and organization performance in Iranian businesses

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Abstract

Nowadays, organizations need to use new techniques like customer relationship management due to intensified competitive economy and changing environment. This study aimed to investigate the relationship between the implementation of customer relationship management, customer satisfaction and organizational performance in Iranian businesses. It is an applied study in terms of purpose and is a descriptive-analytical study (correlation type) in terms of data collection. The statistical population included the managers and experts of manufacturing businesses, service businesses and manufacturing-service businesses located in Tehran. Sample included 119 people, among which 100 people were investigated. The results indicated that customer-oriented management and customer relationship management affect customer satisfaction, while the effect of customer relationship management is more than the effect of customer-oriented management. However, organizing customer relationship management didn't affect customer satisfaction. Also, customer satisfaction had a positive effect on organizational performance. Environmental dynamism and competition didn't affect the relationship between customer satisfaction and organizational performance. In addition, the results showed that one-unit increase in the improvement of customer relationship management increased customer satisfaction 0.18 percent; one-unit increase in the improvement of operational customer relationship management increased customer satisfaction 0.56 percent and one-unit increase of customer satisfaction increased organizational performance 0.56 percent. Therefore, it is suggested that a special attention to be paid on operational customer relationship management and its dimensions which have a significant impact on customer satisfaction.

key words:

customer relationship management, customer-oriented management, organization of customer relationship management, operational customer relationship management, customer satisfaction, environmental dynamism and competition, organizational performance

1. Introduction

To survive in today's competitive economy and changing environment, companies are required to be more smarter

than before. For this purpose, the use of systems such as customer relationship management is necessary. Even though extensive study has been done on customer relationship management by various researchers around the world, it is still an interesting subject. The reason is that currently organizations need to use modern techniques such as customer relationship management due to intensified competitive economy and changing environment. Customer relationship management is resulted from recent advances in information technology. It tries to meet customers' needs and demands better and faster, establish customer relationships, attract loyal customers and maintain the organization through collecting and organizing customer data in data bases. Although customer relationship management improves organization when it is implemented properly, it fails to do this when it is implemented inefficiently. This study aimed to investigate the relationship between the implementation of customer relationship management, customer satisfaction and organizational performance in Iranian businesses. For this purpose, after a review and study of different models related to customer relationship management, a comprehensive model was selected to test Iranian selected organizations. To survive in today's competitive economy and changing environment, we need to use new methods of marketing. Customer relationship management is one of the modern marketing methods that organizations try to use it efficiently. In this study, the effect of implementing customer relationship management on organizational performance in Iranian businesses as well as the relationship between customer relationship management, customer satisfaction and organizational performance in Iranian businesses are investigated. Through identifying the best customers and meeting their needs, customer relationship management makes company profitable. In fact, long-term relationship with customer is more profitable, since getting a customer will be more expensive than retaining a customer. Satisfied customers will be more inclined to continue their relationship with the organization, while dissatisfied customers will likely turn to alternatives

(Nguyen & Mutum, 2012). Customer relationship management refers to collecting, storing and analyzing information about the customer and combining the results for decision-making in an organization. Customer relationship management helps the organization to get profitable customers and retain them through increased customer satisfaction and loyalty. The ultimate goal of customer relationship management is to maximize the value of every customer for the company, which in turn increase the profitability of the organization (Wiley, 2012). This study could pave the way to better understand the effects of customer relationship management and use more efficiently in the organization.

2. Literature review

Organizational performance is the outcome of administrative processes and goal realization in the organization. In another definition, organizational performance is to accomplish tasks hold on human force through organization. Organizational performance almost includes all the goals of competitiveness and manufacturing excellence and is related to cost, flexibility, speed, reliability or quality. In addition, organizational performance can be defined as an umbrella term that covers all concepts related to organization success and activities. Organizations with superior performance have specific features in terms of vision, mission, goals, strategic thinking, leadership, design, technology and organizational processes. In an organization with superior performance, the main driver of performance is explained by mission. One of the most important and fundamental features of an organization with superior performance is its mission (Qurbanizadeh et al., 1391). Performance evaluation is one of the extensive discussions affected by a wide range of disciplines and experts. In addition, the market of different applications has developed, too. However, despite the presence of many models and frameworks in this area, researchers have been very influential in the formation of some conceptual models. To define performance evaluation models, we need to study such models. Performance evaluation is "the process of quantifying the efficiency and effectiveness of operations" (Chen, 2004), which can be divided into three main groups by reviewing the literature:

1. Strategic objectives: it includes strategic management and revising strategies;
2. Communication objectives: this includes controlling current position, showing the future direction, providing feedback and benchmarking other organizations;
3. Motivational objectives: this includes the formulation of reward system as well as encouragement of improvement and learning. It is

for many years that performance evaluation has challenged researchers and users.

In the past, business organizations used financial indicators as the only tool for performance evaluation. In the early 1980s, Johnson and Kaplan displayed the inefficiencies of this information to evaluate the performance after the review and evaluation of accounting management systems. They found that this inefficiency is due to the increasing complexity of organizations and market competition (Seyidnaghavi et al., 1391). Therefore, the use of performance evaluation systems which rely solely on financial indicators can cause problems for the organization. Some of these problems are as the following:

- Since financial indicators are not related to organization strategies, they may be in contrast with strategic objectives of the organization and cause problems in strategy formulation. For example, excessive use of "return on investment" can lead to short-term improvements.
- Traditional measures such as efficiency and utility costs may force the managers to focus on short term results and consequently no action is taken to improve the situation.
- Financial indicators don't give detailed report on the cost of the process, products and customers and only focus on partial control process.
- Financial indicators aren't able to detect quality costs exactly and properly and only encourage production. Deficiencies and shortcomings of traditional performance evaluation systems revolutionized the performance management so that researchers and users moved toward creating those systems that focus on the objectives and current environment. Thus multiple processes were created for different organizations. Also, many frameworks were suggested to support these processes that aimed to help organizations to assess their performance properly. Literature review showed that generally research to measure the impact of intellectual capital on organizational performance includes three functional components, namely profitability, productivity and market value. These components are considered in terms of ten indicators: the leader in the industry, prospects and future outlook, profits, growth and profitability, growth and services, return on assets after deducting tax, service efficiency, response and overall response to the competition, the success rate in commissioning new services and overall performance and success (ibid.).

3. Customer satisfaction:

Customer satisfaction means the customers are satisfied with bank's behavior and services, and bank has been succeeded to attract and maintain them. The extent customers spend time and money in the bank, they will expect high quality services (Halstead, 1999). In other words, the customer satisfaction is the popularity customer receives from different characteristics of the product. In addition, it is a source of profit and a reason for bank to continue its activities (Paulin et al., 2006). Findings show that over 90% of dissatisfied customers in a company, do not attempt to communicate with personnel in order to present a complaint or criticism. These customers refer to competitors in order to meet their own needs and express their dissatisfaction with high enthusiasm to other potential customers. Customer satisfaction can be measured using specific transaction prospects or cumulative prospect which indicates that customer satisfaction is an evaluation performed based on purchase experiences or the use of recent services. Cumulative prospect emphasizes on overall evaluations compared to specific transaction prospects and indicates that customer satisfaction evaluations should be based on all purchase experiences or use of services by the customer and don't put aside any purchase experience (Kuo et al., 2009). Parsouman et al (1988) argued that cumulative prospect has more capacity compared to firms' service performance and is more effective to predict the behavior of customers after using the service. It should be noted that in this study European index of customer satisfaction is used to assess customer satisfaction.

Customer-oriented management:

It is customer-oriented management of systems which can lead to customer satisfaction and loyalty. Similar to information processes concept in CRM, it refers to firm capabilities, integration and response to information obtained from customer interaction that is facilitated by social media technologies. The degree to which companies consider their own business processes as important as customer service is customer-oriented management (Jayachandran et al., 2005). Research related to CRM show that the system provides the important factors in favor of a company in terms of customer-oriented culture through customer-oriented organizational measures. Customer-oriented management systems are the ability to focus on customer interaction, impact on the development of process information and likely to influence the success of CRM initiatives (ibid.). Implementation of management systems and configuration of an organization in customer-oriented process can activate the CRM social capabilities on different routes. Firstly, these systems and processes are to reflect the customer-orientation throughout the organization, share and use information about customers and coordinate

actions based on that information. Farley and Wester (1993) showed that this leads to the development of capabilities. Secondly, customer-oriented systems and support processes have the ability to activate a company to better understand its customers and respond timely to its own needs (Day, 1994). Finally, these systems facilitate the implementation of information technology, provide incentives for employees in functional barriers and encourage them to share information in the organization (Chen and Popovich, 2003; Cooper and Coupon and Wakefield, 2008).

Operational CRM

It includes five dimensions: the use of technology related to Customer Relationship Management (having appropriate hardware and software as well as effective information systems and telecommunications infrastructure, integrating all data related to customers and maintaining them in a comprehensive database), orders management (expecting instant order confirmation, expecting timely and accurate orders, informing customers about the exact date and how to deliver orders), complaints management(the possibility of customer complaints without any obstacles, the rapid handle of customer complaints, the timely and accurate processing of customer complaints), before and after-sale interaction (customers access to staff in production, finance, marketing units and etc., take delivery of customers service needs from production, finance, marketing units and etc., special attention of employees in production, finance, marketing units to customers), marketing process (interaction with customers at all customer touch points to provide the best services, interaction with customers to understand their expectations, a system for interacting with profitable customers).

Environmental dynamism and competition

1.1 Environmental dynamism and competition or static environment depends on the pace of change and development in environmental factors. Dynamic environments cause more uncertainty compared to static environments. Managers try to minimize environmental uncertainty (less predictability) since environmental uncertainty is a threat to the effectiveness of organizations (Alwani and Danayifard, 1384). Environmental dynamism and competition includes the intense competition in the industry, higher quality of hardware and software in IT systems compared to competitors, the use of a systematic process to create new relationships with valued customers.

Operational CRM

In operational CRM, all business processes of organization which are responsible for customer relationships (marketing, sales and service units) are supported. It deals with those CRM applications which are related to face to face

communication with customer and cause the integration of units available in the organization (Ghaderi Kangavari & Moradi Shirazi, 1392). Operational CRM is based on the following dimensions:

The use of CRM technology

Accurate customer data is critical for successful function of customer relationship management. As a result, technology plays an important role in the management of customer relationships and the increase of firm intelligence. Pareto principle states that 80% of revenue and profit for a firm is provided by 20% of its customers. Therefore, these customers are considered very important for firm which is required to organize its activities in a way so that to use all of its resources in order to serve them. On the other hand, this requires the management and recognition of customers' information favorably (knowledge management) which will not be applicable without the use of technology (Taherpour Kalantari & Tayebi Tollo, 1389)

Orders management

As one of the principles of industrial relations and trade, customer thinks he deserves to receive the best quality service. On the other side, industry managers engage themselves in a variety of situations that hinder the advance toward customers' demands. Statistics show that the failure to satisfy customers is due to delay in delivering orders. These events are inevitable and should be reduced by long-term planning. However, some other strategies can be used in short-term in order to attract customers' satisfaction. Many of these strategies aren't operationalized since they are costly and lack the required facilities. Some of them are as the following:

1. Systematic planning to schedule orders during the periods that repair activities are not predicted.
2. Systematic planning under the rules of human resources management to reduce organizational problems.
3. Using linear programming techniques such as transport rules to create models for the timely transfer of raw materials and output (Abidi and Arkanpoor, 1392)

Complaints management

Systems and processes used to optimize to manage customer complaints are the best investment opportunities facing the Company in matters related to customer service due to reasons such as:

- In today's economic condition where it is difficult to find and attract new customers, the most important thing is to create good relations with customers.

- Desired and appropriate management of complaints and design of recovery systems to increase sales and improve the public image of the company.
- The percentage of return on investment in designing good recovery systems is about 50 to 400 percent that is very high compared to other investments.
- Complaints are in fact free information prepared by customers and can contribute to the improvement of quality services (Arabi & Izadi, 1381)

Before and after sale interaction

Customer demands change over time. From the perspective of customer relationship management, profitability and long-term relationships with customer is important for the company. Therefore, the organization needs to know constantly about customer and follow his or her behavior (Roozbehani).

Marketing process

Philip Kotler states the fundamental steps in the marketing process as follows: efficient marketing starts with research which reveal those parts that are shaped by groups of customers with different needs. The company should target those parts in which they can work in the best and highest level of service. In each target market, the company must set and provide its proposals in a way that customer clearly recognize its difference. Segmenting market, selecting target market and setting favorite proposals indicates the strategic marketing thinking in the organization. Then, the company exploits marketing mix techniques and combines its factors optimally. The next step is to implement the decisions taken on market management. The final step is monitoring in which the company should study and evaluate the results obtained in each step and hustle to improve strategies and techniques (Ahmadi, 1391).

Research Hypotheses

H1: in the implementation of customer relationship management, customer-oriented management has a positive impact on customer satisfaction.

H2: in the implementation of customer relationship management, customer relationship management organization has a positive impact on customer satisfaction.

H3: in the implementation of customer relationship management, operational customer relationship management has a positive impact on customer satisfaction.

H4: customer satisfaction has a positive impact on organizational performance.

H4a: customer satisfaction has a positive impact on the marketing performance of organization.
 H4b: customer satisfaction has a positive impact on financial performance.

H5: Environmental dynamism and competition has a negative moderating effect on the relationship between customer satisfaction and organizational performance

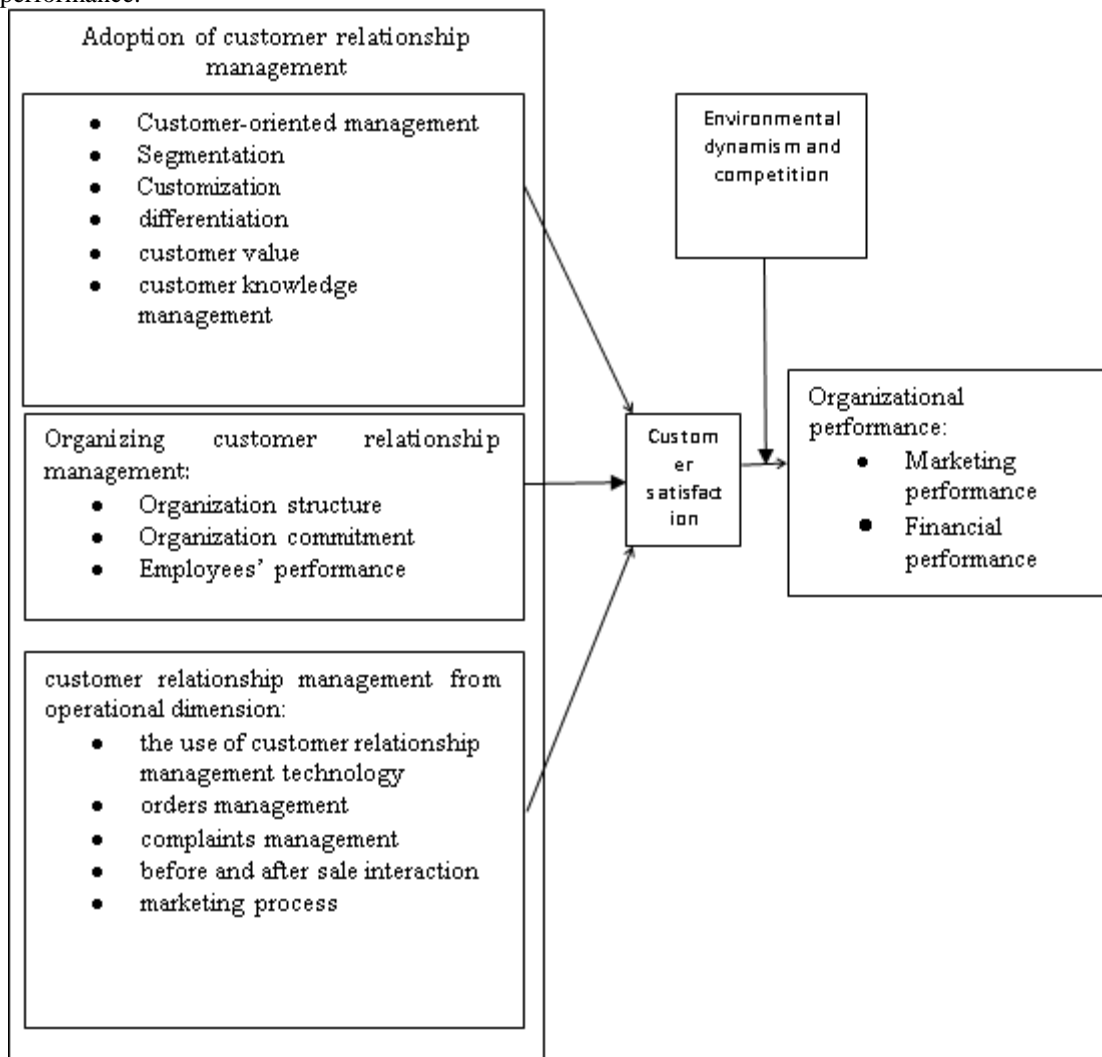


Figure 1: the conceptual model

Research Methodology

Survey and applied research methods were used in this study. The statistical population included the managers and experts of manufacturing businesses, service businesses and manufacturing-service business located in Tehran. According to statistics, 119 people were selected as sample based on Cochran formula. Thus 119 questionnaires were distributed among population members in collaboration with the Industrial Management Institute. Then, 100 questionnaires were analyzed after eliminating incomplete and non-returned ones. The questionnaire return rate was 84 %.

In this study, independent variable, dependent variable and mediator variable were adoption of customer relationship management, organizational performance (as well as its dimensions) and customer satisfaction, respectively. Questionnaire validity was confirmed by some experts in the field of customer relationship management and their opinions were used to modify the questionnaire. To determine the reliability, Cronbach's alpha was used which was calculate 0.94 for all variables. This value shows a good correlation between questions. A summary of results is shown in Table 1. For data analysis, inferential statistics was used for tests like One- Sample T-Test. In addition, LISREL software and structural equation modelling were

used to test the hypotheses. PLS software was used for ultimate test of conceptual models.

Table 1: the reliability of variables based on Cronbach's alpha test results

variable	Number of indicators	Cronbach's alpha
Customer-oriented management	14	0.83
Organizing CRM	9	0.86
Operational CRM	16	0.88
Customer satisfaction	3	0.73
Environmental dynamism and competition	3	0.65
Organizational Performance	5	0.91
Total	50	0.94

4. Findings:

Descriptive findings:

According to the results of demographics, in terms of business type, service businesses had the highest participation (63 percent frequency) and manufacturing-service businesses had the lowest participation (3 percent frequency). In terms of Organizational position, Director/CEO had the maximum frequency (35%) and supervisor had the lowest frequency (3%). In terms of Educational Level, Bachelor/Master had the highest participation (90%)

and doctoral levels had the lowest participation (4%). In terms of studying field, human science field had the highest frequency (61%) and English language field had the lowest frequency (2%). Experience between 3-7 years had the maximum frequency (28%) and experience less than 3 years had the lowest frequency (22%).

Inferential findings:

At first by the use of a mean test, we try to examine whether the situation of research variables is appropriate or not? Seven-option Likert scale was selected and number 4 was determined as the mid-point of scale. Hypotheses were proposed as follows:

H1: null hypothesis ($H_0 : \mu \leq 4$)

H2: variable status the situation of the related variable is appropriate ($H_1 : \mu > 4$)

Based on the results presented in Table 2, the mean of all related variables and components is more than 4, thus the situation of research variables is appropriate. Customization of customer relationship management components (mean=5.6050) has the highest value and employees' performance related to organizing CRM dimension (mean=4.346) has the lowest value.

Table 2: inferential statistics of mean test

Variables		The average value of 4						mean
		t	Degrees of freedom	significant number	mean difference of	95 Percent confidence interval for the difference		
						Low limit	upper limit	
Customer-oriented management	Segmentation	8.050	99	0.000	1.11500	.8402	1.3898	5.1150
	Customization	13.712	99	0.000	1.60500	1.3727	1.8373	5.6050
	Differentiation	8.924	99	0.000	1.09500	.8515	1.3385	5.0950
	Customer value	6.941	99	0.000	0.84500	.6034	1.0866	4.8450
	Customer Knowledge Management	6.852	99	0.000	0.82500	.5861	1.0639	4.8250
Organizing CRM	Organization Structure	6.810	99	0.000	0.79167	.5610	1.0223	4.7917
	Commitment	8.764	99	0.000	1.08500	.8393	1.3307	5.0850
	Employee Performance	2.607	99	0.011	0.34667	.0828	.6105	4.3467
Operational CRM	CRM technology	9.907	99	0.000	1.24417	.9950	1.4933	5.2442
	Orders management	10.379	99	0.000	1.18333	.9571	1.4096	5.1833
	Complaints management	13.084	99	0.000	1.38167	1.1721	1.5912	4.8500
	Before and after the sale interaction	7.207	99	0.000	0.85000	.6160	1.0840	5.3817
	Marketing process	9.952	99	0.000	1.02333	.8193	1.2274	5.0233
Customer satisfaction		12.281	99	0.000	1.22333	1.0257	1.4210	5.2233
Environmental dynamism and competitiveness		8.943	99	0.000	1.09833	.8546	1.3420	5.0983
Organizational Performance	Financial performance	9.760	99	0.000	1.05833	.8432	1.2735	5.0583
	Performance Marketing	8.991	99	0.000	1.09500	.8533	1.3367	5.0950

In the second stage, confirmatory factor analysis of variables was investigated in terms of measurement model in LISREL software package. Results are summarized in Tables 3-8:

According to Table 3, the results of measurement model indicate customer-oriented management with five dimensions. The first dimension is segmentation consisted of two questions selected from Ata and Toker (2012) and surveying experts. Standard values of these questions are 0.88 and 0.58. The second dimension is customization which includes three questions selected from Keramati et

al., (2010), Ata and Toker (2012) and Sin et al., (2005) with standard values of 0.78, 0.88 and 0.64. the third dimension is differentiation consisted of three questions selected from Ata and Toker (2012) and Sin et al., (2005) with standard values 0.37, 0.61 and 0.75. the fourth dimension is customer value consisted of three questions selected from Ata and Toker (2012) with standard values of 0.78, 0.69 and 0.69. the last dimension is customer knowledge management consisted of three questions selected from Ata and Toker (2012) with standard values of 0.69, 0.64 and 0.80.

Table 3: Results of measurement model for customer-oriented management

Variable	Index	Questions references	Standard values	Significant level
Customer-oriented management	Segmentation			
	Index 1	U.Zeynep Ata and Aysegul Toker (2012)	0.88	7.10
	Index 2	The opinion of experts was applied	0.58	5.22
	Customization			
	Index 3	Abbas dignity, Hamid altar, promising Mojiri (2010)	0.78	8.24
	Index 4	U.Zeynep Ata and Aysegul Toker (2012)	0.88	9.54
	Index 5	Leo YM Sin, Alan CB Tse and Frederick HK Yim (2005)	0.64	6.65
	Differentiation			
	Index 6	U.Zeynep Ata and Aysegul Toker (2012)	0.37	3.32
	Index 7	Leo YM Sin, Alan CB Tse and Frederick HK Yim (2005)	0.61	5.84
	Index 8	Leo YM Sin, Alan C. B. Tse and Frederick HK Yim (2005)	0.75	7.20
	customer value			
	Index 9	U.Zeynep Ata and Aysegul Toker (2012)	0.78	8.37
	Index 10	U.Zeynep Ata and Aysegul Toker (2012)	0.69	7.21
Index 11	U.Zeynep Ata and Aysegul Toker (2012)	0.69	7.10	
Customer Knowledge Management				
Index 12	U.Zeynep Ata and Aysegul Toker (2012)	0.69	7.30	
Index 13	U.Zeynep Ata and Aysegul Toker (2012)	0.64	6.53	
Index 14	U.Zeynep Ata and Aysegul Toker (2012)	0.80	8.43	

According to Table 4, the results of measurement model indicate organizing customer relationship management where the dimension of organization structure includes three questions selected from Ata and Toker (2012) with standard values of 0.65, 0.55 and 0.64. The other dimension i.e. organization commitment includes three questions

selected from Ata and Toker (2012) with standard values of 0.84, 0.81 and 0.73. finally, the dimension of employees' performance is consisted of three questions selected from Ata and Toker (2012) with standard values of 0.84, 0.66 and 0.74.

Table 4: Results of measurement model for Organizing CRM

Variable	Index	Questions references	Standard values	Significant level
Organizing CRM	Organization Structure			
	Index 15	U.Zeynep Ata and Aysegul Toker (2012)	0.65	6.26
	Index 16	U.Zeynep Ata and Aysegul Toker (2012)	0.55	5.16
	Index 17	U.Zeynep Ata and Aysegul Toker (2012)	0.64	6.18
	Commitment			
	Index 18	U.Zeynep Ata and Aysegul Toker (2012)	0.84	9.66
	Index 19	U.Zeynep Ata and Aysegul Toker (2012)	0.81	9.16
	Index 20	U.Zeynep Ata and Aysegul Toker (2012)	0.73	8.01
	Employees' Performance			
	Index 21	U.Zeynep Ata and Aysegul Toker (2012)	0.84	9.54
	Index 22	U.Zeynep Ata and Aysegul Toker (2012)	0.66	6.88
Index 23	U.Zeynep Ata and Aysegul Toker (2012)	0.74	8.05	

According to Table 5, the results of measurement model indicate operational customer relationship management. The first dimension is the use of CRM technology consisted of four questions selected from Ata and Toker (2012). Standard values of these questions are 0.82, 0.89, 0.85 and 0.67. The second dimension is orders management which includes three questions selected from Ata and Toker (2012) with standard values of 0.82, 0.85, and 0.69. the third dimension is complaints management which included three

questions selected from Ata and Toker (2012) and Sin et al., (2005) with standard values 0.45, 0.88 and 0.88. the fourth dimension is before and after sale interaction consisted of three questions selected from Ata and Toker (2012) with standard values of 0.70, 0.85 and 0.64. the last dimension is marketing process consisted of three questions selected based on surveying experts and Ata and Toker (2012) with standard values of 0.65, 0.67 and 0.55.

Table 5: Results of measurement model for operational CRM

Variable	Index	Questions references	Standard values	Significant level	
Operational CRM	The use of CRM technology				
	Index 24	U.Zeynep Ata and Aysegul Toker (2012)	0.82	9.68	
	Index 25	U.Zeynep Ata and Aysegul Toker (2012)	0.89	11:18	
	26 index	U.Zeynep Ata and Aysegul Toker (2012)	0.85	10:19	
	Index 27	U.Zeynep Ata and Aysegul Toker (2012)	0.67	7.35	
	Handle orders				
	Index 28	U.Zeynep Ata and Aysegul Toker (2012)	0.82	9.35	
	Index 29	U.Zeynep Ata and Aysegul Toker (2012)	0.85	10:09	
	Index 30	U.Zeynep Ata and Aysegul Toker (2012)	0.69	7.36	
	Address complaints				
	Index 31	U.Zeynep Ata and Aysegul Toker (2012)	0.45	4.44	
	Index 32	U.Zeynep Ata and Aysegul Toker (2012)	0.88	10:51	
	Index 33	U.Zeynep Ata and Aysegul Toker (2012)	0.88	10.70	
	before and after sale Interaction				
	Index 34	U.Zeynep Ata and Aysegul Toker (2012)	0.70	5.00	
	Index 35	U.Zeynep Ata and Aysegul Toker (2012)	0.85	7.01	
	Index 36	U.Zeynep Ata and Aysegul Toker (2012)	0.64	7.45	
	Marketing process				
	Index 37	U.Zeynep Ata and Aysegul Toker (2012)	0.65	6.72	
	Index 38	U.Zeynep Ata and Aysegul Toker (2012)	0.67	6.80	
Index 39	experts opinion was applied	0.55	5.21		

According to Table 6, the results of measurement model indicate organizational performance which includes two dimensions. The first dimension is financial performance consisted of three questions selected based on surveying experts. the standard values of these questions are 0.92, 0.70

and 0.89. the other dimension is marketing performance which includes two questions selected based on surveying experts and their standard values are 0.91 and 0.79.

Table 6: Results of measurement model for organizational performance

Variable	Index	Questions references	Standard values	Significant level
Organizational Performance	Financial performance			
	Index 46	experts opinion was applied	0.92	11.72
	Index 47	experts opinion was applied	0.70	7.83
	Index 48	experts opinion was applied	0.89	11:26
	Marketing Performance			
	Index 49	experts opinion was applied	0.91	11:34
	Index 50	experts opinion was applied	0.79	9.16

According to Table 7, the results of measurement model indicate customer satisfaction which includes three questions selected based on surveying experts and Keramati

et al., (2013) study. he standard values of these questions are 0.62, 0.70 and 0.77 respectively.

Table 7: Results of measurement model for customer satisfaction

Variable	Questions references	Standard values	Significant level
Customer satisfaction			
Index 40	experts opinion was applied	0.62	5.80
Index 41	experts opinion was applied	0.70	6.44
Index 42	Abbas Keramati, Hamid Mehrabi, Navid Mojiri (2010)	0.77	6.96

According to Table 8, the results of measurement model indicate environmental dynamism and competition which includes three questions selected based on surveying

experts and Dennis and Marcus (2013) and Werner et al., (2004) studies. the standard values of these questions are 0.65, 0.55 and 0.64, respectively.

Table 8: Results of measurement model for environmental dynamism and competition

Variable	Questions references	Standard values	Significant level
Environmental dynamism and competition			
Index 43	Dennis Herhausen and Marcus SchÖgel (2013)	0.43	3.92
Index 44	experts opinion was applied	0.76	5.97
Index 45	Werner Reinartz, Manfred Krafft, and Wayne D. Hoyer (2004)	0.80	6.14

Final model test by PLS software:

In testing final model, Partial Least Squares through PLS software was used. The hypotheses with <0.01 results were supported. Thus the first, third, fifth hypotheses were supported and the second and fourth hypotheses were rejected.

Therefore, it is concluded that:

H1: in the implementation of customer relationship management, customer-oriented management impacts on customer satisfaction positively (impact size=0.18).

H2: in the implementation of customer relationship management, organizing customer relationship

management does not have a positive impact on customer satisfaction.

H3: in the implementation of customer relationship management, operational customer relationship management impacts on customer satisfaction positively (impact size=0.56).

H4: Customer satisfaction has a positive impact on organizational performance (impact size=0.56).

H5: Environmental dynamism and competition doesn't moderate the impact of customer satisfaction on organizational performance.

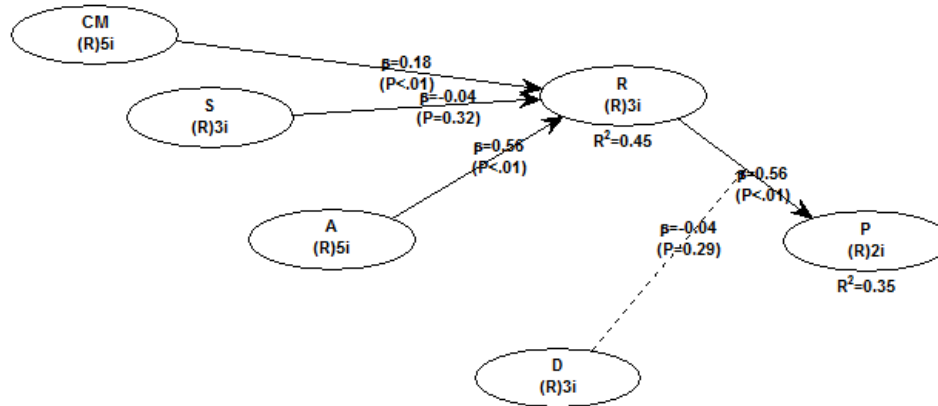


Figure 2: Test of research model by PLS software

5. Discussion and conclusion

In this study, we try to identify the effect of CRM factors on customer satisfaction and organizational performance and to evaluate the extent of this effect. It tests a model that studies the relationship between CRM and customer satisfaction and organizational performance. In this model, three concepts of customer relationship management including customer-oriented management, organizing CRM and operational customer relationship management were taken into consideration. The model includes 5 hypotheses which were studied by structural equation modelling, LISREL and PLS software. The third hypothesis was supported and second hypothesis was rejected. The results showed that operational CRM has more positive impact on customer satisfaction. Then, after operational CRM, customer-oriented management and organizing customer relationship management impact on customer satisfaction, respectively.

In this study, it is concluded that in the implementation of customer relationship management, customer-oriented management has a positive impact on customer satisfaction. According to analysis of final model, one-unit increase in the improvement of customer-oriented management, customer satisfaction increases 0.18 percent. This is consistent with Ata and Toker (2012)'s study. Therefore, the dimensions of customer-oriented management including segmentation, customization, differentiation, customer value and customer knowledge management are considered important.

In this study, it is concluded that in the implementation of customer relationship management, organizing customer relationship management doesn't affect customer satisfaction. However, Ata and Toker (2012) concluded that organizing customer relationship management has a positive impact on customer satisfaction. This difference in

the results can be due to spatial difference since this study is conducted in Iran, while Ata and Toker (2012)'s study has been done in Turkey.

In this study, it is concluded that in the implementation of customer relationship management, operational customer relationship management has a positive impact on customer satisfaction. According to analysis of final model, one-unit increase in the improvement of operational customer relationship management, customer satisfaction increases 0.56 percent, which is in line with Ata and Toker (2012)'s study. Therefore, the dimensions of operational customer relationship management including the use of customer relationship management technology, orders management, complaints management, before and after sale interaction and marketing process are considered important.

In this study, it is concluded that customer satisfaction has a positive impact on organizational performance. one-unit increase in customer satisfaction increases organizational performance to 0.56 percent. However, Ata and Toker (2012) concluded that the increase of customer satisfaction leads to better performance of business-to-business companies and also customer relationship management significantly affects marketing performance, but doesn't affect financial performance of the organization. In addition, Mohammad, Rashid & Tahir (2013) concluded that organizing customer relationship management has a strong impact and is related to various aspects of the company's performance significantly. Also, Akroush, Dahiyat, Gharaibeh & Abu-Lail (2011) concluded that implementation of customer relationship management has a significant and positive impact on business performance (including financial performance and marketing performance).

In this study, it is concluded that environmental dynamism and competition does moderate the relationship between customer satisfaction and organizational performance, but Ata and Toker (2012) concluded that environmental dynamism and competition has a negative impact on the relationship between customer satisfaction and

organizational performance. This difference in the results can be due to spatial difference since this study is conducted in Iran, while Ata and Toker (2012)'s study has been done in Turkey.

The analysis of correlation matrix showed that the following indexes are very important:

- Being responsive to customers in domestic and foreign markets
- The ability to produce products with unique features not offered by competitors
- Evaluating the lifetime value of each customer's regularly
- Providing reliable information about customers in order to interact with them quickly and accurately
- Making quick decisions due to access to customer knowledge
- Organizing based on customers' categories rather than product or process
- Rewarding employees based on customer satisfaction criteria
- Customers access to staff in production, finance, marketing units and etc. when needed
- Special attention of staff in production, finance, marketing units and etc. to customers
- Interaction with customers everywhere easily in order to provide the best services
- Having a system to interact with profitable customers
- Meeting the expectations of customers
- The increase of return on investment by implementing customer relationship management
- The increase of customer share by implementing customer relationship management

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