

CRM in Private Sector Entities in the Palestinian Market, and the Intervention of Social Media

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ABSTRACT

Customer Relationship Management plays a critical role in the business world. Today the ability to manage customer relations, effectively can lead businesses to success in the competitive market with large numbers of rivals and substitutes.

This thesis aims to measure the level of CRM, utilized by organizations in the Palestinian market. It will investigate the reasons for ineffective implementation and how social media and internet 2.0 could help in making CRM activities more effective and efficient.

Keywords: CRM, Palestinian market, Customer Relationship Management implementation, CRM limitations, CRM and social media.

ÖZ

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Chapter 1

INTRODUCTION

The concept of Customer Relationship Management has evolved overtime to encompass a broader range of advantages for businesses. If anything, CRM's importance has increased in nurturing long term relationships with clients to ultimately transfer them to business profits. This combination of strategy and IT has proven the successful cooperation between the company's technological capabilities and organizational strength and therefore should be seen as an investment rather than an expenditure. Unfortunately, this is not the case in the Palestinian Market, where most companies are not aware of the existence of such concept nor convinced in its return on their business profitability. However, with the emergence of new technologies and the shift towards online marketing and interaction, CRM is becoming a need rather than an added value where companies need to respond to client queries, ensure consistent interaction with them and provide them with a brand experience online.

The Palestinian economy is suffering from lack of Customer Relationship Management activities both as an effective strategic tool, and IT system. The economic situation in the Palestinian market is facing difficulties due to the Israeli check points and roadblocks all around the Palestinian territories which makes the mobility of people restricted in searching for a job vacancies or establishing new businesses.

The monopoly factor in the Palestinian industry created narrow choices for customers to choose which company or product they will use, from that point a new problem besides the occupation has been arisen in the Palestinian market which is companies would not pay proper attention to the customers because there are no rivals in the major industries such as telecommunication. This will lead to neglect behavior towards customer's needs, in the result of that customer dissatisfaction will occur.

Recently, situation in the Palestinian market has changed, four years ago and due to political changes in the Palestinian government new rivals has entered the market, changed the monopoly system, which leads to customer turnover from most of the major companies to the new competitors.

My research is the first research to be conducted about Customer Relationship Management in the Palestinian market case, and it will be helpful to raise the awareness of Customer Relationship Management in the first place, and to point out that it's an investment that will benefit the company rather than an expenditure.

My research questions are:

1. Are private sector entities in the Palestinian Market aware of the importance of CRM?
2. What are the limitations of implementing effective CRM in the Palestinian Market?
3. How do the social media intervention and the shift towards online marketing affect the need for effective CRM?

Chapter 2

CUSTOMER RELATIONSHIP MANAGEMENT OVERVIEW

2.1 CRM Definition

Customer Relationship Management (CRM) can be defined as term of strategies and technologies that is used to support the interaction between customers and organization, the goal is to provide the customer united image and idea about the organization through effective communication process. (Lancaster and Jobber, 2006).

Another definition for Customer Relationship Management is the combination between technologies, business strategy and process in order to provide satisfaction for the customer in any given touch point. In other words Customer Relationship Management involves obtaining information about the customers, use it to build strong long term relationships that will lead in increasing in profit margins. (Bose, 2002).

(Kavosh et al., 2011) describes Customer Relationship Management as one to one relationship between customers and the organization. Obtaining information about customers' will help organizations to identify the needs and requirements for customers and satisfy them through meeting those needs. Instead of concentrating on large number of people, company customizes its services for each customer, in which it will lead to better acceptance in the customer mind for the product and services.

Customer Relationship Management is a mixture between technology, processes and people that want's to understand customer's needs. It's a united approach that direct relationships through emphasizing on customer retention and relationship expansion. (Chen and popovich, 2003).

The definitions about Customer Relationship Management points out that CRM consists from information technology that store all the data about the customers, collect information that will help the company understand the customers' needs and wants, and analyse it. On the other hand CRM is a strategy and method that should be included in the organizational structure to better enhance the transaction process between customers and organization in any given touch point.

2.1.1 CRM Components

CRM consists from three major elements that must exist in every organization in order to have successful Customer Relationship Management, these elements according to (Mendoza et.al. 2007) are:

1. Processes

The main purpose of Customer Relationship Management as a strategy in the organization is to build long term relationship between customers, during building these relationships, companies interact with customers at touch points. Now a days in CRM, there are new 4 P's that replaces the traditional ones, they are: process, people, performance and product. CRM has affected the way in which the process should integrate with the rest of the organizational departments through managing relationships with customers, understand customers' needs and wants, and understand customers buying behaviour, they are all evidence of the importance of CRM in the organization and how CRM affect organizations.

In the sales process, relationship with customers become very important inside CRM framework, sales employees interact with customers face to face at every direct touch point, so it's important to focus on building and maintaining relationships with customers. The CRM role in this process is very important, it will show sales employees how to interact with customers, teach them the right straggles, tools and how to obtain information from them in the most appropriate way in order for them to be satisfied . Sales employees and front line staff are the face of the organization and they influence the decision making of the customers.

Services is another area that CRM focuses on in the process, services include telephone centre in the organization, and after selling services, basically it summarize the experience that the customer had within the buying process in the organization, how the staff interact with customers, and how much time it took the company to solve a problem with the customers.

2. Human factor (people)

One of the leading factors of Customer Relationship Management strategy is how to interact and treat customers. Customer Relationship Management is implemented internally and externally. CRM is implemented internally on the employees who are working inside the organization, and that comes from building relationship between the management inside the company and employees, as long as the employees feel satisfied, and appreciated it will affect the working process in positive way. Each customer has different values, some customers seeks low cost products others seeks differentiated services, the role of the organization at this point is to determine each value for the customers and customize the service according to these values. This will

lead to customer satisfaction, satisfied and happy customers are the main key factors for building long relationship with customers.

Lastly, organizations should emphasize on loyalty and retention, researches has been shown that the most profitable customer are those who are loyal to the organization starting from the rule which is 20 percent of the organizational customers generate 80 percent of the organizational profit, so it's essential for organizations and people who are working in it to keep their customers happy and satisfied in order to create loyal customers which eventually will generate long term relationship along with profit.

On the other hand, Customer Relationship Management must be implemented internally on the staff of the organization, and to explain it in details it's about how the employees should treat customers, first of all organizations should be careful of cultural changes and the working process, shifting from product oriented to customer oriented culture is not easy, employees will not accept it immediately so the company should provide supervision and follow up on their employees to insure that services are provided in the premium ways according to CRM standards.

For the management of the organizations they should know that effective and profitable implementation of a services to customers, comes from satisfied employees.

On organizational level, companies should:

- ❖ Supervise the changes in the organizational culture (from product centric to customer centric).
- ❖ Follow up and communicate with employees.
- ❖ Provide feedback.

❖ Implement leadership role.

3. Technology

One of the fundamental principles of Customer Relationship Management is collecting high quality information about the customers, usually companies doesn't start from the scratch because generally companies do have information about customers but they should know how to employ it and integrate it towards the benefit of customers as well companies should pick and choose the right information that can be used.

CRM consists from two parts, the first part is a strategy and the other one is an IT system. IT system means that the company should have CRM software in order to have completed a full integrated process. CRM software allows the organizations to implement marketing, and sales tasks, it helps the organization to decide what kind of information about customers is useful or not, as well it creates a pattern towards the information that should be collected for the new customers and what are the missing information that need to be completed for the new customers.

As long with CRM software organizations must have data warehousing to store all the necessary information about the customers and keep it in a safe and private place.

2.1.2 CRM Implementation

The success in any strategy and program requires clear and effective performance, there are four implementation steps according to (Berndt, Herbst, and Roux. 2005) and they are customer's identification, service differentiation, interaction with customer's, customer differentiation and product customization.

1. Customer's identification

In the customer's identification stage organizations should be able to identify which customers are strategically important for the organization, and can contribute in the success of the organization.

These customers have special needs, and due to the importance and the high value of these customers the organization should customize features of its products to meet those needs. Organizations must obtain as much information as possible about their customer's and this is done because it will help the management to have clear image about customers' needs, and according to that it will create to each customer a profile with its own special preferred services, as well the information about the customers must be updated on a regular basis to observe if there are any changes in the buying behaviour.

2. Service differentiation

The first step in the implementation process clear's that there are number of customers who are important and contribute in the organizational success, these customers need special customized services that will make them feel different than the others, which will create intimacy between the organization and the customer, this will happen when the organization identify the most valuable customers and match the services accordingly to their needs.

3. Customer interaction

In this step organizations should create effective ways to communicate with the customers on all the levels, it should deliver a message to the customer and create one to one direct connection with them, this can be made through technology in order to

build relationship with customer which will create satisfaction and happiness about the services. Technology can be through websites, social network and improvement in the quality of call centres.

4. Customization of products, services and communication

Customization will accrue on three levels, on product level, services level and communication level. On product customization level organizations can customize their products and add special features in it to satisfy customers and make them delighted. On communication customization level, organization can personalize the communication process between the customers to create intimacy.

Studies showed that when customers are called in their first names, and when employees remember specific personal details about them it will increase the intimacy in the interaction process.

On services customization level organizations can give product packages to customers, the purpose of the customization process is to create satisfaction and intimacy between the organization and the customers in every possible touch point.

2.1.3 CRM Benefits

According to (Shanks, Jagielska, and Jayaganesh. 2009) Customer Relationship Management carry out significant advantages and benefits to the organization, these benefits are divided into three levels they are: benefits on the operational level, tactical level, and strategic level.

1. Advantages on the operational level

CRM help's the organizations in day to day business activities such as:

- ❖ Enhance customer data management, it's all about improving the quality in the collected information about the customers as well combining collected data.
- ❖ CRM helps the organization to increase the precision level of the information about the customers, it helps the organization to choose the right information about the customer that could benefit the organization in knowing the customer in better way.
- ❖ CRM helps the organization to complete all the information about the customer, it allows the organization to have complete full overview about the customer with no missing data.
- ❖ CRM decrease the number of identical error, identical error occur when organization take information from the same customer in different departments, different touch points in the organization and for different purposes.
- ❖ CRM helps the organization enhancing customer information history, it provide employees better knowledge about customer's past purchases, which will allow to improve the interaction between the company and the customer.
- ❖ CRM helps the organization to update the information about the customer, some data about the customers changes from time to time, company should follow up customer's information and update them on a regular basis.
- ❖ Improve task management. CRM enables organizations to improve their procedure level with customers, it increases the effectiveness in managing customers, and that happen on several levels, it happens on customer retention level, customer acquisition level and during the progress of the relationship. In each stage, the

company should customize their services to customers to match different stage level of the process. CRM increase's the efficiency level in the given tasks.

- ❖ CRM enhance customer services by doing customized activities for customers. Customer Relationship Management decrease the time in handling customer questions, by improving the technology and the call center, it increases the number of gathering high quality information about the customer in every touch point which enable the organization to create precise customized services.
- ❖ CRM leads to employee's empowerment. That's happen by giving authority to review customer's information, and making choices which will lead to customer satisfaction, and that's because employees doesn't have to consult their managers or their senior employees in every decision making, in that way it will raise the confidence in their selves and it will reduce the waiting time for the customer at each process. Empowering employees will raise the confidence in themselves which will lead to employee satisfaction, following the general rule that a happy employee is a productive employee.
- ❖ CRM helps in enhancing the productivity level. Customer Relationship Management reduce the costs in marketing and customer services field. CRM helps the organization to identify the customers who will contribute in the success of the organization and generate profit from the non-profitable customers, so organizations can avoid spending money on non-profitable customers which will lead the organization money loss and low productivity level.

2. Advantages on the tactical level

These advantages are related to middle line management, it focuses on developing strategic arrangements in the company, for example specific marketing operations.

- ❖ CRM enables the organization to choose the market segment efficiently. In the past marketing segmentation relied on serving all customers, from producing to distributing and finally promoting it. CRM works on one to one relationship between the customer and the company, there is a general rule that says if you try to satisfy everyone eventually no one will be satisfied, so the key of what CRM do on a tactical level is choosing and focusing on the right segment, customize product and services for each customer, personalizing the services rather of doing mass marketing.
- ❖ CRM enables the organization to expand the number of its target market, by seeking opportunities to expand the number of the customers data base
- ❖ CRM increase's the organizational profit, by expanding the number of target customers, organization will gain more revenue.
- ❖ CRM increases the customer life time value. Customer Relationship Management increase customer life time value in the organization through customizing products and services along with promotion which will lead to satisfaction.
- ❖ CRM enables the organization to reduce the number of customers who have low life time value and are burden on the organization. at this stage the organization will know through CRM which customers are liability on the organization and don't generate the desirable profit, and which of customers can be classified as an asset, in order for the organization to invest in them, by focusing on the right segment and customizing products and services.

3. Advantages on strategic level

Customer Relationship Management has advantages on the strategic level in the organization, and that's attached to long term objectives and vision level.

CRM summarize the advantages on strategic level into several stages and they are:

- ❖ Enhance customer happiness and satisfaction. Customer Relationship Management improves the satisfaction level for customers through signify the benefit from the service/ product that is provided by the organization by giving better quality of services that comes from both customer profiling and gathering the right information about the customer, it's very important to clarify that the goal of the organizations shouldn't be increasing profits only, it should be increasing profits while providing higher value perception to the customer.
- ❖ Raise customer loyalty rates. Customer Relationship Management will provide customer satisfaction for which will lead to increase customer life time value and maintain customer loyalty.
- ❖ CRM decreases the number of dissatisfaction customers in the organization. When the needs of the customers are not achieved, customers will not be happy about it, so CRM keeps the customers happy and decreases the rates of dissatisfaction customers through one to one communication and customizing products and services.
- ❖ Enhance word of mouth. WOM is an important signal of customer satisfaction level, and it has an essential effect on the current and prospective consumer.
- ❖ Customer Relationship Management improves organizational performance. CRM enhance organizational overall performance and there are several signs for this improvements and they are:
- ❖ Raise the profit of the organization. Increasing in the profit level is an indicator for the improvement of the organizational performance, however organizations shouldn't focus only on short term goals like profit, organizations should focus on

long term goals which includes building long relationships with customers and make them loyal.

- ❖ Increase the share of wallet. Share of wallet is used to test customer loyalty level. Also it means how much the customer is willing to spend from his financial resources in his daily life on the organizational products or services.
- ❖ Customer Relationship Management raise's the retention rate of customers. This is achieved through the continuous improving in the quality of the services, which will lead to customer satisfaction and higher retention rates.
- ❖ CRM increase the sales percentages. While the organization continue in increasing the retention rates of their customers, sales percentages increases at the same time, research shown that Customer Relationship Management increase's the profit and sales percentage in the organization.
- ❖ Increase the number of customers. The customized services and the excellence in the production not only will retain the current customers, it will increase the number of the whole customers in the organization, and it will attract new customers and add them to organizational customer base.
- ❖ Customer Relationship Management encourage innovation. Organizations uses creative ways to create intimacy between customers, now a days the intervention of internet and social media has opened the gates for new methods in approaching customer's as well new ways in building relationship with them along with increasing the level of value in the consumers mind.

2.2 Analysing CRM

2.2.1 CRM Measurement Tools

According to (Oztaysi, Sezgin and Ozok. 2011) there are methods to measure Customer Relationship Management in the organization and they are:

1. Indirect Measurement tools

There are indirect methods to measure the level of Customer Relationship Management in the organization such as brand awareness. Brand awareness is the level of knowledge about a certain brand among people, it is an indirect indicator for the existence of CRM in the organization. Brand loyalty is an indirect tool to assess how much the customer is devoted to the brand or service which is an indicator of CRM. As well customer equity which is the profits that the company customers will generate in the future.

2. Customers Facing Operations

One of the most fundamentals in Customer Relationship Management is to gather information about the customers in every process and touch point, when the organization collect these information on different basis and levels during the process, it leads to CRM existence, such as collecting data on a marketing operational level, that mean to create number of activities such as: knowing the share of wallet for the customers, and calculate customer interaction level. Sales level operation is one of the customer facing operations, by calculating the sales expenses such as shipping costs, knowing the number of customers the organization have and examining past purchase experiences. Collecting information on the websites and social media about customers considered one of the method in customer facing operations.

3. Critical success factors

According to (Chang, 2007) CSF are a tool that is consists from 13 critical factor to measure Customer Relationship Management in the organization and the 13 factors are: top management commitment to the staff, business process and the technology, create a multitask team that is responsible for Customer Relationship Management

implementation, clarify the goals and objectives, enhance the cross functional process between organizational departments in order for CRM to work more efficiently, communicate and share the goals and objectives of the company between the employees, supervising/monitoring that employees are implementing CRM strategy, manage the information about the customers, provide customer services such as after selling services, automatic organizational sales process such as: knowing past purchases for customer and upgrade sales forecasts, automate the marketing process in a way that will make the updating and collection process for information about customers more easier, create methods to support operational management, create enough number of communication channels with customers, and finally integrate the information system in the company and makes it reachable for the staff members' in all of the departments in the organization.

4. Behavioural dimension of CRM

There are behavioural dimensions according to (Jain, Jaine, and Dhar. 2003) that can measure CRM practices in the organizations, these dimensions are:

❖ Attitude towards customers

Personal one to one relationship between the employees and customers is very important in implementing successful CRM system, the strategy that is adapted from the employees should be pure customer centric, that mean employees should always remember that customers are the most important asset, and the goal is to satisfy and meet customer needs.

❖ Anticipate customers' expectations

Customers express satisfaction when their expectations from a given services is achieved, at this point the customer decides whether to be loyal to a certain party or not, companies should always try to meet the expectations of the customers to make them satisfied, after that they should exceed those expectations to insure that the customer is delighted.

❖ Quality perception

Quality perception from customers create high satisfaction level, those perceptions are created through communication between the company and the customers, and it will show that the company is working efficiently and effectively and worth to do transactions with.

❖ Reliability

Trust is the most important element in any business transaction, without trust it's almost impossible to create satisfaction and loyalty in any relationship. Customers should rely on the organization to take actions and decision for their best interest and benefits. Another factor that emphasize on the importance of the trust in customers relationship is privacy, companies should respect and secure customers private information, in order to establish trust, because trust is the most important essence in any relationship and transaction.

❖ Communication with customers

Customer Relationship Management is one to one relationship between customers, this means that communication is very important. Customers need to be heard and understood in order to serve them better and to satisfy them, the quality of how

employees communicate with customers, and the efficiency of the communication channel is an essential factor for customer satisfaction.

❖ Customization

Customer Relationship Management explains that companies shouldn't do mass marketing, the relationship and the services should be tailored for each customer, each customer have special and different requirements, companies should meet those requirements, and personalize the process and services to generate high level of satisfaction and loyalty.

❖ Customer recognition

Customers are the most important asset in the company, and that should be reflected in the company's behaviour in services and communication towards customers. Customers should not be ignored or left alone, they should be respected and each customer should feel that they are the most important customer to the organization. Employees should call customers in their first name while doing their transactions, it will make them feel special and it will create closer and intimate relationship between customers and organization as well as recognition.

❖ Maintain promises

Fairness is a critical factor in delivering services. It's essential for the organizations to establish transparency in their business process with customers. Honesty and transparency in business transactions and process is fundamental, companies who keep their promises to customers reflect high level of honesty which will establish trust, loyalty and satisfaction between the company and the customers.

❖ Satisfaction inspection

Satisfying customers is the ultimate goal for any business, along with profits companies must ensure that the satisfaction process is working efficiently, this is done through customer's feedback, surveys in order to have successful Customer Relationship Management implementation process. Customer's suggestion should be examined carefully and handled seriously, because it's an important tool to review what customers like or dislike in order to develop and upgrade the services.

❖ Retention

Customer retention is the main block for Customer Relationship Management and businesses, it has advantages for customers and organizations. The success of a services and implementation of Customer Relationship Management strategy is the high level of loyalty and retention among customers, and the low level of customer turn over. Customer retention has positive impact on organizational profit.

5. CRM scale

Customer Relationship Management scale is a measurement tool that is developed from four behavioural dimensions according to (Sin, et al. 2004) they are:

❖ Focusing on high profitable customer.

Organizations should focus on customers who generate high profit to the organization, through customizing products and service for them in order to meet their needs, deliver high value to those customer through communication and personalization. Organizations should adapt customer centric strategy, customers are the most important asset, and their needs should be met in order for them to be satisfied.

❖ Internal CRM

CRM requires changes inside the organization working process, the first change should be made is on organizational structure level, that means the entire organization should work to achieve one common goal and that is to work in order to build strong relationships with customers. It's important for organization to introduce CRM concept and the ways that customers should be approached to all employees no matter what their position, because at any given touch point in the organization, customers will interact with different types of employees from different positions. Staff management in the organization should be implemented, organizations should identify which employees will contact the customers in direct way, and train those employees how to approach customers and always remind them that customers are the organization most important asset, and the organization strategy is customer centric.

❖ Knowledge management

The knowledge management view argue that the fundamental goal of the firm should be collecting information about customers, transfer it, and approach these knowledge. There are two ways in getting information about customers, either by past experience in the organization, or by research surveys and studies.

Knowledge learning, Knowing customers is essential key for understanding the requirements and needs for them, in order to meet their needs and satisfy in the best way, interaction and communication is vital tool to learn information about customers as well as feedback.

Report and share the Knowledge. Knowledge is useless unless it's shared and reported among organization, staff members and strategist people must access these information in order to interpret it, and share it among the organizational departments.

Knowledge privacy. It's important that organizations have responsibilities towards the knowledge and information about customers, information should be kept safely and not used for public, or sold to any party.

❖ Technology based CRM

Communicating with customers and collecting information about them is essential in CRM process, in order to complete this process organization must have IT system to store all the necessary information, automate the sales process, develop call centres, analyse past buying purchases, analyse the information and compare it with old ones as well forecast possible buying behaviour, and to share these information among the organizational departments.

6. Relationship quality

According to (Roberts, Varki, and Brodie. 2003) strong relationships is what it makes customers loyal, and reduces the turnover percentage by creating intimacy towards customers in every touch point. It's important for that relationship to be strong, honest, real and transparent in order to deliver high satisfaction level and meet customer needs. There are fourteen dimensions for relationship quality and they are:

❖ Belief in organizational honesty

Customers must trust the organization in achieving their needs, with honesty transparency and the ability to rely on them.

❖ Belief in organizational welfare

In order to have a strong relationship with customers, the intentions of the organization and its primary goal to achieve higher benefits and interest to the customer.

❖ Satisfaction

Fulfilling customer's needs, and building strong relationships with customers through effective communication will lead to satisfaction, and satisfied customers are loyal and profitable customers.

❖ Emotional loyalty

An emotional commitment to the organization is an indicator whether the customers want to continue in the relationship with the organization or not, it will show also if the customer is satisfied in the relationship. It's an important indicator for organizations to test their relationship quality level.

❖ Emotional disagreement

Ongoing conflicts between customers and organizations create dissatisfaction atmosphere to the customers, which is created when the organizations didn't meet or achieve the needs and these requirements. This is an important indicator whether the organization has strong quality relationship with their customers or not.

❖ Communication

Communication with customers is one of the most important element in building strong relationship quality, there are two sides of communication the first is sending the information to the customers and explain the necessary information, the other part which is critical is listening to customers, in order to understand customers'

requirements employees should listen to customers for any feedback or even complains, because employees should deal with complains responsibly and take it into consideration.

❖ Selling convince

This dimension is not built on the traditional selling concept, this is explain that employees should influence the customers for doing the purchase not based on the selling process that will bring profit to the employee, but rather on the benefit of the customer, employees should advice the customer in the best alternative and to choose methods that will gain the trust of the customer.

❖ Economic benefits

Economic benefits means providing customers discounts, and loyalty programs which will create strong bounds in the relationship between customers and organization.

❖ Customization

Customization comes from the perspective that not all the customers are same, customers are heterogeneous, and in order to fulfil customer's needs organizations should customize their products and services to meet customers' needs and requirements.

7. Customer management assessment tools

Customer management assessment tool, is a measurement tool developed by QCi consultancy group, this tool is a questionnaire that is consisted from 260 questions based on nine dimensions, they are: technology, staff member, organization, business

strategy, planning, analysing information, experience, competition, and managing customer activity.

8. Customer management process

CMP is a measurement tool, to test Customer Relationship Management process in the organizations, it contains four categories they are: customer retention, customer acquiring process, customer growth and customer selection.

9. Relationship management assessment tool

Relationship management assessment tool seeks to help the organizations to do analysis about the relationship level, according to (Lindgreen, et al. 2006) it incorporate number of elements they are:

❖ Customer strategy

Customer strategy aims to provide strategies to acquire new customers and to maintain and develop relationships with current customers. Strong relationship are built on trust, honesty and transparency towards customers, studies shown that profitable customers are those who have strong relationship with the organization. When managers discuss customer strategy, first of all they should do customer segmentation, it means that managers should separate and segment customers who are loyal profitable to the organization and create programs to maintain them, on the other hand customers who have low loyalty level managers should develop loyalty programs and try to minimize the gap.

❖ Customer approach process

Approaching customers must be in effective ways, employees will interact with customers in every touch points, selling process, distribution channels and after selling services. Customer has different personality traits, every customer has different life style and different habits, and this will lead the organization to customize the interaction and the approaching process to every customer at every touch point.

❖ Brand strategy

Brand is a promise between the organization and the customers, strong brands create high level of customer loyalty. Brand strategy aims to describe the position of a brand in the customer mind, as well as the elements that shapes a certain brand.

Strong brands has good reputation level, a good reputation level will show customers that this brand is worth to be trusted and it will lead to higher customer loyalty.

❖ Value creation

Value creation should be clear both for organizations and customers, organizations should always seek new and creative ways to deliver their value essence to the customers. Bringing high quality and premier value to the customers will give the organization competitive edge over their rivals, as well it will provide lower possibilities for other rivals to clone those values, which will lead to higher satisfaction level and higher level of customer loyalty.

❖ Culture

When the management implement Customer Relationship Management system in the organizational structure, the whole culture will change from product/service centric into pure customer centric. Changing the organization structure is challenging, because

it will require changing in the attitude of the employees, and the way of work. On the other hand it will raise the quality of relationship towards customers and will increase the level of satisfaction and loyalty.

❖ Staff members

Employees are essential components in the organizational structure, employees interact with customer at all times, and they will deliver the value and the image of the organization to the customers. What is important here is to provide for the employees the necessary training programs in order to improve their skills and to upgrade their skills in interacting with customers. Employees should be motivated, tolerated and professional. The organization must always remember that a satisfied employee is a productive employee, the organization should provide positive feedback, and have reward system, whenever the staff member are happy it will increase the level of commitment towards their work and mission as well it will increase the customer retention rates.

❖ IT system

The existence of technological system will complete CRM process as a whole system, organizations need to have information system to restore the necessary information about the customers, analyse and compare past purchasing behaviour and disseminate the information among all the department to enhance cross functional process for serving customers in premium way.

❖ Control and monitor relationships

Monitoring the relationship and manage it is essential for insuring that the ongoing process is working according to high quality standards. When organizations meet their goals and objectives they must keep continue the flowing of the process. Organizations should search and create new ways to develop and improve relationships with customers to satisfy them, delight customers which means exceeding customers' expectations is example of how organizations improve their relationship with customers and raise the ceiling of expectations.

10. CRM scorecards

CRM scorecards is a measurement tool to examine the level of CRM implementation in the organization. According to (Kim, Suh, and Hwang 2003) there are four dimensions for CRM scorecards they are:

❖ Customer recognition

Customers has different needs and requirements, every customer is unique and that's because customers are heterogeneous. The organization must recognize that every customer is different, and it should customize their products and services according to specific needs to each customers, researches shown that traditional mass marketing will not contribute in building strong one to one relationships between organizations and customers.

❖ Customer interaction

Organizations should be careful to how they interact with customers in any touch points, there should be new communication methods such as social media, websites in order to communicate with customers. Organizations should adapt customer centric

strategy and they should interact with their staff member internally to monitor and remind the staff about the goals and objectives of the organization.

❖ Customer value

Customer value is the tangible and intangible utilities that is acquired from Customer Relationship Management activities. Calculating the value of the customer will give the organization the ability to distinguish high profitable customers from low profitable customers, which will help the organization to better customize services and forecasts about future profits. The value will not come only to customers it comes also for organizations.

❖ Customer satisfaction

Measuring customer satisfaction is one of the fundamental steps in implementing Customer Relationship Management system. One of the ways in measuring satisfaction level is through surveys and feedback. Organizations must communicate with customers and take any complaints and feedback either negative or positive into consideration to improve the provided services, and filling the missing gaps.

2.2.2 CRM Limitations

There are number of obstacles that make the implementation of CRM difficult, these barriers discuss different angles according to (Ryal and Pyne. 2001) they are:

❖ Skills scarcity

The lack of experience employees is considered one of the major limitations for implementing CRM system, the difficulties in hiring experience employees, and getting professional staff in analysing data and interpreting information considered one of the major barriers.

❖ High cost

Developing Customer Relationship Management system as a whole concept including technological system and a strategy will require large investment from the organization, many organizations look at any investment from a point that they want immediate profits gains, but in the CRM case organization should adapt the CRM on organizational structure level, it will take also time and money on recruiting new staff members, in conclusion CRM has high cost expenses but it pays off in the long turn.

❖ Low information quality

As a part of Customer Relationship Management strategy, it involves the organization to collect information about customers and disseminate it in the organization, not all the information that is collected about customers can be used in the customer benefit, a limitation of CRM that some organizations doesn't take detailed information about customers, and they don't take the right amount of it.

❖ Seeing CRM as an expenditure rather than investment

Poor knowledge about the importance of CRM system is considered one the biggest obstacles toward implementing and having CRM system in the organizations, managers of the organizations see's CRM as high cost expenditure which will not provide any added value for the organization, and it's difficult to change the mind-set of a manager. CRM is an essential tool for the survival of any business now a days, and it will generate profit for the organization in the future.

❖ poor managerial involvement

An important element for CRM system to be implemented efficiently is that CRM should be practised internally among all organization staff member, and one of the barriers towards implementing CRM is that top management don't get involved in the implementation process, and leave it to the middle and first line managers. It's essential for the top management to merge CRM in the organizational structure and emphasize on the importance value of it.

❖ Vague goals

Unclear goals and objectives will makes it difficult for the organization to implement CRM effectively, managers should communicate with their employees and staff members about the road map of the organization, including goals and objectives, in order for or all the employees to be on the same page and working on the same destination, with the absence of a clear specific goals it's hard to unify the implementation process and it will not be implemented efficiently.

❖ Lack of job fairness

Satisfied employee is a productive employee, one of the main reasons that CRM cannot be implemented efficiently and specially in the Palestinian market case is the low fairness in job, employees don't feel that they are equal or in justice environment, and that kind of atmosphere create a tuff non trusted relationship between top management and staff members which will affect the working process.

2.2.3 CRM 2.0

(Greenberg, 2010) explains CRM 2.0 as a business process and strategy that work through technology, the primary purpose for CRM 2.0 is to engage customer in mutual interaction which will provide value for both customers and organization.

According to CRM 2.0 concept the relationship should be based on transparency and mutual interaction between customers and the management, customer in that point will be seen as an associate to the organizations and that is achieved through collaborating customer in discussions, conversation and activities.

This will allow the organization to build stronger relationship with customers, by engaging them in activities and will provide immediate feedback about the company performance.

Now a days the use of social media in any organization is essential for enhancing customer satisfaction, the use of social media will reduce the distance between customers and organizations, customers can review the services provided easily which will increase the satisfaction level, as well it will give the customers the opportunities to communicate with the organization directly, in order to provide negative or positive feedback, as well suggest customized services.

According to (Ajmera et al., 2013) there are several differences between traditional CRM and SCRM some of differences are:

1. Customers interact directly on the social page for the organization, SCRM enables the customers to engage and participate in conversations, provide feedback and share experiences among them.

2. The posts by customers on the organization page on a social media may not be beneficial for the organization to get feedback and insights, the information could be compliments or any comment or participation that is not directed toward the performance of organization or services, in that case the organization need to distinguish and search for information that can be used to develop services and others that are posted for participation only, which summarize that the information which cannot be used as a source for customer insight, it enhance customer engagement and satisfaction.

3. An important advantage for SCRM is customers can give feedback about other complaints, through past experiences and give positive feedback. Which is even more credible to customers, people will trust what their friends say or rate a product or services, when customers review positive comments and recommendation about certain brand or service it will make it more honest to customers than if the organization itself promote it, and some customers will defend the brand and try to solve complaints for unsatisfied customers.

Social CRM influence customer's society, it enables customer to solve other customer's complaints which lead to bad publicity and image distortion and turn it into good publicity.

According to (Woodcock, Green, and Starkey. 2011) it's essential for organizations now a days and due to technological changes to have SCRM strategy in the working process and that's because:

1. Enhance customer engagement and participation

The level of engagement and participation will increase satisfaction rate among customers, when customers know that they can express themselves and communicate with the organization it will create intimate relationship, as well customers will be in touch with the organization updates and new feeds. On the other hand this engagement will benefit the organization it will provide feedback, they will have customers insights as well it can measure satisfaction level and dissatisfaction areas.

2. Raise customer value

When customers are in touch with the organization on webpage such as Facebook, it will raise the value in customers mind, because all this engagement will lead to satisfaction, customers will know that the organization care about their opinion and let them share it directly without barriers. Studies have been shown that greater customer engagement will lead to greater value and profits.

3. Customer acquisition

Greater customer engagement will create emotional loyalty and better customer satisfaction, this unique relationship and activities will attract new customers and spread virally into people. Customers will trust their friends and partners more than TV commercials or traditional advertising campaigns, the importance of SCRM is it enhance the transparency and increase the loyalty level which will help the organization to understand more about the services and gain those customers.

4. Customer retention

Finally, customer engagements will increase retention and loyalty, it's important for organizations to provide loyalty programs for customers, one of the ways to do it is to create an application form or game that can be played on social network page, it can provide the organization information about customers in a way that he/she will remain entertain, or wining rewards.

Organizations should always remember that not all customers who engage in activities on the social webpage are equal in value. Some customers share their opinions without having the ability and the resources to purchase the product or service. The organization should classify customers based on value and customize online social programs according to their value.

2.2.4 The Economy in Palestine

Since 1967, the Palestinian economy has become attached to the Israeli economy and its development has become captive due to the unbalanced relationship and forced with this bigger, more dynamic and complex economy.

Since that date, the Israeli government adapted systematically a destructive policy against the Palestinian economy that is based on transforming the West Bank and Gaza Strip areas, to a consumer market for Israeli products and services, even the corrupt ones as well using Palestinians as a cheap labour source. This policy has led to the creation of structural defects that is blended now a days in the domestic economy, which destroys service activities at the expense of the development of productive activities, which led to weakening the productive capacity of the Palestinian economy and slower the normal growth. Israeli restrictions continues to stifle the Palestinian economy during the transition phase, which began in 1993 under the justification for

the so-called "security requirements" to the extent that faded with the optimistic forecasts about the "economic benefits of peace." The remains of the Palestinian economy during this stage is living in subauditon phase, texts and applications of the Paris Agreement roofed Convention Oslo autonomy. Then came the repercussions of the second Palestinian intifada, which doubled the economic burden that has become imposed on citizens as a result of the Israeli aggression.

Along with extreme Israeli policies, the apartheid wall that separate the West Bank from Jerusalem and Israeli areas has affected directly the economic situation, it prevents people from moving from one place to another and keeping them in one single area along with check points and borders.

According to the Palestinian Agency for Information and News the Gross Domestic Product per capita in 2013 in was 1691 dollar, and the Gross national product was 7645.9 million dollar and the real average wage per day is 16 dollar.

According to the Palestine securities exchange in 2007, the number of companies in the private sector has reached to 8,416 company.

Chapter 3

METHODOLOGY AND HYPOTHESES

3.1 Statistical Methods and Hypotheses

The Cronbach Alpha for the scales used for measurement is (.91). The first statistical method that is used in analysing the results is independent sample t-test, independent sample t-test compares the mean between different unrelated groups on the same continuous, dependent variable. Our aim is to find out whether there is any difference between Male and Female respondents in their answers to the questions.

The second statistical method is one-way ANOVA test, it's used to determine whether there are any differences between the means of three or more independent (unrelated) groups. We will question whether the respondent's answers differs according to the position (Executive manager, Marketing manager, and account manager).

Therefore we used independent sample t-test and one way ANOVA for the hypotheses and the significant level was 10%, the proposed hypotheses will be as the following:

❖ Hypothesis one

H0-1: There is NO difference between Male and Female respondent's answers to the questions.

H1: There is difference between Male and Female respondent's answers to the questions.

❖ Hypothesis two:

H0-2: There is NO difference between age “25-34” and age “35-44” in the respondents.

H2: There is there is difference between age “25-34” and age “35-44” in the respondents.

❖ Hypothesis three

H0-3: There is NO difference in the respondent’s answers regarding their educational level.

H3: There is difference in the respondent’s answers regarding to their educational level.

❖ Hypothesis four

H0-4: there is NO differences in the respondent’s answers regarding to their position.

H4: there is difference in the respondent answers regarding to their position.

3.2 Questionnaire and Sampling

For this thesis a questionnaire is needed in order to get primary data about the situation in Palestine and CRM level, (100) questionnaire were distributed and contains (35) variables consists from five demographic questions, twenty two questions that measures CRM level in the organizations and nine questions to measure CRM limitations.

The sample of my questionnaire were Palestinian companies that are working in the private sector area, these companies are not directed by the government, organizations such as: advertising agencies, consulting agencies, hotels, private banks, Marketing companies, major retailers in the food industry, IT firms and major construction companies.

The first part contains five demographic variables, they are: Gender, age, education level, job position and years of establishment. For each question there are Likert scale options and intervals to choose the right answer.

The second part from the questionnaire is about CRM measurement in the organization, the measurement tool is called CRM scale and it consists from four core stones they are: focusing on high profitable customer, internal CRM, knowledge management and technology it is developed by (Sin, et al. 2005). For this questions a Likert scale from 1-5 (1=Strongly Agree, 5=strongly disagree) is developed to give the most accurate answer.

The third of the questionnaire is about CRM limitation, it's developed to measure the reasons and causes for organizations not to implement/have CRM system as IT system and strategy. The variables are developed by (Payne, and Ryals. 2001) and they are: Skill scarcity, high cost, low managerial involvement, lack of job fairness, low information quality, and low knowledge.

3.3 Research Limitations

1. Being the first research about Customer Relationship Management in Palestine creates number of challenges, such as the lack of information about CRM and the market.

2. The nature of the questionnaire is designed for managers, and they need previous appointments. In many occasions they take long time in filling the questionnaires as well some of them didn't cooperate.
3. The geographical distribution for the companies are not close to each other's, which consume time and effort in reaching them.
4. The last war on Palestine restricted the mobility process which make reaching the companies impossible. On the other hand continues striking days and demonstrations.
5. Due to the escalation of the political situation the roadblocks restrict the movement and threats the safety.

Chapter 4

RESULTS

There are two primary statistical methods used in the data interpretation, the first one is independent t-test sampling, the second one is one way ANOVA along with frequency tables and cross-tabulations. In the beginning of the analysis I'll start with frequency tables.

Table 1: Gender of the respondents

	Frequency	Valid Percent
Male	59	59.0
Female	41	41.0
Total	100	100.0

The number of males in the organizations is bigger than number of females, and that's because the nature of the culture in Palestine makes the males more dominate in job positions with high power distance, however in the recent years the role of females has been arisen in the organizations and they started to be in high power positions.

Table 2: Age of the respondents

	Frequency	Valid Percent
25-34	32	32.0
35-44	54	54.0
45-55	7	7.0
above 55	7	7.0
Total	100	100.0

The Palestinian population characterized by the high number of youth, and in the questionnaire sample in the organizations there are large number of respondents between age of 25 and 44.

Table 3: Position of the respondents

	Frequency	Valid Percent
Account manager	22	22.0
Marketing manager	64	64.0
Executive manager	14	14.0
Total	100	100.0

The questionnaire is designed for managers, and the largest population in the sample were the marketing managers (64), account managers (22), and executive managers (14). This will give us more insights about the general situation of CRM inside the organizations.

Table 4: Years of establishment of the companies

	Frequency	Valid Percent
1-5	13	13.1
6-10	36	36.4
11-15	42	42.4
more than 15	8	8.1
Total	99	100.0

The maturity level of the organizations is from 1 up to five years (13), from 6 up to 10 (36), from 11 up to 15 (42) and more than 15 years old 8. This shows that the organizations in the sample are mature enough to the Palestinian market.

Table 5: Education level of the respondents

	Frequency	Valid Percent
Secondary	3	3.0
Bachelor	58	58.0
Graduate	39	39.0
Total	100	100.0

The educational level among employees in the Palestinian market vary between mostly bachelor and graduate degree employees, that's shows high educational level between employees but not necessary the right knowledge.

Table 6: Independent sample t-test (Ages between 25-34 and 35-44).

<u>Questions</u>		Sig.	df	Sig. (2-tailed)	Mean Difference
Employees to provide technical support	EVA	.194	84	.051	-.303
The right hardware for CRM	EVA	.920	84	.047	.264
Availability of information at touch points	EVA	.344	84	.004	-.432
Maintain comprehensive database	EVA	.122	84	.056	-.279
No need for CRM to exist in companies	EVA	.066	84	.064	-.287
Top management don't cooperate with CRM	EVA	.678	84	.048	-.326

The first statistical method that is used in the analysis process is independent t-test sampling. For the first hypothesis, the aim is to measure whether there is any differences in answers between males and females, According to the findings (statistical results of independent t-test) proposed hypotheses were rejected for question (11) and question (20). Therefore we can conclude that there is significant difference for the answers given to question (11) and question (20) by male and female. In question (20), males tend to more disagree that organization's employees are willing to help customers in a responsive manners, and on question (11) males tend to disagree that eemployee performance is measured and rewarded based on meeting customer needs and on successfully serving the customer. The **P** value for question number (11)

= 0.077, and for question number (20) the **P** value =0.029. For both questions the significance is at 0.10.

The second variable that is used in independent t-test sampling to examine if there is any differences in answers is ages between age 25-34 and 35-44. The results were like this, in question number (13) “my organization has the right technical personnel to provide technical support for the utilization of computer technology in building customer relationships” respondents between ages 35-44 tend to more disagree than respondents between ages 25-34. In question number 15 “My organization has the right hardware to serve our customers” respondents between ages 25-34 tend to more disagree than respondents between ages 35-44, and that’s because young employees in the organizations view top management doesn’t do the complete role in updating hardware and technological equipment. In question number (16) “Individual customer information is available at every point of contact” respondents between ages 35-44 tend to more disagree than respondents between ages 25-34. In question number (17) “My organization maintains a comprehensive database of our customers” respondents between ages of 35-44 tend to more disagree than respondents between ages 25-34. In question number (30) “No need for CRM system, our company has good customer approach” respondents between ages 25-34 tend to more disagree than respondents between ages 35-44. In question number (31) “The top management of our organization don’t cooperate with CRM system” respondents between ages 35-44 tends to more disagree than respondents between ages 25-34. Significant level (**B**) less or equal 0.05. The below table shows the differences between ages 25-34 and 35-44.

The third independent t-test sampling is for education, to test whether there is any differences between respondents who holds bachelor degree and respondents who

holds graduate degree. In question number (21) “My organization fully understands the needs of our key customers via knowledge leaning” respondents who holds bachelor degree tends to more disagree than respondents who hold graduate degree.

Table 7: one way ANOVA, comparing responses of different measurement levels to CRM questions

<u>Questions</u>		N	Mean	Std. Deviation
Customize offerings through ongoing dialogue with key customers	Account manager	22	3.86	1.082
	Marketing manager	64	4.25	.563
	Executive manager	14	4.07	.267
	Total	100	4.14	.697
All staff members treat customers with great care	Account manager	22	3.82	1.006
	Marketing manager	64	4.20	.510
	Executive manager	14	4.14	.535
	Total	100	4.11	.665
My organization make effort to find customer needs	Account manager	22	3.68	.716
	Marketing manager	64	4.11	.538
	Executive manager	14	3.86	.663
	Total	100	3.98	.619
My organization established clear goals related to customer acquisition	Account manager	22	3.77	.813
	Marketing manager	64	4.14	.432
	Executive manager	14	4.36	.497
	Total	100	4.09	.570
Employees are willing to help customers in responsive manner	Account manager	22	3.82	1.006
	Marketing manager	64	4.33	.536
	Executive manager	14	4.21	.699
	Total	100	4.20	.711
It is hard to find training programs about CRM	Account manager	22	3.86	.941
	Marketing manager	64	4.19	.560
	Executive manager	14	4.50	.519
	Total	100	4.16	.677
Due to high cost and expenses it's hard to have CRM system	Account manager	22	3.86	.941
	Marketing manager	64	4.36	.574
	Executive manager	14	4.36	.497
	Total	100	4.25	.687
	Executive manager	14	4.07	.475
	Total	100	4.12	.671

Table 8: one way ANOVA Significant level for different measurement levels

<u>Questions</u>		Sum of Squares	df	Mean Square	Sig.
Customization offering	Between Groups	2.521	2	1.260	.073
	Within Groups	45.519	97	.469	
	Total	48.040	99		
Employees treat customers with care	Between Groups	2.444	2	1.222	.062
	Within Groups	41.346	97	.426	
	Total	43.790	99		
My organization achieve customer needs	Between Groups	3.239	2	1.619	.013
	Within Groups	34.721	97	.358	
	Total	37.960	99		
My organization establish clear goals	Between Groups	3.378	2	1.689	.005
	Within Groups	28.812	97	.297	
	Total	32.190	99		
Employees are willing to help customers	Between Groups	4.261	2	2.130	.013
	Within Groups	45.739	97	.472	
	Total	50.000	99		
It's hard to find training programs for CRM	Between Groups	3.599	2	1.800	.018
	Within Groups	41.841	97	.431	
	Total	45.440	99		
It hard to have CRM due to the high cost of it	Between Groups	4.210	2	2.105	.010
	Within Groups	42.540	97	.439	
	Total	46.750	99		

The last statistical analysis method is one way ANOVA, there are differences in the answers according to the position, at significant level = 10%. In question number (1) “Through ongoing dialogue, we work with individual key customer to customize our offerings” the post HOC comparison using the Tukey HSD test indicated that the mean score for the marketing managers was (M=4.25, SD=0.563) was significantly different than account manager (M=3.86, SD=1.08). On the other hand, executive managers (M=4.07, SD=0.267) didn’t significantly differs from marketing managers and account managers.

In question number (3) “All people in my organization treat key customers with great care” the mean score for marketing managers (M=4.20, SD=.510) was significantly different than account managers (M=3.82, SD= 1.0). On the other hand executive managers (M=4.14, SD= .535) was not significantly different than marketing managers and account managers.

In question number (4) “My organization makes an effort to find out what our key customer needs” the mean score for marketing managers (M=4.11, SD=.538) was significantly different than account managers (M=3.68, SD=.716). On the other hand, executive managers (M=3.86, SD=.663) was not significantly different than marketing managers and account managers.

In question number (9) “My organization has established clear business goals related to customer acquisition, development, retention and reactivation” the mean score for executive managers (M=4.36, SD=.497) was significantly different than account manager (M=3.77, SD=.813). On the other hand, marketing managers (M=4.14, SD=.432) was not significantly different than executive managers and account managers.

In question number (20) “My organization’s employees are willing to help customers in a responsive manner”, the mean score for marketing managers (M=4.33, SD=.536) was significantly different than account managers (M=3.82, SD=1.0). However, executive managers (M=4.21, SD=.700) was not significantly different than marketing managers and account managers.

In question number (24) “It’s hard to find training programs and seminars about CRM for our employees” the mean score for executive managers ($M=4.50$, $SD=.519$) was significantly different than account managers ($M=3.86$, $SD=.941$). On the other hand, marketing managers ($M=4.19$, $SD=.560$) was not significantly different than executive managers and account managers.

In question number (25) “a major barrier for implementing CRM system is the high cost of having it” executive managers and marketing managers ($M=4.36$, $SD=.497$, $M=4.36$, $SD=.574$) was significantly different than account managers ($M=3.86$, $SD=.941$).

As the answers of the questions vary according to the statistical analysis and the questionnaire sample, we conclude that there are several reasons that led to these answers and they are:

1. Lack of job fairness will lead to low satisfaction level from the employees, and in that particular case CRM cannot be implemented effectively without the satisfaction and the right connection with management and employees. CRM cannot be implemented on the surface, it’s true that CRM part of it is IT system and the other part is a strategy but the strategy is not only the way how employees interact with customers, it’s how CRM is adopted as a core fundamental strategy in the organizational culture, by doing internal CRM it must guarantee that employees are satisfied and happy about the working environment and the job in general.

Under job fairness, nepotism creates conflict inside the organization, putting the right qualified employee in the right position will provide healthy environment inside the organization and between employees, and also will resolve the conflicts.

2. The low knowledge about CRM leads to destructive results, a lot of the managers see CRM as an expenditure rather than investment, and the low experience in the CRM and marketing fields leads to answers that don't reflect knowledge about CRM.

3. According to the results and answers, employees decisions are controlled by the top management, in order for CRM to succeed there must be level of employee's empowerment to enhance CRM activities in better way and raise the confident in employees.

One of the research questions was to find what are the limitations of implementing CRM effectively in the Palestinian market, Based on article by (Ryal and Pyne. 2001) there are several questions that is used in the questionnaire to measure what are the limitations for implementing CRM in private sector organizations in Palestine, shockingly most of the limitation variables got high percentage of agreeability for instance, the variables for the limitations were, "Finding trained employees that know how to operate CRM system consider a barrier for the organization, It's hard to find training programs and seminars about CRM for our employees, a major barrier for implementing CRM system is the high cost of having it, Our company doesn't have CRM system due to the cost of it, The collected data used efficiently and effectively in order to serve customers in the maximum approach."

All of these limitations got high level of agreeability's in the answers of the respondents, that's shows that there is lack of important components that need to be filled in the Palestinian economy to improve the whole situation and the interaction process with customers. On the other hand there is low level of knowledge about CRM activities, there are number of companies that see CRM as expenditure rather than an

investment and that's because they don't see immediate profit and results on the short term from CRM. Customer Relationship Management requires investment and the results of these investments will come on the long run, but it's essential and permanent.

Table 9: Hypotheses Summary

Approved Hypotheses	Rejected Hypotheses
<p>H0-1: There is difference between Male and Female respondent's answers</p> <p>H0-2: There is there is difference between age "25-34" and age "35-44"</p> <p>H0-3: There is NO difference in the respondent's answers regarding their educational level.</p> <p>H0-4: There is NO differences in the respondent's answers regarding to their position</p>	<p>H1: There is NO difference between Male and Female respondent's answers to the questions.</p> <p>H2: There is NO difference between age "25-34" and age "35-44" in the respondents.</p> <p>H3: There is difference in the respondent's answers regarding to their educational level.</p> <p>H4: There is difference in the respondent answers regarding to their position.</p>

Research questions summary

1. Are private sector entities in the Palestinian market aware of the importance of CRM?

Some of the organizations aware of the importance of CRM but it's not implemented as a fully integrated system, CRM must be adopted in the organizational structure as a core fundamental strategy and that's not the case in most of the Palestinian companies in which part of CRM is implemented.

2. What are the limitations of implementing CRM?

The main CRM limitations in the Palestinian market are: lack of skills, low job fairness, skill scarcity, low knowledge about CRM and the high cost of CRM.

3. How do the social media intervention affect the need for effective CRM?

Now a days using social media in the businesses is becoming a need rather than an added value, social media is an effective tool in building long relationships with customers along with improving the communication level and interaction. Social media will reduce the costs of the company by taking a place in the advertising and communication field.

Chapter 5

RECOMMENDATIONS

The research was both challenging and fun to do, taking in consideration the continues economic instability due to the continues instable political situation in Palestine, there are some points I discovered during my research that can help to minimize the gap between the organizations and the customers, as well it will help to improve the knowledge and actions.

1. There are large segment that look at CRM as expenditure rather than investment. CRM doesn't bring immediate profit to the organization on the short run, it requires substantial amount of investment and it requires changing in the organizational structure itself, and enhancing data base.
2. There is a problem in the Palestinian market which is lack of training programs CRM field. The Palestinian market is considered to be a small market and the term CRM although it's practised but still it's not implemented efficiently and effectively, and the evidence to that is a lot of organizations in the Palestinian market during the survey and informal interviews, admit that they either implement CRM as a strategy that means good relationship with their customers, or IT system that characterize in collecting data and information about customer.

3. The low knowledge level about the marketing activities in general and about CRM tasks in particular makes it difficult to develop the activities in the organizations.

4. The high nepotism level in the organizations creates indirect reason for not implementing CRM and marketing activities in efficient and effective way, basically putting the right person in the right place will increase the level of efficiency.

5. Although there are high number of people who hold bachelor and graduate degree according to the sample, during the collecting process and the ongoing interviews, the managers doesn't necessary holds marketing or business degree, which we also will lead to misconception in the whole process, it's important for the person that is in charge to be qualified and holds a degree that will make him suitable for running business and marketing activities, it's important to notify that this comes to due to the nature of the society and the community, never the less there is an upcoming movement towards organizational fairness and equal job opportunities.

6. Organizations must look at CRM beyond the surface, most of the Palestinian organizations have either good strategy for customer interaction, IT system or both. But organizations should adopt CRM as a core strategy and inject it in the organizational culture, which means the strategy for the organizations should be customer centric as well CRM should be implemented internally on employees and staff members.

7. There should specialists in CRM and further more studies to be made in order to spread the knowledge about Customer Relationship Management in the Palestinian market.

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APPENDIX

Appendix: Questionnaire



My name is Samer Rashed, I am graduating student at Eastern Mediterranean University. My topic is about CRM in Private Sector Entities in the Palestinian Market and the Intervention of Social Media please help me to fill this questionnaire for my Thesis. The information will be used only for research purposes and will be kept confidential.

Gender	<input type="checkbox"/> Male	<input type="checkbox"/> Female		
Age	<input type="checkbox"/> 25- 34	<input type="checkbox"/> 35-44	<input type="checkbox"/> 45-54	<input type="checkbox"/> Above 55
Educational Level	<input type="checkbox"/> Secondary	<input type="checkbox"/> Bachelor	<input type="checkbox"/> Master	<input type="checkbox"/> PHD
Position	<input type="checkbox"/> Account Manager	<input type="checkbox"/> Marketing Manager	<input type="checkbox"/> Executive Manager	
Years of Establishment	<input type="checkbox"/> 1-5	<input type="checkbox"/> 6-10	<input type="checkbox"/> 11-15	<input type="checkbox"/> More than 15

		☺		☹		☹
	Scale Item	Strongly Agree	Agree	Can't Determine	Disagree	Strongly Disagree
1	Through ongoing dialogue, we work with individual key customer to customize our offerings	1	2	3	4	5
2	My organization provides customized services and products to our key customers	1	2	3	4	5

3	All people in my organization treat key customers with great care	1	2	3	4	5
4	My organization makes an effort to find out what our key customer needs	1	2	3	4	5
5	When my organization finds that customers would like to modify a product/service, the departments involved make coordinated efforts to do so	1	2	3	4	5
6	Customer-centric performance standards are established and monitored at all customer touch points	1	2	3	4	5
7	My organization has the sales and marketing expertise and resources to succeed in CRM	1	2	3	4	5
8	Our employee training programs are designed to develop the skills required for acquiring and deepening customer relationships	1	2	3	4	5
9	My organization has established clear business goals related to customer acquisition, development, retention and reactivation	1	2	3	4	5
10	My organization commits time and resources in managing customer relationships	1	2	3	4	5
11	Employee performance is measured and rewarded based on meeting customer needs and on successfully serving the customer	1	2	3	4	5
12	Our organizational structure is meticulously designed around our customers	1	2	3	4	5
13	My organization has the right technical personnel to provide technical support for the utilization of computer technology in building customer relationships	1	2	3	4	5
14	My organization has the right software to serve our customers	1	2	3	4	5
15	My organization has the right hardware to serve our customers	1	2	3	4	5
16	Individual customer information is available at every point of contact	1	2	3	4	5
17	My organization maintains a comprehensive database of our customers	1	2	3	4	5
18	Customers can expect exactly when services will be performed	1	2	3	4	5
19	Customers can expect that my organization's employees respond to their requests promptly	1	2	3	4	5
20	My organization's employees are willing to help customers in a responsive manner	1	2	3	4	5
21	My organization fully understands the needs of our key customers via knowledge leaning	1	2	3	4	5
22	My organization provides channels to enable ongoing, two-way communication with our key customers and us	1	2	3	4	5
23	Customers can expect prompt service from employees of my organization	1	2	3	4	5
24	My organization provides customized services and products to our key customers	1	2	3	4	5

	☺		☹		☹
Scale Item	Strongly Agree	Agree	Can't Determine	Disagree	Strongly Disagree
Finding trained employees that know how to operate CRM system consider a barrier for the organization	1	2	3	4	5
It's hard to find training programs and seminars about CRM for our employees	1	2	3	4	5
a major barrier for implementing CRM system is the high cost of having it	1	2	3	4	5
Our company doesn't have CRM system due to the cost of it	1	2	3	4	5
The collected data used efficiently and effectively in order to serve customers in the maximum approach	1	2	3	4	5
It's not important to have CRM system in the organization	1	2	3	4	5
CRM is an expenditure rather than investment	1	2	3	4	5
No need for CRM system, our company has good customer approach	1	2	3	4	5
The top management of our organization don't cooperate with CRM system	1	2	3	4	5
Company teaches the importance of CRM to all employees' level	1	2	3	4	5