

Project title
The Effect of CRM on Customer Satisfaction Medium Project
(COMPANY A-SAUDIA ARABIA)

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Chapter 1: Introduction

Chapter 1

1.1Introduction:

Customer Relationship Management (CRM) is described as an approach to managing a company's engagement with current and potential customers through creating a trustworthy partnership. It focuses on data analysis and an evaluation of its history to build better relationships with customers, focusing specifically on customer retention and ultimately increasing revenue. The CRM program, which compiles information from various communication channels such as the client's web, the phone, email, the live chat, and resources and social media, is a primary aspect of the CRM strategy. By the CRM methodology and the tools utilized, businesses better understand how to meet their needs and target audiences. CRM systems allow businesses to communicate independently and at a relatively low cost with large customer groups. Businesses may gather individual customer experience and then formulate custom solutions and develop mutually beneficial relationships. Such approaches enhance the operational excellence of companies' headquarters and provide the ability to develop customer relations. The CRM approach aims to provide consumers with better benefits and to build good consumer connections. Throughout fact, it allows monitoring the engagement of the business with potential customers (Cavaliere, et al., 2021, p,1).

Today's customers are on average more educated and feel significantly more empowered compared to the customers of old times. For that, companies at different levels invest their resource to satisfy their customers through a long relationship. The value of the business relationship with customers involves managing the process that spans from different locations and directs its interaction with the customers (ElFarmawi, 2020, p).

Throughout fact, it allows monitoring the engagement of the business with potential customers. Nonetheless, several businesses do not have a primary concern in customer relationship management. CRM is concerned primarily with only those customer-focused companies and engaged in building long-term mutually beneficial relationships. Some businesses would like to personalize the client. The client is the most important reason for the company's success and is used to develop the objectives and business model of the enterprise. CRM is mostly needed in the services industry since it depends heavily on the individual client to pursue an intimacy strategy.

CRM systems are based on IT software to make this partnership simpler. We help manage consumers

effectively across various contact points, evolve in creative systems, learn individual customers, and provide them with tailor-made solutions (Cavaliere,et al.,2021.pp.1-2).

Currently, A basic business problem lies in the absence of data concerning the benefits of utilizing CRM in improving businesses relationship with customers .

declared that there is a need to study the relationship between the use of the CRM system and customer satisfaction in terms of beneficial interaction between them. The specific business problem that some small- to medium size companies in the US face is the lack of literature on links between CRM system and customer satisfaction and hence retention. Some businesses are not very convinced that the CRM system could affect customer satisfaction or increase their profitability This research sought to remedy this aspect by using a quantitative method and a correlation research design to explore how the CRM system affected customer satisfaction and profitability(ElFarmawi,2020,p1).

CRM is mostly needed in the services industry since it depends heavily on the individual client to pursue an intimacy strategy [32-36]. CRM systems are based on IT software to make this partnership simpler (Cavaliere,et al.,2021.p1)

The implementation of a CRM program can impact customer satisfaction and customer information for various reasons [62]. Likewise, the use of the customer satisfaction and customer experience strategy is prone to effects [63-71].CRM guarantees that its customers come home happy and strengthen their interaction with their consumers, and such activities reinforce the relation between sales representatives and clients.Customer satisfaction has important consequences for the economic performance of COMPANY Aing companies as customer loyalty and userbehaviour can be improved, and customer complaints and client defection risks are minimized. Customers are more effectively supported by customer relationship management systems and more reliable data in day-to-day operations. When different problems require fewer meetings with the client, customer satisfaction improves .This research aims to examine the effects of CRM in ... and how it helps the company pursue its dream of reaching global customer satisfaction excellence (Cavaliere,et al.,2021.p2).

The research determined if the correlation between the two variables (CRM system as predictor and customer satisfaction as a criterion) contributes to the development of the small-to-medium-sized companies in the US. The result was collated and tabulated within SPSS statistical program to compute the findings. The result showed the perfect linear relation between two variables, which

meant that the participants agreed that the utilize of the CRM system has impacted customer satisfaction. The CRM system aimed at improving the linkage with existing customers, finding new prospective customers, and winning back former customers. It could carry into influence with software, which assists in collecting and managing customer data. The research exposed that the CRM system can create profitability to firms once they permit its full operation. The CRM system applications can also offer the firms with the framework for performing the greatest business practices in every customer-facing interchange. The participants agreed that the CRM system provides a common platform for customer interaction and communication. They are responsiveness to customers and provided them with a comprehensive outlook of the entire customer life cycle. The following table reflects the statistics of these dimensions (ElFarmawi,2020,pp.3-4).

1.2. Research Problem:

Customer relationship management is important because it is the strongest and the most efficient approach in maintaining and creating relationships with the customers. Customer relationship management is not only pure business but also is the building of strong personal bonding within people. However, in this case, after making intensive research researchers found out there are companies that are unable to use it CRM effectively (Al-Suraihi,2020.p2).

1.2.1.Theoretical Gaps:

As the survey was conducted from their due to slow and weak CRM also they need to understand how important it is to maintain their customer's loyalty and make them satisfy so that they know what they can achieve through its proper implementation. Besides, managing existing clients and flourishing business strive to get more clients; however, it is still several issues and challenges in reality (Al-Suraihi,2020.p2).

1.2.2.Practical Gaps:

Learning about CRM can enhance the circumstance and help in testing better approaches for advertising and business proficiently. Hence in the era of business, every organization should be recommended to have full fledged knowledge of CRM to cope up with all the business needs and influence consumer behavior.

This study is conducted to help those companies reach and accomplish those needs.

Following previous researches and documented problems, this study attempts to fill the gaps by

examining the variables identified, sales, technology, customer service and customer satisfaction and their effect on the consumer behavior (Al-Suraihi,2020.p2).

This study addresses the following main research question:

"How the CRM system affected customer satisfaction ?"

1.3.Research Significant:

companies will survive by exploiting knowledge resources to maintain customer relationships more efficiently and effectively, as well as enhance their service quality. CRM is one of the successful management and marketing strategies that help companies increase their customer satisfaction, loyalty, and retention to build and manage long-term relationships (Al-Suraihi,2020.p2).

1.3.1.The theoretical importance:

The research highlights the importance of understanding customer needs and priorities through CRM systems to enhance business performance, contributing to the theoretical understanding of customer-centric strategies.

The findings suggest that the use of CRM systems in business can improve customer satisfaction, indicating a theoretical link between CRM systems and positive customer outcomes.

(ElFarmawi,2020,p1).

1.3.2.The practical importance:

The research fills the gap in the literature regarding the relationship between CRM systems and customer satisfaction in small-to-medium-sized companies in the US

The study develops a new survey instrument to assess the value-added of CRM systems in these companies, adding to the theoretical knowledge about the impact of CRM systems on customer satisfaction(ElFarmawi,2020,pp. 3-4).

1.4.Research Questions:

What is the effect of CRM on customer satisfaction?

How CRM build customer relationships "COMPANY A-SAUDIA ARABIA"?

How CRM can help "COMPANY A-SAUDIA ARABIA" understand their customers?

How does CRM help service quality "COMPANY A-SAUDIA ARABIA"?

How does CRM enhance customer communication to help "COMPANY A-SAUDIA ARABIA"?

1.5. Research Objectives:

To examine the effect of CRM on customer satisfaction.

To investigate the relationship between understanding customers and customer satisfaction
" COMPANY A-SAUDIA ARABIA".

To explore the service quality in customer satisfaction" COMPANY A-SAUDIA ARABIA".

To assess the effectiveness of enhancing customer communication in improving in customer
satisfaction "COMPANY A-SAUDIA ARABIA".

1.6. Research Hypotheses:

1.6.1.Main hypothesis H1:

There is a statistically significant positive relationship between CRM and customer satisfaction.

1.6.2. The first sub-hypothesis Ha:

There is a statistically significant positive relationship between understanding customers and
customer satisfaction.

1.6.3 The second sub-hypothesis Hb:

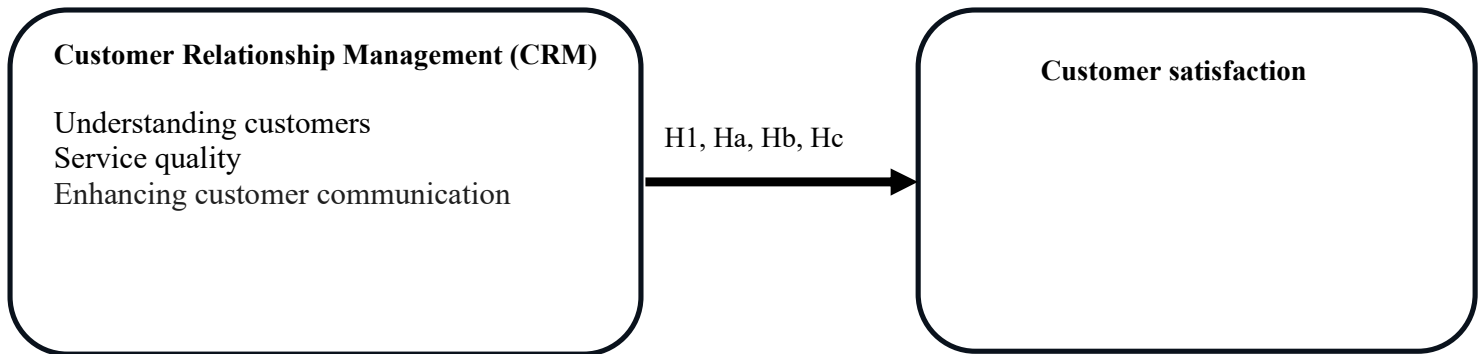
There is a statistically significant positive relationship between service quality and customer
satisfaction.

1.6.4 The third sub-hypothesis Hc:

There is a statistically significant positive relationship between enhancing customer communication
and customer satisfaction.

1.7. Research Model:

The following figure shows the relationship between the research variables and the research hypotheses as follows:



Designed by researcher.

1.9. Empirical Study:

(COMPANY A-SAUDIA ARABIA)

This paper seeks to determine if introducing the CRM program impacts consumer trust and faith in their COMPANY A and increases COMPANY A accountability with their business

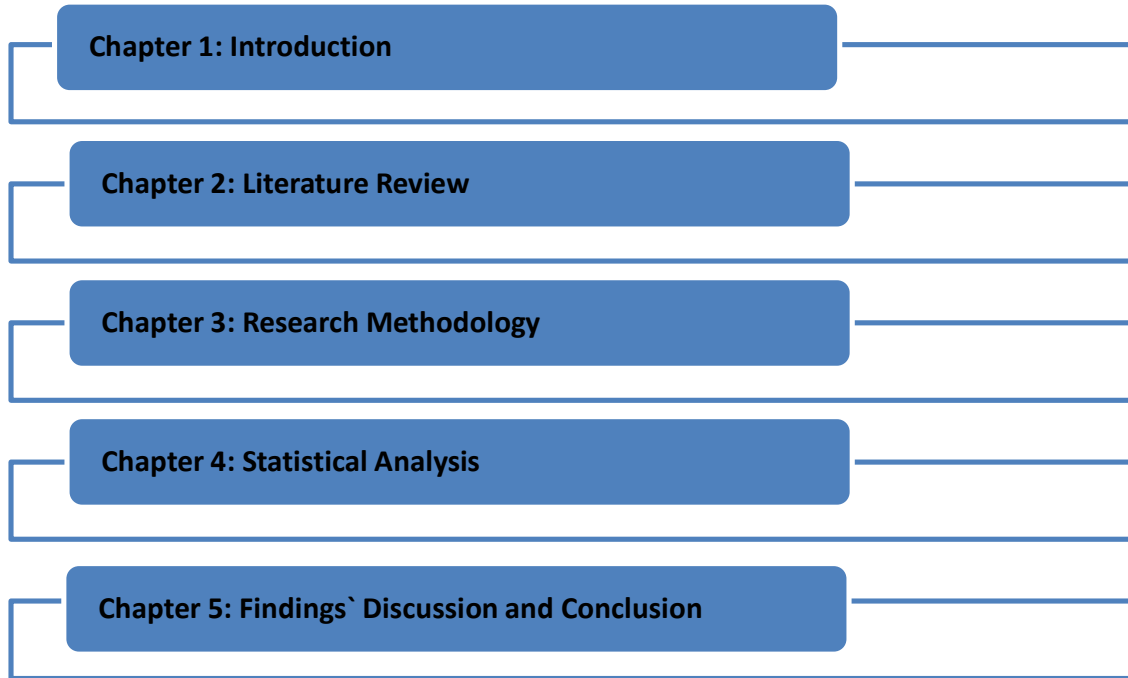
.This analysis aims to develop the parameters about the work process for measuring CRM reliability.

Measuring business process efficiency is becoming a key issue for the organization to achieve efficient and successful outcomes.

.If CRM increases COMPANY A accountability with its customers, it is an important question for COMPANY A regarding customer rights and duties (R&D). COMPANY A openness seeks to provide consumers of all levels of their interactions by way of language consistency, clarity of data concerning the same product/service with simpler and understandable details. Another topic that could shed light on the progress of CRM implementation in improving the partnership with the COMPANY A and that its trust and loyalty is to research consumers ' views about the program, emphasizing their opinions for accurate information on their specifications .

1.10 Project Structure:

Structure Project Suggested



Chapter 2: Literature Review

2. Chapter 2: Literature Review

2.1 overview

Today, four major changes shape the business environment. The first change is the gradual strengthening of the global economy. The second change is the transformation of industrial economies into knowledge and information-based service economies. The third change is the differentiation of business structures. Businesses are now based on flat, flexible teamwork. The fourth change is the emergence of a digital firm. Digital relationships are established between customers, suppliers, and

staff. Business processes are shaped through digital networks. Corporate assets are managed in a digital environment sensitively to environmental changes. Information systems provide companies with the necessary communication and analytical

power to manage commercial relationships and organizations on a global scale. Understanding and meeting individual customer requirements have been an important dimension for companies that want to gain a competitive advantage.

Satisfying the target audience and understanding the unique challenges facing customers is seen as an important issue (Demirel, D.2022.p2).

In today's dynamic world, building long-term client relationships through customer relationship management (CRM) methods is the key to maintaining stability. To achieve an advantage, a firm must differentiate itself via exceptional service and provide a consistent, convenient consumer experience. They may discard the belief that clients are only interested in making quick cash. Customer Relationship Management strategies are the most effective and efficient way to retain and build connections with customers, not just for commercial purposes, but also to foster strong personal bonds among individuals. Once a personal and emotional connection has been established, it is simple for a company to recognize a customer's true requirements and assist them in better serving them. CRM methods may assist ensure that everyone in the company understands what consumers want, and then follow up with actions, solutions, and resolutions based on that knowledge. where clients transfer from one firm to another in a short period of time. The researcher seeks to investigate the influence of CRM on customer satisfaction , the purpose of this study was to investigate the impact of CRM on customer satisfaction

(Alhakimi, W., & Ghaleb, A.2019.p2).

2.2 Customer Relationship Management (CRM)

2.2.1 CRM Definition

Customer Relationship Management (CRM) is a customer-oriented business strategy, with the ultimate goal of maximizing company profits and customer satisfaction. CRM is defined as the integration of coordinated sales, marketing and service strategies. CRM stores customer information and records all contacts that occur between the customer and the company, and creates customer profiles for company staff who need information about the customer. Experts have different definitions of CRM. Generally. it

can be concluded that CRM is a strategy and effort to establish relationships with customers and provide satisfying services for customers (M Rozahi, 2010). Another definition says that Customer Relationship Management is an integrated information system that is used to plan, schedule, and control pre-sale and post-sale activities in an organization. CRM covers all aspects related to potential customers and current customers, including call centers, sales forces, marketing, technical support and field services(Adnan,et al.,2021.p3).

2.2.2 Defining The Scope Of CRM

Defining CRM is required for developing a clear understanding of what CRM means to an organisation especially when lacking of such clear understanding is considered as a barrier to successfully implement CRM (Nguyen et al, 2007). Such a fact is significantly important when considering the wide range of CRM definitions in which CRM is understood differently by different people (Richard et al, 2007; Sathish et al, 2002; Winer, 2001). Although the view of possible convergence toward a common definition for CRM (Peelen et al, 2006; Boulding et al. 2005), different approaches are carried out to define CRM ranging from narrow definitions (technical) to broad definitions (strategic) (Payne and Frow, 2006). However, this broadness in defining CRM could be a result of the new emergence of the concept into two fields of study, Marketing and Information Technology (Da Silva and Rahimi, 2007). From a technical point of view CRM, Chen and Chin (2004) defined as CRM as a methodology that heavily employs certain information technologies such as database and Internet to leverage the effectiveness of relationship marketing process. On the other hand, the wider definition of CRM concentrates on strategic orientation of CRM. For instance, Gray and Byun (2001) have defined CRM as a primarily strategic business process issue rather than technology which consists of the following components: Customer, Relationship, and Management. For the scope of this research, CRM definition should cover major aspects of CRM and should focus on its objectives as the capability of CRM to achieve its objectives is highly dependent on its clear definition. Based on Payne (2004), Payne and Frow (2005) and Shang and Lin (2005), CRM definition for this research is: a strategic approach that integrates Process, People, and Technology cross functionally to understands organisation's customers, improve stakeholder value, and deliver profitable and long term relationships with the customers. Therefore, success factors for CRM lie in the scope of managing, integrating, and controlling CRM components (Almotairi, M..2009.p2).

2.2.3 CRM Components :

Although researchers have developed different definitions for CRM, these definitions are closely related. There is a general acceptance among researchers of the categorization of CRM components. CRM consists of three major components: Technology, people, business culture and relationship, and Process (Ali and Alshaw, 2003). The contribution to each component varies according to the level of CRM implementation. (Almotairi, M..2009.p2).

2.2.3.1 TECHNOLOGY :

Technology refers to computing capabilities that allow a company to collect, organise, save, and use data about its customer. Technology is the enabler for CRM systems to achieve their objectives of collecting, classifying, and saving valuable data on customers. Integration technology allows organizations to develop better relationship with customers by providing a wider view of the customer behaviour (Thompson et al., 2006). Thus, organizations are required to integrate IT to improve the capabilities of understanding customer behaviour, develop predictive models, build effective communications with customers and respond to those customers with real time and accurate information (Chen and Popovich, 2003). For an organization to integrate IT, concepts such as data warehouse, software customization, process automation, help desk and call centres, and internet influence should be addressed (Mendoza et al. 2007) (Almotairi, M..2009.p2).

2.2.3.2 .People:

Employees and customers are a key factor for successful CRM projects. CRM is built around customers to manage beneficial relationships through acquiring information on different aspects of customers. The main objective of CRM is to translate the customer information into customized products and services that meet the changing needs of customers in order to gain their loyalty. Nevertheless, a full commitment of the organization's staff and management is essential for an effective CRM implementation to best serve customers and satisfy their needs (Almotairi, M..2009.p3).

2.2.3.3 Business process

CRM is a business strategy that has its philosophical basis in relationship marketing (Chen and Popovich, 2003). CRM success requires a change of business processes towards customer – centric approach. As

such, all business processes that involve both direct and indirect interaction with customers should be analyzed and assessed (Mendoza et al. 2007). Although CRM has an organization-wide impact, process that has direct interaction with customers should be dealt with as a priority when integrating and automating business processes. According to (Mendoza et al. 2007) the main business processes that should be addressed in CRM implementation are: marketing, sales, and services (Almotairi, M..2009.p3).

2.2.4 EXPLORING CRM IMPLEMENTATIONS' FAILURES

The challenge of researching the causes of the problem of CRM failure has motivated many researchers and practitioners to contribute to the literature on CRM failure and its causes. Different reasons cause the failure of CRM to meet its objectives. While some of these reasons are inevitable, many can be avoided. In general, CRM failure is caused by the complexity of technical and organisational issues that are associated with CRM implementation. The field of CRM failure studies have provided a wide range for possible causes for CRM failure leading to identify some roots for the problem that prevent high number of implementations to realise their objectives. According to the lack of factors such as top management support, aligning internal processes, linking CRM project to organisation's higher-level strategies, focus on ROI (Return on Investment), achieving success early in the project. has supported some of the previous failure causes as he pointed out the following factors as causes for CRM failure: 1. Thinking of CRM as a pure technology; 2. Lack of management support; 3. Lack of customer-centric culture; 4. Lack of readiness process; 5. Poor quality data; 6. Lack of change management; 7. Lack of vision and strategy; 8. Lack of involving the final user in designing CRM solutions. Other evidences supporting previous factors is found in the work of Kale (2004) where the author has named seven reasons (sins) for CRM failure as the following: 1. Viewing CRM as a technology; 2. Lack of customer-centric vision; 3. Insufficient appreciation for customer life time value; 4. Inadequate support by top management; 5. Underestimating the importance of change management; 6. Failing in re-engineering business processes; 7. Underestimating difficulties related to data mining and data integration. Other studies have focused on more general factors as possible causes for the CRM failure. For example, in a study that involved 700 companies, Forsyth (2001) has argued that the causes of the CRM failure are: Organizational change (29%), Company policies/inertia (22%), little understanding of CRM (20%), and Poor CRM skills (6%). In addition, lacking of creating proper CRM strategy was mentioned as main reason by Rigby (2002). The researcher has highlighted four perils for CRM implementation that are to be overcome: implementing CRM before customer strategy, rolling out CRM before changing an organisation to match, assuming that more CRM technology is better, and

stalking, not wooing customers. However, other factors such as lack of focus on human/social factor (employee and customers) were the main problem behind the failure of CRM implementations and Nevertheless, misconceptions such as assuming that CRM is equal to customer acquisition and customer satisfaction is equal to customer loyalty or focusing only on profitable customers could contribute significantly to increasing CRM implementation failure (Almotairi, M..2009.p4).

2.2.5 CRM Success Factors :

Success factors have received increasing attention within the literature of CRM. Many publications of researchers and practitioners have addressed the area of CRM success factors (Pan et al. 2007). Table (1) and (2) are a summary for the previous studies on the CRM success factors. (Almotairi, M..2009.p4).

Table 1: CRM success factors(Almotairi, M..2009.p4).

King and Burgess (2007)	Chalmeta (2005)	Da Silva and Rahimi (2007)	Pan and et al. (2007)	Alt and Puschmann (2007)	Saloman et al (2005)	Mendoza et al (2006)
Top management support	Awareness among management	CRM philosophy	Evolution path	Evolution Path	Top management commitment	Senior management commitment
Communication of CRM strategy	Defining vision and objectives	Project mission	Timeframe	Timeframe	Change in corporate culture	Creating of multi disciplinary team
KM capabilities	Creation of committee	Top management commitment	Reorganization	Organizational redesign	Significant customer data	Objective definition
Willingness to share data	Official appointment of coordinates	Project schedule and plan	Minimize customization	System architecture	Clearly defined CRM processes	Inter-departmental integration
Willingness to change process	Development and approval of the project plan	Clint consultation	Time and budget management	Change management	Sufficient resources	Communication the CRM strategy to the staff
Technological readiness	Monitoring to control time slippage	Connectivity	Customer involvement	Top management support	Understanding of customer behaviour	Staff commitment

Cultural change / customer orientation	Prevent resistance to change	Skilful personnel	No culture conflict		Extensive IT support	Customer information management
Process change capabilities	Motivate staff	Technical tasks	Use of the CRM system managers			Customer service
System integration capabilities	Measure the degree of participation/Asses the results	Client acceptance	Measurement			Sales automation
		Monitoring and feedback	Management involvement			Marketing automation
		Communication				Support for operational management
		Troubleshooting				Customer contact management
		BPS and software configuration				Information systems integration

Table 2: CRM success factors (Almotairi, M..2009.p5)

Mankoff (2001)	Eid (2007)	Wilson et al (2002)	Goodhue et al. (2002)	Croteau and Li (2003)	Siebel (2004)	Chen and Chen (2004)	Roh et al. (2005)
Establish measurable business goals	Top management support	Gain champion/ sponsor	Top Management Support	Top Management Support	Clear communication of Strategy	Champion leadership and internal marketing	Process fit
Align business and IT operations	Organizational culture	Ensure market orientation	Vision	Technological Readiness	Back-office integration	Business-IT alignment	Customer information quality
Get executive support up front	Developing a clear CRM strategy	Define approval procedures which allow for uncertainty	Willingness to change process	KM capabilities	Software customization	System integration	System support
Let business goals drive functionality	Clear project vision/scope	Gain board awareness of strategic potential of IT	Willingness to share data			KM	Efficiency
Minimize customization by leveraging out-of-the-box functionality	Benchmarking	Identify need for business system convergence				Culture/structure change	Customer satisfaction

Use trained, experienced consultants	Employees acceptance	Organise around customer					Profitability
Actively involve end users in solution design	CRM software selection	Address culture change					
Invest in training to empower end users	Integration with other systems	Involve users in system design					
Use a phased rollout schedule	Training	Manage IT infrastructure					
Measure, monitor, and track	Realistic CRM implementation schedule	Leverage models of best practice					
	Enterprise performance metrics for CRM	Rapid strategy/action loop to experiment					
	Personalization	Prototype new processes					
	Customer orientation	Manage for delivery of benefits					
	Data mining	Design for flexibility					

2.2.6 THE SELECTION OF CRM SUCCESS FACTORS

The selection of CRM success factors for the scope of this research was based on two criteria:

1. the degree of acceptance for the factor by the literature which will be reflected in the percentage of the factor occurrence in the literature; 2. the linking between the success factor and the CRM failure causes as described in table 3. (Almotairi, M..2009.p5)

Table 3: justifying the selection of CRM success factors(Almotairi, M..2009.p6)

Success Factor	Percentage in the Literature	Reason for Selection
1. Top Management Commitment	80%	- Received wide acceptance by literature - Associated with CRM failure causes: Lack of top management commitment (Sherif and Newby, 2007; Chalmeta, 2006)
2. CRM strategy (clear development/ communication)	47%	- Received a relatively common acceptance by the literature - Associated with CRM failure causes: Lack of clear CRM strategy and vision (Sherif and Newby, 2007; Chalmeta, 2006)
3. Data management (quality / share)	40%	- Received a relatively common acceptance by the literature - Associated with CRM failure causes: Poor data quality, management, and integration: (Chalmeta, 2006); Kale, 2004; Missi et al, 2005)

4.	<i>Culture change</i>	47%	- Received a relatively common acceptance by the literature - Associate with CRM failure causes: lack of managing culture change(Chalmeta, 2006; King and Burgess, 2007)
5.	<i>Process change/structure redesign</i>	27%	- Received acceptable acceptance by the literature due to the wide spread of CRM success factors - Associate with CRM failure causes: lack of managing (poor) structure change and re- (designKale, 2004; Forsyth, 2001)
6.	<i>IT systems (management/integration</i>	67%	- Received wide acceptance by literature - Associated with CRM failure causes: Poor IT management/integration (Brink, 2005 ; Meyer and Kolbe,2005)
7.	<i>Skilful, Motivated, and trained staff</i>	40%	- Received a relatively common acceptance by the literature - Associated with CRM failure causes: Lack of skilful employees (Forsyth, 2001; (Bohling et al, 2006)
8.	<i>Customer involvement/consultation</i>	27%	- Received acceptable acceptance by the literature due to the wide spread of CRM success factors - Associate with CRM failure causes: Lack of customer's involvement Plakoyiannakiet al, 2008 ; McCalla et al, 2003)
9.	<i>Monitoring, controlling, measuring, and feedback</i>	33%	- Received acceptable acceptance by the literature due to the wide spread of CRM success factors - Associated with CRM failure causes: Lack/poor of CRM measures (Mendoza et al, 2007)
10.	<i>Inter-departmental integration</i>	33%	- Received acceptable acceptance by the literature due to the wide spread of CRM success factors - Associated with CRM failure causes: Lack of cross-functional/inter-departmental integration (Sherif and Newby, 2007; Mayer, 2005)

CRM success factors are by nature related to its components either directly or indirectly (Mendoza et al, 2007). To relate CRM success factors to its components, each factor should be define to identify the nature of the factor in terms of its relation to CRM components taking to consideration that more than one component could dominant one factor. (Almotairi, M..2009.p7)

2.2.6.1.Top management commitment

This factor focuses on the willingness of the top level management to provide sufficient and necessary recourses needed to the implementation process.

2.2.6.2. CRM strategy

This factor focuses on the clear definition of CRM strategy and its alignment to the organisation's general strategy.

2.2.6.3.Data management

This factor focuses on acquiring and analyzing the right quantity and quality of information on customers to help to meet customer's needs. •

2.2.6.4.Culture change :

The ability of the organisation to transform into customer-oriented and to consider CRM as an organisation philosophy that is shared organisation-wide.

2.2.6.5. Process change/structure redesign

This factor focuses on developing necessary changes in the organisation's structure and the related process to fit CRM compatibility including the hierarchy and reporting relations

2.2.6.6. IT systems

This factor focuses on the availability and management of technological resources including data warehouse management, ERP capabilities, internet facilities, and software selection and configuration.

2.2.6.7 Skilful, Motivated, and trained staff This

factor focuses on the availability of experienced and qualified personnel and the ability of providing training programs.

2.2.6.8. Customer involvement/consultation:

This factor focuses on consultation, interaction, and communication with customer through enhancing interaction between the organisation and the customers.

2.2.6.9. Monitoring, controlling, measuring, and feedback :

This factor focuses on creating and implementing measurements for CRM implementation and CRM impact on the organisation's performance as well as developing appropriate channels to gain feedback for enhancing the learning process of CRM implementation for required improvements .

2.2.6.10. Inter-departmental integration:

This factor focuses on the integration of different departments and areas of the organisation to meet the general objectives of CRM and the main company's objectives as well as the objectives of these departments.

Success factor	People	Technology	Process
Top Management Commitment	x		
CRM strategy (clear development/ communication)	x		X
Data management (quality / share)		x	X
Culture change	x		X
Process change/structure redesign			X
IT systems management/integration (		x	
Skilful, Motivated, and trained staff	x		
Customer involvement/consultation	x	x	x

Monitoring, controlling, measuring, and feedback			x
Inter-departmental integration	x		x

Table 4: linking CRM success factors to its components

2.3. Customer satisfaction

2.3.1 What Is It?

Recent interpretations in the consumer domain now couch satisfaction as a fulfillment response.

Fulfillment implies that a consumption goal is known, as in basic motives of hunger, thirst, and safety.

However, observers of human behavior understand that these and other goals can be and frequently are modified and updated in various ways. Thus, consumer researchers have moved away from the literal meaning of satisfaction and now pursue this concept as the consumer experiences and describes it. In

Oliver (1997, p. 13), the following definition has been proposed as being consistent with the conceptual and empirical evidence to date: Satisfaction is the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment. Here, pleasurable implies that fulfillment gives pleasure or reduces pain, as when a problem in life is solved. Thus, individuals can be satisfied just to get back to normalcy, as in the removal of an aversive state (e.g., pain relief). Moreover, fulfillment is not necessarily limited to the case of met needs. Over-fulfillment can be satisfying if it provides additional unexpected pleasure; and under-fulfillment can be satisfying if it gives greater pleasure than one anticipates in a given situation. Note that it has not been

necessary to provide a separate discussion of dissatisfaction. If the word displeasure is substituted for pleasure in the satisfaction definition, dissatisfaction results. Thus, the displeasure of under-fulfillment typically is dissatisfying and, interestingly, over-fulfillment may be dissatisfying if it is unpleasant – the case of “too much of a good thing.” (Oliver, R. L., 2006.p2).

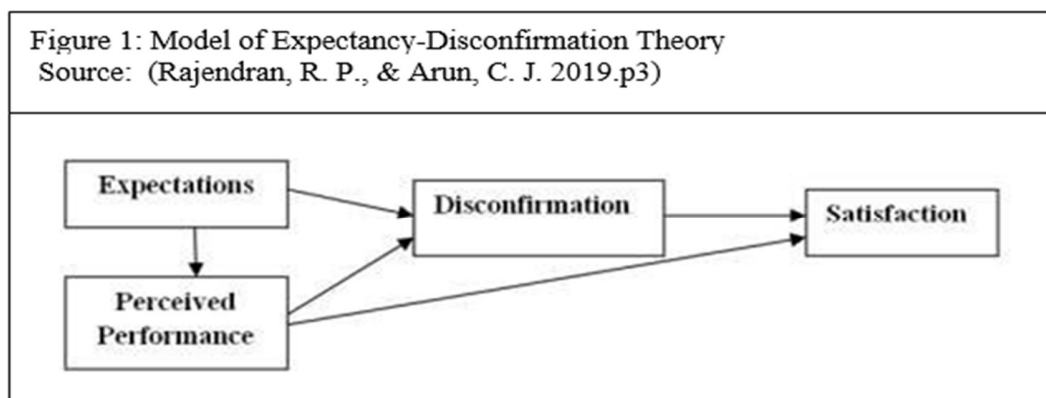
Customer satisfaction indicates how well the product use experience compares to the buyer’s value expectations (Razak & Shamsudin, 2019). It is the expectation perceived by both customer and consumer before purchasing and experiencing the product or services (M. F. Shamsudin, Nurana, Aesya, & Nabi, 2018). According to (Parasuraman, Berry, & Zeithaml, 1993; Parasuraman, Zeithaml, & Berry, 1994), since satisfaction is directly linked to customer experience, customers want more than just simple value (Berry, Zeithaml, & Parasuraman, 1985); they want businesses to overwhelm and surprise them by going above and beyond the ordinary to meet their needs and wants. Essentially as according to (Muhammad, Farid Shamsudin, & Hadi, 2016; M. F. Shamsudin, Nurana, et al., 2018; Mohd Farid Shamsudin, Esa, & Ali, 2019) customer expectations entails extraordinary delivery on i) service - the intangible value offered to customers (Alteren & Tudoran, 2016; Gligor, Gligor, & Maloni, 2019; O’Dwyer & Gilmore, 2018; Rapp, Beitelspacher, Schillewaert, & Baker, 2012); ii) quality - customers’ perception of how well a company’s products and services meet expectations (Amin et al., 2017, 2019; M.-K. Kim, Park, & Jeong, 2004; Mwakatumbula, Moshi, & Mitomo, 2019); iii) image - customer’s perception of the company or business they interact with – example: airline stewards, customer service centre, waiter, hotline call (Basha, Mason, Shamsudin, Hussain, & Salem, 2015; M. F. Shamsudin, Nurana, et al., 2018; M.F. Shamsudin et al., 2018; Mohd Farid Shamsudin, Ali, Wahid, & Nadzri, 2019; Mohd Farid Shamsudin, Esa, et al., 2019); and finally iv) price - the commanded price by institution for goods and services and that customers are willing to pay (M.Shamsudin et al., 2015). (Hamzah, A. A., & Shamsudin, M. F.,2020.p. 2).

2.3.2.Theories of Customer Satisfaction :

Since the inception of the concept of customer satisfaction, a number of different theories have been postulated for explaining the same. Some of these theories include the Expectancy-Disconfirmation Paradigm (EDP), the Value-Precept Theory, the Equity Theory and the Performance-Importance model. Oliver (1977; 1980) proposed the Expectancy-Disconfirmation Paradigm (EDP) as one of the most promising theoretical frameworks for the measurement of customer satisfaction. The theory states that consumers have some prior expectations about the anticipated performance during purchase of products

or services. This expectation becomes the baseline for judging the performance of the product or service. After use or consumption, their outcomes are compared against prior expectations. If it matches the expectations, there is confirmation; else there is disconfirmation due to difference in actual performance and expectations. A consumer is satisfied or dissatisfied depending on the positive and negative discrepancy between the expectations and perceived performance.

(Rajendran, R. P., & Arun, C. J. 2019.p3).



However, there are few limitations in the EDP theory and many researchers have analyzed and criticised these problems. The first limitation is that customers with little or no experience or knowledge of products and services may not provide a valid expectation (Haistead et al., 1994). On the other hand, experienced customers may have better awareness and knowledge which may result in more accurate expectation (Day, 1977). The second limitation is that the post-purchase evaluation may not be based on pre-purchase expectations. According to Whipple & Thach (1988), it is proven that there is high chance of the evaluating criteria changing over time with learning or circumstances which renders the initial expectation framework illogical. The third limitation is that the meaning of expectation is not the same for everyone and respondents may perceive it differently (Yuksel and Yuksel, 2008). Given these problems, the EDP theory for assessing customer satisfaction has to be used with caution and appropriate assumptions.

Since a number of researchers criticized the EDP paradigm on the grounds that using predictive expectations as primary determinant of customer satisfaction is not viable, Westbrook and Reilly (1983) proposed the Value-Precept Disparity theory where values have been used as a better comparative standard than expectations. According to this theory, satisfaction is an emotional response triggered by a cognitive evaluative process in which post-purchase perceptions are compared to one's values, needs or desires (Westbrook & Reilly, 1983). A high disparity between one's values

and one's perceptions indicates high dissatisfaction. However, this theory was also criticized based on the fact that value alone is not sufficient and it requires realistic expectations (Yuksel and Yuksel, 2008).

Barsky (1992) used the Importance-Performance model to measure customer satisfaction which was originally proposed by Martilla and James (1977). This model states that satisfaction is a function of customer perceptions of performance by attributes and importance of that attribute. Thus, satisfaction is influenced by the customer's perceived importance of specific characteristics of product or service and how well these characteristics meet their expectations. According to Hemmasi et al. (1994), this is an effective futuristic technique which provides a direction and identifies areas to focus for improvement.

Another popular theory for assessing customer satisfaction is the Equity theory originally proposed by Adams (1963). Equity theory states that satisfaction exists when consumers perceive their output-toinput ratio as being fair (Swan & Oliver, 1989). The output and input analysis relate to the benefits received compared to the sacrifices made during the purchase of a product or service. A consumer feeling equitably treated depends upon a number of factors such as price paid, psychological costs, time and effort spent compared to the benefits obtained (Woodruff et al., 1983).

Some of the popular theoretical frameworks developed to assess customer satisfaction have been discussed. A commonly accepted notion among these theories is that satisfaction is an evaluative judgement which results from comparison to some standard. While several comparison standards have been proposed, there is no general consensus on which is the most appropriate to predict customer satisfaction (Yuksel and Yuksel, 2008). (Rajendran, R. P., & Arun, C. J. 2019,pp.4-5)

2.3.3.EVOLUTION OF CUSTOMER SATISFACTION INDICES

Recognizing its importance, marketing, and consumer behaviour researchers have conducted comprehensive studies on customer satisfaction for several decades (Spreng and Mackoy, 1996). Many individual companies and marketers track customer satisfaction on a one-time or continual basis. However, the research on customer satisfaction took a great leap with the introduction of customer satisfaction indices at the national level (Ragu Prasad and Suresh, 2017). In an effort to promote quality and competitiveness of its market and industry, Sweden became the first country to establish a national economic indicator reflecting customer satisfaction in the year 1989 (Fornell, 1992). The idea was to develop an index to gauge how effectively companies and industries satisfy their customers. The CSI intended to provide customers' evaluation of the quality of products and services at the company

level and also facilitate a cross-company and industry level comparisons (O'Loughlin and Coenders, 2004). A Customer Satisfaction Index (CSI) represents a uniform and comparable measurement system for measuring, monitoring and improving customer satisfaction across firms and industries (Fornell et al., 1996). As the economy changes, theories and measures for performance evaluation must also change. The present financial indices or measures such as market share, profitability, productivity, etc. cannot be used effectively as standalone metrics without taking into account the quality of output and customer satisfaction. Hence, CSI acts as a complement to these conventional indices (Fornell et al., 1996). It provides an established system for systematic benchmarking over time across firms and a gauge of how well companies satisfy their customers (Fornell, 1992). The national CSIs provide benefits to various stakeholders, from customers at the micro level who can use it to make purchase decisions to greater entities such as government, economists and business stakeholders at the macro level (Bruhn and Grund, 2000). This distinct idea of developing and implementing a standard metric based on customer satisfaction at national level served as an inspiration for this research. Hence, it is worthwhile to review the evolution of the national customer satisfaction indices (Rajendran, R. P., & Arun, C. J. 2019.p5)

2.3.3.1 Swedish Customer Satisfaction Barometer (SCSB)

The Swedish Customer Satisfaction Barometer (SCSB) was the first national customer satisfaction index for consumer products and services developed in 1989 (Fornell, 1992). The original SCSB model shown in Figure 1 consists of two antecedents of customer satisfaction i.e. perceived performance and customer expectations.

Perceived performance refers to the perceptions of customers regarding the product or service while expectations refer to the anticipated performance by the customers. Perceived performance represents perceived value i.e. perception of quality received compared to the price paid (Johnson et al., 2001). Fornell (1992) contended that when perceived performance i.e. value perceived by the customer increases, customer satisfaction increases. Similarly, based on Oliver (1980) model, expectations serve as the cognitive anchor in purchase decisions and hence, alleged to positively affect customer satisfaction.

The consequences of customer satisfaction are based on Hirschman's (1970) exit-voice theory. According to this theory, when a customer is dissatisfied with the firm or its products/services, the feedback is provided via two ways i.e. exit and voice. Exit refers to the state where customer exits or stops buying from the company, while voice refers to customers' complaining about their

dissatisfaction. Accordingly, the outcomes of satisfaction in SCSB model are customer complaints and customer loyalty. With higher satisfaction, there will be lower customer complaints and consequently higher customer loyalty (Fornell, 1992). The rise in satisfaction level also increases customer loyalty. Loyalty refers to the customers' psychological predisposition to repurchase from the company, which is the ultimate dependent variable in the model (Johnson et al., 2001).

The index was computed using the data collected from a survey of customers of about 100 major firms from more than 30 industries in Sweden. The intention was to include a sufficient number of companies in each industry so that their combined sales would represent 70 percent of the Swedish market. The findings from the testing of SCSB model indicated that customers in Sweden were not very satisfied with many of their products and services. The results also revealed that homogeneity of demand and supply was responsible for variation in satisfaction across industries i.e. industries selling homogeneous products to a homogeneous market or differentiated products to heterogeneous markets typically had higher CSBs than other industries (Fornell, 1992). It was also found that monopolistic markets experienced lower satisfaction than competitive industries.).

(Rajendran, R. P., & Arun, C. J. 2019, pp.5-6)

2.3.3.2.American Customer Satisfaction Index (ACSI)

The American Customer Satisfaction Index (ACSI) was developed in 1994 based on inspiration from the original SCSB. The ACSI represents a customer-based satisfaction measurement system for measuring and monitoring the performance of firms, industries, economic sectors, and national economy (Fornell et al., 1996). The original SCSB model was used as the base to build the ACSI model (see Figure 2). The major distinction between ACSI and SCSB was the additional antecedents used in the ACSI. The SCSB model had two antecedents i.e. perceived performance and customer expectations, while the ACSI model has three antecedents i.e. perceived quality, customer expectations, and perceived value. Perceived quality refers to the degree to which the product or service offers key customer requirements i.e. customization and how reliably these requirements are delivered i.e. reliability (Johnson et al., 2001). The perceived value construct is evaluated using similar measurement items used in SCSB i.e. rating of the quality for the price paid and price paid for the quality. Moreover, perceived value is used as the mediator for both perceived quality and customer expectations towards customer satisfaction. Fornell et al. (1996) claimed that addition of the two variables i.e. perceived quality and value improves the explanatory power and diagnostic capacity of the ACSI model. Similar to SCSB, the consequences of customer satisfaction in the ACSI model is based on Hirschman's exit-voice theory and consists of two variables i.e. customer complaints and customer loyalty. The ACSI was

designed to be representative of the entire U.S. economy, which covered more than 200 firms from over 40 industries of seven vital sectors of the economy. The index was computed using the survey data from a large representative sample of around 40,000 customers of major firms from different industries (Fornell et al., 1996). The national ACSI scores were then published on a quarterly basis during the study. The overall ACSI score was 74.5 in 1994, which then reduced to 72.4 in 1996 (Q2). The results of the ACSI model testing showed that the variance explained for customer satisfaction i.e. average R² was 0.75; while for customer loyalty, it was 0.36. It was found that the effect of quality on customer satisfaction was greater than perceived value across all sectors. However, the effect of customer expectations on customer satisfaction was not significant and high enough, as expected (Fornell et al., 1996). The National Quality Research Centre (NQRC), Michigan Ross School of Business collects yearly customer survey data and publishes annual reports on ACSI. It is one of the popular and widely used models for measuring and monitoring customer satisfaction on a yearly and quarterly basis by companies, marketers, analysts, government, and academicians (ACSI Methodology Report, 2005). Thus, the development of ACSI marked a significant step ahead in the evolution of national satisfaction indices. (Rajendran, R. P., & Arun, C. J. 2019, pp.6-7)

2.3.3.3. European Customer Satisfaction Index (ECSI)

Inspired by the successful development of SCSB and ACSI, a European feasibility study was coordinated in 1997-98 and the ECSI model was proposed. As presented in Figure 3, the model contains seven interrelated variables i.e. perceived quality, expectations, image, perceived value, customer satisfaction, complaints and customer loyalty (Eklöf et al., 1999). According to Johnson et al. (2001), the ECSI model varies from the ACSI in two aspects. The first is the addition of corporate image variable which is conceptualized to be an antecedent of customer satisfaction, and loyalty. The second difference is the exclusion of customer complaints as a consequence of satisfaction. According to Bayol et al. (2000), image, and customer complaints are two optional variables which are represented in dotted lines in the ECSI model. In 1999, the study was implemented in 11 European countries based on data from over 100,000 customer interviews across 10 industries (EPSI Report, 2007). The study measured the satisfaction index for three consecutive years. It was found that customers in Finland were the most satisfied, followed by Iceland, Ireland, Greece, and Portugal. Denmark, Sweden, and Russia had lower scores. The study revealed that for some industries like electricity, the expectations were higher than perceived quality. Hence, the expectations in terms of quality were not fulfilled. It was also noted that

the perceived value was given the lowest rating. Thus, a large gap between the expectations and quality or value resulted in a severe drop in customer satisfaction. The loyalty indices of most countries were around 0.7 (Eklöf and Westlund, 2002). Currently, an umbrella of European non-profit organization manages the EPSI (Extended Performance Satisfaction Index) rating initiative which collects, analyzes and disseminates information about customer satisfaction and how organizations are perceived by their stakeholders (EPSI Report, 2007) (Rajendran, R. P., & Arun, C. J. 2019, pp.7-8)

2.3.3.4 .Norwegian Customer Satisfaction Barometer (NCSB)

The first NCSB model was similar to the ACSI model with an exception that it included corporate image and its relationship with customer satisfaction and customer loyalty (Johnson et al., 2001). The perceptions of an image of the company held in the consumer's memory positively affect customer satisfaction (O'Loughlin and Coenders, 2004; Sondoh et al., 2007; Bayol et al., 2000). Hence, image was predicted to be an antecedent of customer satisfaction in the NCSB model. To keep in trend with the shift towards more focus on customer relationship, the model was improvised by including the relationship commitment construct. Johnson et al. (2001) comprehensively reviewed all national CSIs, analyzed their strengths and weaknesses and proposed a new NCSB model which was an improvisation on the limitations and flaws of the previous CSIs. The new model eliminated customer expectations and instead included corporate image. Due to the cross-sectional nature of the survey data collected after purchase, the data related to the corporate image are actually the post-purchase perception of the consumers. Based on this rationale, it was incorporated as a consequence of customer satisfaction in the new NCSB model. The second modification was the replacement of the value construct with the pure price construct as an antecedent of both customer satisfaction and loyalty. Johnson et al. (2001) argued that since quality is a part of the value, the quality-value relationship is perplexed. Also, in the ACSI and SCSB models, the linkage between expectations and value is not clear. Hence, the value was replaced by pure price construct which is a comparison of product price vs. expected price and competitor's price. The third change involved was the inclusion of relationship commitment and corporate image as predictors of customer loyalty. And final change was the addition of complaint handling as a predictor of both customer satisfaction and loyalty. Johnson et al. (2001) proposed that efficient complaint handling affects the probability of repurchase by customers or recommending it to others. Also, they measured the quality construct using SERVQUAL scale (Parasuraman et al., 1988), unlike the overall quality scales in other CSIs. Thus, the new NCSB model as shown in Figure 4 was

vastly different from the previous CSIs. The model was validated using customer data from various companies across five industries (airline, COMPANY As, service stations, bus transportation, and train transportations) in Norway. A total of 19 items from SERVQUAL (Parasuraman et al., 1988) to measure quality and 22 items to measure other constructs were used. The study results showed that the model successfully isolated all the constructs. Perceived price had a considerable effect on satisfaction, but not on loyalty across all industries. However, commitment variables showed a significant impact, where affective commitment had a stronger relationship with satisfaction and loyalty. The effect of the corporate image was small but significant across all industries. The direct impact of satisfaction on loyalty was low but significant for each industry. It was greater where the customers had more alternatives such as COMPANY As, gas stations and airlines (Johnson et al., 2001). Since most of the dimensions of SERVQUAL did not have a significant effect on customer satisfaction, Johnson et al. (2001) proposed a recommendation that industry or company-specific drivers of customer satisfaction as proposed by Johnson and Gustafsson (2000) to improve the model explanatory power. (EPSI Report, 2007) (Rajendran, R. P., & Arun, C. J. 2019,p8)

2.3.3.5 Swiss Index of Customer Satisfaction (SWICS)

Inspired by other CSIs, a national customer satisfaction index for Switzerland was developed by researchers from the Universities of Basel, Switzerland. The SWICS model as shown in Figure 5 was different from ACSI and SCSB with only three constructs in the model. A new construct 'customer dialogue' was included apart from the traditional constructs of customer satisfaction and loyalty. It was conceptualized that customers with greater satisfaction are further interested in long-term dialogue and are more likely to be loyal to the firm (Bruhn and Grund, 2000). The model was tested based on the data collected in 1997 from a total of 3845 customers of various companies from 20 industries across 6 sectors. The model was validated with a good fit for all industries. The results revealed that customers in Switzerland seemed to be more satisfied than other countries with an overall index of 81.8. The index for customer loyalty was 79.9 while that of customer dialogue was 85.5. The results showed that both customer satisfaction and dialogue had an impact on loyalty, but varied by industry. However, satisfaction had the greater impact than customer dialogue. The more comparable and similar the core products/services are the more important is customer dialogue for loyalty (Bruhn and Grund, 2000). The researchers received a positive feedback for the SWICS results which reflected the successful implementation and high interest of many stakeholders in measuring customer satisfaction. (Rajendran, R. P., & Arun, C. J. 2019,p9)

2.3.3.6 Danish Customer Satisfaction Index (DCSI)

The Danish Customer Satisfaction Index (DCSI) was introduced in 2000 to understand customer perceptions, their level of satisfaction and their impact on future loyalty in Denmark. It was based on the ECSI model and the seven constructs from the ECSI were adopted in the DCSI model. The only difference was perceived quality divided into two components i.e. hardware/product quality and humanware/service quality (Martensen et al., 2000). The DCSI was tested using data from over 8000 interviews with customers of 30 companies from 8 different industries. The results showed that there was a huge gap between the highest and lowest CSI scores of industries. The highest was for soft drinks (CSI = 77) and the lowest for net telecommunications (CSI = 61). A prominent finding was that expectations had nil or very limited influence on both customer satisfaction and loyalty. Hence it was recommended to modify or remove expectations from the model in the future studies. Image was found to be the main driver of satisfaction. Overall, it was observed that the drivers had more impact on loyalty than satisfaction. In nutshell, the DCSI study was a successful application of the ECSI methodology in Denmark (Martensen et al., 2000) (Rajendran, R. P., & Arun, C. J. 2019,p9)

2.3.4. COMPARISON OF NATIONAL CUSTOMER SATISFACTION INDICES

The review of the popular national CSIs highlighted the importance of customer satisfaction measurement and its successful application by various countries. The evolution of the CSI models has emphasized the fact that researchers over the years have learned from the past, modified their CSI models accordingly and implemented them successfully. Researchers have introduced some new variables, modified or dropped certain variables in the latter CSI models to improve their diagnostic ability and explanatory power.

he CSIs have also evolved in terms of the conceptualization and measurement of its variables. For example, in SCSB, there is only perceived value and no perceived quality (Fornell, 1992). Later in ACSI, perceived quality was separated from the perceived value (Fornell et al., 1996). In ECSI, perceived quality was differentiated into two variables such as product quality (hardware) and service quality (humanware) (Eklöf and Westlund, 2002). In NCSB, the SERVQUAL instrument (Parasuraman et al., 1988) was used to evaluate quality (Johnson et al., 2001). Similarly, various national CSIs conceptualized the same latent variables with different manifest variables. However, it is important that the manifest variables represent the distinct characteristics of the latent variable which they represent (Yang et al., 2004). The summary of all variables and manifests of some of the popular national CSIs

are presented in Table 1. Customer expectation was measured in SCSB using a single manifest variable; while in ACSI, it was measured using three manifests similar to perceived quality i.e. overall expectation, the expectation for reliability and features of products or services. The empirical studies suggest that it has little or no influence on customer satisfaction in most circumstances. Though it was hypothesized as an antecedent of perceived quality and value in SCSB and ACSI, evidences from various studies showed that expectations had limited effect on other constructs. Hence, it was eliminated in the NCSB and SWICS models (Yang et al., 2004). In earlier studies on ECSI model, the corporate image was posited as the antecedent of customer expectations, satisfaction, and loyalty. Later, the application of ECSI on Denmark i.e. Danish CSI by Martensen et al. (2000) proved that image was a significant driver of satisfaction and loyalty with greater impact than other variables. Corporate image or reputation was introduced in NCSB as an independent latent variable. However, in the new NCSB model, the corporate image was posited as an outcome of satisfaction and driver of loyalty which was found to be significant (Johnson et al., 2001). The conflicts regarding the roles of corporate image in CSI models arose from its varying conceptual assumptions and connotations (Yang et al., 2004). Customer satisfaction, however, was uniformly measured across all national CSIs using three manifest variables i.e. overall satisfaction, fulfilment of expectation and comparison with ideal product or provider. On the other hand, customer loyalty was measured differentially for the various CSIs. In SCSB and ACSI, it was measured using two manifests i.e. repeat purchase intention and price tolerance (Fornell, 1992; Fornell et al., 1996). In ECSI, the customer word-of-mouth i.e. intention to recommend was included (Eklöf and Westlund, 2002). In NCSB, loyalty was represented as a behavioural and attitudinal entity with repurchase intention, intention to speak favourably about the company to others i.e. advocacy and intention to recommend (Johnson et al., 2001). The customer loyalty measure in SWICS included three manifests i.e. repurchase intention, intention to switch and intention to recommend (Bruhn and Grund, 2000). The researcher has derived certain interesting insights from comparison of the methodology and results of various CSIs. A detailed comparison of the CSIs based on their model composition, the sample used for validation and major findings are presented in Table 2. (Rajendran, R. P., & Arun, C. J. 2019, pp.9-10)

Latent/Manifest Variables	SCSB	ACSI	ECSI	NSCB	SWICS
Customer Expectations	Expectation for performance	Overall expectation; Expectation for reliability; Expectation for feature	Overall expectation; Interactive expectation		
Perceived Quality		Overall perception of quality; Perception of reliability; Perception of features	Overall perception of quality; Meet requirements; Compared with competitors	Tangibles; Reliability; Responsiveness; Assurance; Empathy	
Perceived Value	Quality given price; Price given quality	Quality given price; Price given quality	Quality given price; Price given quality		
Corporate Image/ Reputation			Overall image; Business practice; Ethics; Social responsibility	Image compared to other companies; Image of the store; What friends say about image; Overall image	
Customer Satisfaction	Overall satisfaction; Fulfillment of expectation; Comparison with ideal	Overall satisfaction; Fulfillment of expectation; Comparison with ideal	Overall satisfaction; Fulfillment of expectation; Comparison with ideal	Overall satisfaction; Performance vs. ideal; Expectancy disconfirmation	Overall satisfaction; Satisfaction compared to expectations; Satisfaction compared to ideal
Customer Complaints	Complaints to personnel; Complaints to management	Has the customer complained?		The compensation offered by the company; Employees treated you politely and with respect when you complained	
Customer Loyalty	Repurchase intention; Tolerance of price	Repurchase behaviour; Tolerance of price	Repurchase intention; Intention to buy more; Intention to recommend	Likelihood of retention; Likelihood of speaking favourably about the company to others; Likelihood of recommending	Repurchase intention; Intention to recommend; Intention to switch
Perceived Price				Price compared to quality; Price compared to other companies; Price compared to expectations	
Customer Dialogue					Willingness to contact the provider; Easiness of dialogue;

Table 1: Comparison of Latent and Manifest Variables of Various National CSIs Source : (Rajendran, R. P., & Arun, C. J. 2019,p11)

Table 2: Comparison of Model, Methodology and Findings of Various National CSIs Source : (Rajendran, R. P., & Arun, C. J. 2019,p12)

CSI	Variables in the Model	Sample Size	Findings
SCSB	Customer expectations, Perceived performance (value), Customer complaints, Customer loyalty	25,000 respondents 100 firms from 32 industries	- Customers in Sweden were not overly satisfied with many products and services - Industries selling homogeneous products to homogeneous market or differentiated products (services) to heterogeneous market typically had higher CSB than other industries - Monopolies experience lower CSB than competitive industries
ACSI	Customer expectations, Perceived quality, Perceived value, Complaint complaints, Customer loyalty	44,994 respondents 200 companies across 7 sectors	- The national ACSI score - 74.5 - Variance explained (R^2) Customer satisfaction-0.75 Customer loyalty-0.36 - The impact of quality on customer satisfaction was greater than value - The effect of customer expectations was not significant and high as expected
ECSI	Customer expectations, Perceived quality, Perceived value, Image, Complaints, Loyalty	Over 100,000 interviews 4 industries across 11 countries	- Customers in Finland were the most satisfied; whereas Denmark, Sweden and Russia were the least satisfied - For some industries like electricity, expectations were higher than perceived quality. Thus, expectations in terms of quality were not fulfilled - Larger gap resulted in a severe drop in customer satisfaction - Perceived value was given the lowest rating - Loyalty indices of most countries were around 0.7
NCSB	Quality, Price index, Corporate image, Complaint handling, Customer loyalty	~250 respondents per company 42 companies from 12 industries	- Corporate image and satisfaction were two important routes to customer loyalty for most service companies - When quality differences are hard to detect for the customer, an improved corporate image may help to retain existing customers and attract new prospects
New NCSB	Quality, Price index, Corporate image, Complaint handling, Affective commitment, Calculative commitment, Customer loyalty	2,755 respondents 5 industries	- This model explained more variance in loyalty than other national indices - The quality dimensions (SERVQUAL) did not significantly affect satisfaction - Effect of satisfaction on loyalty was greatest in those industries where customers had more choices such as banks, gas stations and airlines - Recommendation - Employ overall, generic quality scale for national models - Limitation - Based on data from small economy
SWICS	Customer dialogue, Customer satisfaction, Customer loyalty	3,845 respondents 20 industries across 6 sectors	- Both customer satisfaction and dialogue impact loyalty, but vary by industry - However, satisfaction was more crucial - The more comparable and similar the core products/services were, the more important was customer dialogue for loyalty
Danish CSI	Customer expectations, Perceived quality (hardware and software), Image, Perceived value, Complaints, Loyalty	250 customers per company (8000 interviews) 30 companies 8 industries	- Expectations had nil or very limited impact on satisfaction and loyalty - Image was the main driver of satisfaction - Drivers had more impact on loyalty than satisfaction - Recommendation - To change or remove expectations in future ECSI model

Based on the learning from past CSIs, the latter CSIs were developed by introducing new variables, adapting existing variables, revising the interrelationships between variables and modifying the model composition. The aim was to improve the explanatory power of the CSI model by transforming it to be more relevant to their country and research context. A classic example is the eventual elimination of the customer expectations variable which was a prominent antecedent in ACSI and ECSI, but later removed in NCSB, SWICS, etc. Based on the findings from ACSI, it was observed that the effect of customer expectations on customer satisfaction and loyalty was not significant and as high as expected. Despite satisfactory results in ECSI, the DCSI study in Denmark which was based on the ECSI model showed that expectations had nil or very limited impact on satisfaction and loyalty. Hence, the study strongly recommended a change or removal of expectations in future ECSI model. With the transforming economy and greater competition, the perceptions of image of the company held in the consumer's memory became vital and corporate image emerged as a promising predictor of customer satisfaction and loyalty. ECSI, NCSB and DCSI employed corporate image which emerged as an important driver of customer satisfaction. Despite perceived quality being a primary antecedent of customer satisfaction in most CSIs, there were variations in its effect and significance, thus offering some noteworthy insights. In ACSI and ECSI, perceived quality was measured using a generic quality scale and was

found to have greater impact on customer satisfaction than other variables like value and expectations. In the new NCSB, the overall quality was replaced with five specific quality variables i.e. reliability, assurance, tangibles, empathy and responsiveness from SERVQUAL scale in an effort to improve the model explanatory power. However, these quality variables did not have a significant effect on satisfaction. Hence, it was recommended to adopt overall quality variable for national models and industry or company-specific quality variables for CSI studies on a smaller scale. Thus, it is evident that knowledge gained from past CSIs, the changing economy, country background, regional culture and community perceptions together played a crucial role in determining the development and conceptualization of the CSI models (Rajendran, R. P., & Arun, C. J. 2019,p12).

2.3.4. Customer Satisfaction and Customer Relationship Management(CRM)

Law et al. (2018) states that minimal academic research was undertaken to investigate the adverse aspects of CRM and thus, this could be considered as an area for future research. Moreover, according to Edinger, (2018) around one third of CRM projects fail, thus CRM could have its problems and this requires investigation. The failure is caused by the fact that CRM practices are used for monitoring and reporting rather than for attracting new sales, thus there is an unrealistic shadow interest in building a relationship with customers and the main concern of applying CRM is data entry about customers which leads to invading customer privacy and annoying customers with intrusion and burdens the organization with unnecessary expenses.

Furthermore, Sota, et al. (2019) note that nearly none of the articles handling CRM have analyzed the impact of CRM on new customer generation which is critical

Customers are the key for achieving company's success. For doing so, the company has to optimize customer's satisfaction and minimize various problems which correlate directly to customers. They, the customers will be positive convinced if their expectations from bought products or services can be met or even exceeded [1]. The current trend of dynamic progress and customer's needs can be solved if the company has reliable and wellorganized customer management systems which is well known as Customer Relationship Management (CRM)

2.5. Conclusion:

Customers' satisfaction at the company is in the good category. The highest score is on the statement "the company has a good quality product". The level of customer satisfaction at the company is effected by the customer relationship management (CRM) system implemented by the company. Which with CRM, the company enable study customer characteristics in detail, adjust company offerings to individual requests, and maintain the privacy of each customer.

Chapter 3: Research Methodology

3. Chapter 3: Research Methodology

3.1. Introduction

This chapter discusses the research types and research design, respondent and sampling procedure, questionnaire design, scaling technique, data collection and analysis which were used to conduct this research.

This chapter outlines the research methodology yemployed to investigate (COMPANY A-SAUDIA ARABIA)

It details the operational definitions for research variables,research design,research population&sampling methods andt echnique,datacollection methods,types of data,and data analysis methods&procedures.

3.2. Operational definitions for research variables

In research studies, operational definitions are key inclearly defining the variables being measured. An operational definition describes how a variable will be measured, observed, or manipulated. It helps researchers ensure that their studies are consistent, reliable, and valid.

3,2,1. CRM (The independent variable)

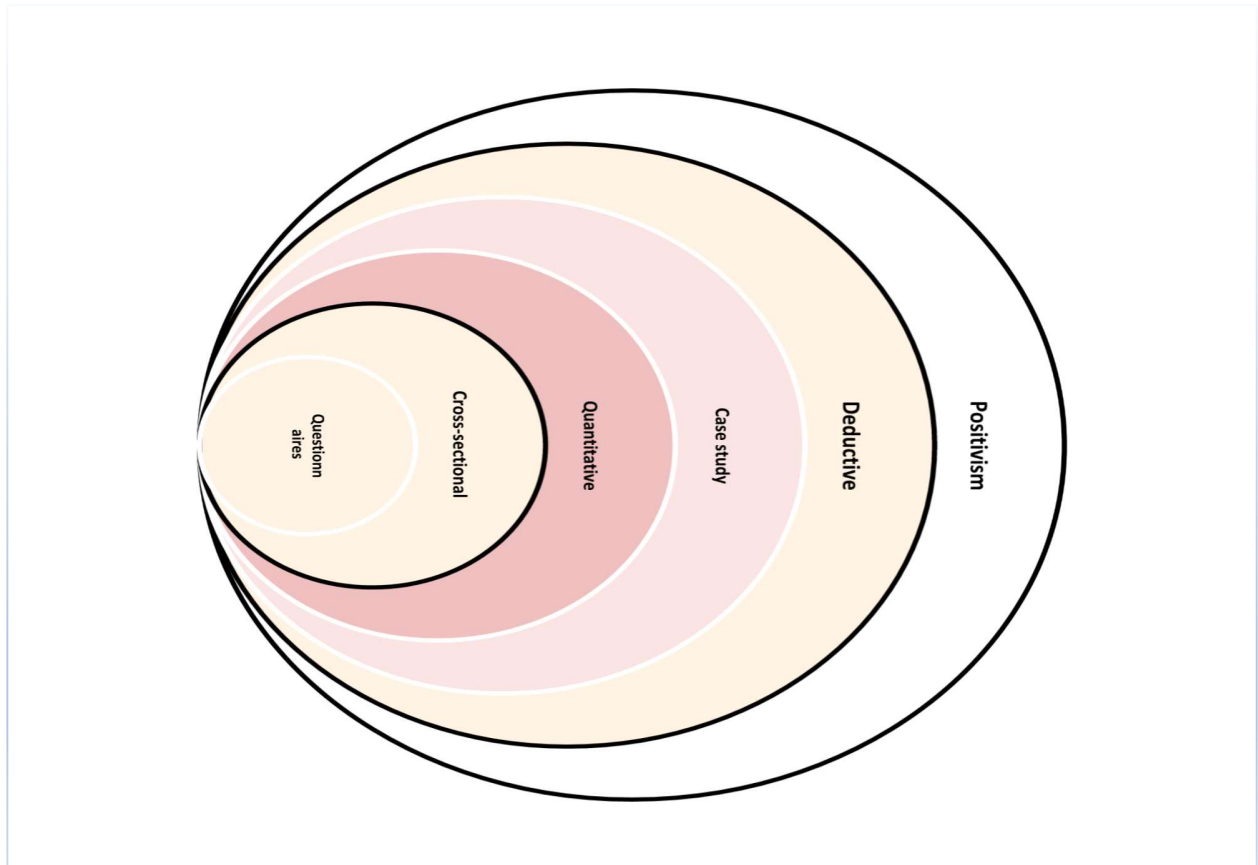
3,2,2. Customer Satisfaction (The dependent variable)

3.3. Research design (research onion)

This research is basically quantitative in nature. Descriptive research design has been used for this research, as it has clearly defined objectives .The research process is fully formal and structured, and data analysis is quantitative. This research design is usually a type of conclusive research, which has its major objective of describing something. It specifies the methods for selecting the sources of information and for collecting the data from the sources.

A quantitative survey was used as the primary strategy to obtain the needed information also. This research has administrated a single cross-sectional design in which only one sample of respondents is taken from the target population, and information was collected from this sample only once.

- Research philosophy: Positivism
- Research approach: Deductive
- Research strategy: Case study
- Research choice: Mono Method
- Time horizon: Cross-sectional
- Data collection and analysis techniques: Questionnaires



Designed by researcher.

3.4. Research population & Sampling methods and technique

The population of this research is based on all the individuals who are the recipients of Saudi's company's Medium Project.

. The representative sample of this population involves those individuals in Riyadh who have earlier assumed services from either public or private organizations. The study is limited by the small sample size, which may not be enough to fully represent the actual population. The sample size is 30.

3.5. Data collection method

Non-probability convenience sampling technique has been used as it is the least expensive and least time-consuming of all sampling techniques. The survey continued for 1 week from. SurveyHeart mobile app had been used to distribute the survey questionnaire. The survey link was Google Form shared with 50 respondents through WhatsApp. Out of 30 respondents, 40 respondents were participated in this survey. So, the sample size is 30.

3.5.1. Independent variable (CRM)

The researcher relied on the questionnaire of Jou, G. Y. (2018). In order to measure the independent variable (CRM), in terms of three dimensions:,, and, overall 10 items for the entire variable. Whereas the dimension consists of 3 elements, the flexibility dimension It consists of 3 elements, and the dimension consists of 4 elements. Type of instrument is Likert

Strongly agree, agree, neutral, disagree, strongly disagree

3.5.2. Dependent variable (Customer Satisfaction)

The researcher relied on the questionnaire of Ahmed, M. (2021). In order to measure the independent variable (Customer Satisfaction), in terms of three dimensions: cost reduction, flexibility, and quality, overall 10 items for the entire variable. Whereas the dimension consists of 3 elements, dimension It consists of 3 elements, and the consists of 4 elements. Type of instrument is Likert

Strongly agree, agree, neutral, disagree, strongly disagree

3.6. Types of data

This research is based on both primary and secondary sources of data

Primary data: Primary data have been collected from the recipients of Medium Project

(COMPANY A-SAUDIA ARABIA) who have previously assumed services from either public or private organizations through online survey. Subsequently, these data were analyzed into four steps involving demographic profile of the respondents, correlation analysis, regression analysis and factor analysis.

Secondary data: Secondary data have been collected from various journals articles, books, websites articles, statistical database and newspapers articles and reports. These data were mainly used to narrate the literature review chapter and research background of the introduction chapter and other necessary parts of this report.

3.7. Statistical analysis procedures

After collecting data, it is essential to analyze the information gathered to draw meaningful conclusions. As, the Statistical Package for the Social Sciences (SPSS), specifically version 28, were used to analyze the collected data.

The sample profile test was conducted, via descriptive analysis, to gain insights into the characteristics of the sample population. It helps researchers understand the demographics, preferences, and other relevant information about the individuals involved in the study.

Validity and reliability tests are crucial in ensuring that the data collected is accurate and consistent. Validity tests (Exploratory factor analysis) to determine if the research instruments measure what they are intended to measure, while reliability tests (Cronbach's Alpha test) assess the consistency of results over time.

The sample profile test was conducted, via descriptive analysis, to gain insights into the characteristics of the sample population. It helps researchers understand the demographics, preferences, and other relevant information about the individuals involved in the study.

3.8. Conclusion

The purpose of the study was to determine the impact of customer relationship management on customer satisfaction in the hotel industry. Descriptive analysis was carried out for demographic variables. Pearson product moment correlation was employed to carry out a correlation between different variables and linear regression was applied to portray the dependence of one variable on other variables.

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Appendix:

الرجاء وضع علامة (X) في الخانة التي تراها مناسبة:
أولاً: المعلومات الشخصية و الوظيفية

الجنس	ذكر	أنثى		
العمر	أقل من 30 سنة	من 31 - 40 سنة	من 41 - 50 سنة	أكثر من 50 سنة
المستوى التعليمي	ثانوي أو أقل	جامعي	دراسات عليا	
الخبرة	أقل من 5 سنوات	من 5-10 سنوات	من 11-20 سنة	أكثر من 20 سنة
المسمى الوظيفي	نائب مدير	رئيس مصلحة	موظف	وظيفة أخرى

القسم الثاني : إدارة علاقات الزبائن

الرجاء وضع إشارة (X) أمام العبارة المناسبة من وجهة نظرك :

الرقم	الفقرة	غير موافق بشدة	غير موافق	محايد	موافق	موافق بشدة
		1	2	3	4	5
المحور الأول : تطوير علاقات الزبائن						
01	تحرص الشركة على بناء علاقات دائمة مع الزبون .					
02	تحرص الشركة باستمرار على توسيع قاعدتها من الزبائن .					
03	تطلب الشركة من عملائها الخدمات الجديدة التي يفضلونها .					
04	تتم الشركة بتقييم خدماتها الموجهة من وجهة نظر الزبون .					
05	توفر الشركة للزبون خدمة تقديم الشكاوي و المقترحات .					

المحور الرابع : رضا الزبون						
16	تحرص الشركة على تبسيط إجراءات سير معاملات الزبائن .					
17	تتم الشركة بالإسراع في تنفيذ خدمات الزبائن .					
18	تقوم الشركة بتنظيم الخدمات المقدمة للزبائن .					
19	تحرص الشركة على توفير فترة الانتظار القصيرة للزبائن .					
20	تراعي الشركة أثناء تقديم خدمات للزبون العدالة بين زبائنهم وعدم اللجوء إلى المحسوبية .					
21	يعامل الموظفون الزبائن بطريقة حسنة ولائقة بمستواهم الاجتماعي .					