CUSTOMER RELATIONSHIP MANAGEMENT IN THE KINGDOM OF BAHRAIN

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ABSTRACT

Customer Relationship Management (CRM) is a new weapon to satisfy customers and increase their loyalty. The aim of this research is to evaluate CRM in the Kingdom of Bahrain. It attempts to evaluate the awareness, presence and to view the actual implementation of CRM in Bahrain. It also attempts to examine the objectives of CRM, lifecycle, benefits, pitfalls and the implementation of CRM. The paper combines both quantitative and qualitative research approaches. The quantitative research includes a questionnaire that is distributed to different business sectors in the Kingdom of Bahrain. On the other hand, the qualitative research includes interviews with two prominent business organizations in the Kingdom and a case study about CRM in the Bank of Bahrain and Kuwait.

Author Keywords: Customer Relationship Management, Customers, Business Organizations Cooperating in Bahrain.

INTRODUCTION

Theoretical Motivation of the Study

Globalization and the Internet have changed the whole competitive scope. Customers now have a variety of choices and, most importantly, they are becoming more and more demanding too. Dealing with customers has become increasingly complex in recent years. New products and services, new methods of marketing and lower brand loyalty have all added to how businesses relate to their customers. Customers who pay money to acquire an organization’s products or services want excellent services that delight them without caring how a company stores information or how data from various sources must be combined to give them what they want. Every company that sells products and services needs to maintain good customer relationships and build customer loyalty in order to survive. Companies no longer want to treat their customer base as all the same collection of revenue generating units, they want to get up close and personal with each of them individually (Anderson and Kerr, 2002).

Raising the level of customer orientation has been one of the major challenges of the past few years. Even though the change observed in most markets from a seller’s to a buyer’s market is by no means a modern development, the willingness to orient business according to customer needs had gained a special dimension.

Research Description

The aim of this research is to investigate Customer Relationship Management strategies of business organizations in Bahrain. The evaluation will define the concept of Customer Relationship Management (CRM), what it consists of, reasons for needing CRM and the benefits of implementing it. Furthermore, the project will define the view of Customer Relationship Management and its impact in different business organizations operating in Bahrain, such as BATELCO (Bahrain Telecommunications Company), National Bank of Bahrain and Bank of Bahrain & Kuwait. After completing the above task, a case study will be conducted on the CRM
program that is implemented in one of Bahrain's leading banks. Finally, an evaluation and diagnosis of Customer Relationship Management strategies in the above business organizations will be performed. The guiding research problem is to evaluate Customer Relationship Management in the Kingdom of Bahrain. The sub-problems are to evaluate the awareness, presence and to view actual implementation of CRM in Bahrain.

LITERATURE REVIEW

Introduction to Customer Relationship Management
Managing the relationships with customers and making them happy is a major issue to organizations. The focus on customers and giving them exactly what they want requires those organizations to find ways to gain a better understanding of their customer's wants and needs. This led many firms and business organizations to change the focus from managing products to managing customers. However, managing customers is not easy. Changing customer preferences exert direct pressure on companies to satisfy these preferences (Bruce and Langdon, 2002).

Customers do not care how a company stores information or how data from various sources must be combined to give them what they want. They do not even care if they have called the wrong locations. All customers know is that they want excellent service and want it now. The timely delivery of excellent service is Customer Relationship Management (Kalakota and Robinson, 2001).

Based on the aim to raise the level of customer orientation, the objective of Customer Relationship Management has been to increase the value of an organization’s customer base by willing to change the organization’s behavior toward those customers based upon what the customer tells you and what you know about the customer.

Business Objectives from CRM
CRM applications, often used in conjunction with data warehousing, E-commerce applications, and call centers, allow companies to assemble and access information about customers’ buying histories, preferences, complaints, and other data so they can better anticipate what customers are in search of. The following business objectives were listed by (www.itpapers.com, 2003):

- Increased efficiency through automation and provide faster response to customer inquiries;
- Having a deeper knowledge of customers and getting more marketing;
- Better information for better management;
- Reduced cost of sales and increased sales representative productivity.

The CRM Lifecycle
According to Tiwana, the Customer Relationship Management Cycle consists of three phases: an assessment phase, a planning phase, and an execution phase. These three phases of the CRM Cycle can also be referred to as Customer Acquisition, Processing Customer Contracts and After-Sales respectively. In this cycle, assessment is made up of the knowledge acquisition portions of the process, planning comprises the creative part of the marketing process, while finally the execution phase maps to the customer interaction elements (Tiwana, 2001).
CRM Benefits
CRM, if applied correctly, could be used as a mechanism for knowing who your customers are, and using this as a way of acquiring high value customers, increasing cross-selling and reducing failures. Karna Global Technologies (www.karna.com, 2002) has defined the need for Customer Relationship Management and the business benefits that a company will get back from applying CRM through the following points:

● Organizations can use CRM solutions as a competitive advantage to increase customers and increase revenues;
● Large organizations need to automate all the customer touch points like marketing, sales, and customer support, this may also include automating their sales force.
● Organizations want to improve their call center functioning and workflow;
● Organizations want to enable self-service for their customers;

Pitfalls of Customer Relationship Management
To avoid the most common errors of CRM, a recipe for success is needed. A successful CRM program must be integrated, insightful and across-the-board. Integrated CRM allows the entire enterprise to align around the common goal of exceeding the expectations of the customers. It must be embraced and supported by the entire enterprise, which demands the attention and endorsement of senior management. Insightful CRM enables the business to truly understand which customers the organization efforts should focus on, and how to continually optimize the enterprise to meet their needs (Shenger, 2001).

RESEARCH METHODOLOGY

Research Design Strategy
In order to ensure an appropriate conceptual framework to work within, two approaches were chosen to better direct the project towards achieving its objectives. The first approach was a quantitative approach in which questionnaires were distributed to prominent businesses in Bahrain. This approach aimed at solving the first sub-problem of evaluating the presence and awareness of CRM in Bahrain. The second approach was divided into two parts, the first part constituted of interviews held at the Bahrain Telecommunications Company (BATELCO) and at the National Bank of Bahrain (NBB) while the second part was a case study performed at the Bank of Bahrain and Kuwait (BBK). This approach aimed at solving the second sub-problem of observing implemented CRM in Bahrain.

The Questionnaire
Questionnaires were distributed to prominent and well-known business organizations cooperating in Bahrain to help stimulate a discussion on relevant issues pertaining to CRM. The questionnaire was divided into four parts. Part A related to demographic details, part B asked general questions about Customer Relationship Management, part C included questions to organizations that implemented Customer Relationship Management, and finally part D included questions to organizations that have not implemented Customer Relationship Management to their business processes.
The Interviews
The interviews were conducted with managers at two of the most prominent and well-known companies in Bahrain (BATELCO and NBB). They are also two of the pioneer companies who are implementing CRM in Bahrain and the region. The purpose of these interviews was to define the questionnaire answers and discuss them to analyze the concept of CRM more specifically.

The Case Study
The case study was conducted to evaluate CRM’s actual physical implementation in a business. It was carried out in the Business Development Division at the Bank of Bahrain and Kuwait. The aim of the case study was to investigate CRM’s actual implementation by finding the criteria and problems that needed to be tackled in order to implement a successful CRM program.

RESULTS

Quantitative Results
The results from the questionnaire came as a disappointment to the evaluation. Most businesses that participated in the survey had some knowledge on CRM, but it seemed as though they only had some theoretical knowledge of it and no actual physical implementation of CRM in their work processes. Listed below are some of the key results that were concluded from the questionnaires:
- 92% of the participants was familiar with the concept of CRM although most had theoretical knowledge and not knowledge that was based on actual physical implementation of CRM;
- 71% of the participants said that CRM is an organizational issue showing that they understand the CRM concept and have given it a fair judgment;
- 86% of participants showed a high regard for customers and customer services;
- The results of the survey showed strong support for CRM from businesses and the Bahraini culture;
- 43% of Participants, who did not implement CRM yet, said it was because CRM is either costly, complicated to apply or they did not have the right technology;
- 80% of participants who did not implement CRM yet said that their customers were satisfied with the current way they handle business.

One notable response was: "depends on the customer choices". This shows that in the end, most of these businesses are here for the purpose of serving their customers. Thus, the implementation of CRM would also come when the customer is in need of more focus, attention and better management.

Qualitative Results
The Interviews:
Interview at Bahrain Telecommunications Company (BATELCO)
BATELCO was chosen because of its excellent reputation as one of the most renowned businesses at both the local and international level. The CRM manager began by explaining that the key focus of the company was customer satisfaction. The manager explained that since they were in the service sector (B2C), their aim was to please the customer in whatever means possible by BATELCO.
The discussion then moved to the business focus of BATELCO. The CRM manager explained that at BATELCO the key success criteria did not just focus on one criterion, it focused on customer services, sales growth and innovative products. However, because of the increasing importance of customer service and the threat of new competition, CRM has become essential to be implemented to guarantee BATELCO’s survival and success.

The Case Study
The case study was performed based on an interview with the Manager of Marketing in the Business Development Division at the Bank of Bahrain and Kuwait. The interview was conducted by defining CRM and its components, discussing the systems used to implement CRM, and the work processes involved in implementing a successful CRM program.

The financial services industry is experiencing fundamental changes caused by deregulation, customer dynamics and technology which are all having a profound impact on distribution as Stone et al. (2002) explained. Therefore, to become Bahrain's first bank, BBK had to keep up with the new trends of business. However, the manager explained that there were some obstacles that hindered CRM’s success. The manager said that the Bahraini culture is not accepting CRM mainly because people in Bahrain experience "info phobia". "Info phobia" as the manager clarified meant that people were not comfortable giving personal information to anyone. Therefore, without certain information, the bank could not perform the CRM process to its ultimate and best performance. The manager said that another problem that CRM is facing is that data is scattered. Finally, The manager explained that if the data was not stored correctly, integrating data to the benefit of CRM would become very difficult. Thus, they had to reorganize all the data they had available and then integrate it properly so the CRM process could be carried out successfully.

DISCUSSION

Quantitative Analysis
The statements that were observed from the survey seem contradictory and vague at some points and understandable in others. The participants seemed to be aware of the concept of CRM but could not make up their mind about it. An example is when one participant wrote that the reason they had not implemented CRM yet was "ethical issues". This leads to the assumption that the Bahraini culture does not seem to appreciate CRM although the survey showed that the participants felt that the Bahraini culture did appreciate CRM. Another statement that seemed to be contradictory is that most participants had a high regard for customers and customer services but they did not see the benefits that CRM would offer both to the customer and to the business.

However, as it was mentioned in the Literature Review, CRM strategies have been around since the first bazaar. Therefore, as it is evident from the results of the questionnaire, some of the respondents do in fact have a CRM program implemented in their work processes, however it is a very primitive form of CRM. One of the respondents defined CRM as a Customer Relationship Program enabled by technology, but if technology were not used, it still would be a CRM program. This leads to the fact that many of the respondents do not feel a need to implement a technology-enabled CRM program yet as they do not find it necessary since their customers are satisfied and their businesses are growing; However, it is very important for the respondents who have not implemented CRM yet in their work processes to understand that, as
mentioned in the Literature Review, the task of implementing and maintaining a CRM solution can seem overwhelming, but when the goal of cheaper, faster, better customer service is considered, the results far outweigh the challenges.

Qualitative Analysis
Greene et al. (2002) said that one lesson learnt from CRM is that there is no simple, universal recipe for managing financial services customers better, to mutual benefit. The interviews that were performed come to verify this point. From the interviews, it was found that each business has different practices that they have in place to fulfill their CRM goals. It was found that since BATELCO is in the telecommunications industry, it has different outlooks and needs to CRM, in the same sense it was found that since BBK and NBB were in the financial services industry they also had different outlooks and needs to CRM. The participants all had similar definitions to CRM although there were differences in terms of implementation between the telecommunications industry and the financial services industry. The manager from BATELCO said that CRM was purely an internal issue and customers had no physical contact with it, while the managers from both BBK and NBB agreed that the customer was a vital component to CRM's success; however, There were some differences in opinion where the manager from BATELCO said that CRM is appreciated in Bahrain while the managers from the banks said that the culture was a hindrance to the complete success of CRM because of the fundamental issue of having complete data on their customers brings back the issue of "info phobia". Nevertheless there were also significant agreements between the two industries. They all held a high regard for their customer's, similarly they all showed a great importance for having all necessary information about their customers. All the participants in the interviews showed that they are trying to use CRM techniques to secure customer relationships, maximize customer profitability and create a customer-oriented culture. Finally, as it is mentioned in the Literature Review, it is crucial to understand that CRM facilitates data to flow easily within an organization and in most cases includes the entire organization. The net result is higher sales, happier customers and a much improved bottom line. The reduction in costs due to improved personnel productivity, better sales follow up, improved marketing and services, and an overall impressive growth in general organizational efficiency sometimes produces almost immediate economic benefits.

CONCLUSION AND RECOMMENDATIONS
While investigating CRM in Bahrain it was found that Customer Relationship Management existed a long time ago, but businesses are not really aware of its presence and they did not have the technology that would facilitate the process. Culture and lack of information constitute key factors that prevent the implementation of effective CRM programs. The high costs, complications in applying the program and lack of technology were good reasons to present the absence or small number of CRM programs in Bahrain. However, it is important to understand that implementing CRM is of value to the customer before the business itself because it offers easy interaction and better services. Therefore, it would be interesting to see whether businesses treat CRM as an ongoing business necessity or would it be subject to frozen investments. The following are some suggestions that could be taken into consideration to improve the overall effectiveness of CRM:

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The managerial staff of any business organization is recommended to accept the changes that CRM requires.

It should be recognized that technology is important in implementing CRM programs in any work process.

The managerial staff should be educated about CRM through seminars, training programs and workshops.

Customer’s must increase their awareness and trust the organizations that they deal with.

A clear and structured plan should be developed and followed closely.

REFERENCES


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