Customer Relationship Management Methods and Their Benefits in Forest Products Enterprises in Istanbul

İstanbul İlinde Faaliyet Gösteren Orman Ürünleri İşletmelerinde Müşteri İlişkileri Yönetimi Yöntemleri ve Sonuçları

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Abstract

In this study, customer relationship management (CRM) methods and the benefits of CRM practices in the forest products industry were investigated. Whether mean CRM grades and results differ by the demographic characteristics of employees and sector were also studied. 344 forest product business managers (lower, middle and senior managers) were personally interviewed for the study. Several descriptive statistics (such as frequency, percentage, arithmetic mean), independent-t test and one-way ANOVA were employed in the study. The data was analyzed using SPSS statistical package program. The business most frequently used the “face-to-face interviews with customers” as the CRM method while “improved service quality” was the greatest benefit of the CRM method.

Keywords: Customer relationship management methods, forest products industry

1. Introduction

Customer relationship management (CRM) emerged when large banks and financial institutions were attracted to customers in the United States and the United Kingdom. (Demirbağ, 2004). Today, it has become the main element of corporate competition strategy
There are many definitions of customer relationship management (Bose 2002; Reinartz et al., 2004; Laplaca, 2004; Kırım, 2013; Peppers et al., 2016). The common denominator of all these definitions is that customer relationship management is a human-process-technology phenomenon (Hamşioğlu, 2002).

a. Human: Human is the most important element of CRM which provides individual solutions and is customer-focused. All of the strategies of businesses that want to manage customer relationship management successfully should have quality, competent and honest employees. Rewarding programs should be applied (Uysal and Aksoy, 2004; Gel, 2007).

b. Process: Process is how customers are connected to the organization. A business process consists of a series of activities that transform organizational inputs into desired output (Bakırtaș et al., 2013).

c. Technology: Technology is an important tool for making the customer analysis and fast and inexpensive implementation of operational procedures in CRM (Alabay, 2008). Businesses must have the necessary technological infrastructure in order to adapt to change, implement new strategies and provide customer satisfaction and loyalty (Bakırtaș et al., 2013).

For a successful CRM implementation, appropriate technologies (such as CRM databases, analytical tools, campaign management, channels), new skills (such as financial analysis, data collection, campaigning, ability to speak and manage) and organizational change (such as annual plans, marketing, sales, service and information processing) are required (Kahraman, 2002; Güleş, H.K. 2004; Karnak, B. 2013).

There are many studies about customer satisfaction, customer relationship and consumer preferences (Cındık et al., 2002; Akyüz et al., 2002; Akyüz et al., 2003; Akyüz, 2004; Törün, 2006; Serin and Andaç, 2009) and CRM is implemented in many areas such as tourism, banking, insurance, etc. (Özilhan, 2004; Yeler, 2006; Yıldız, 2011). In the research conducted on the projects where CRM projects are implemented, it was observed that there is an increase in customer satisfaction, return on relationships, number of consumers, competitive advantage, in-house productivity and revenue per customer and a decrease in costs to acquire customers and sell, time to service and acquiring new customers (Agrawal, 2004).

In this study, the levels of use of customer relationship management (CRM) techniques and the benefits of CRM practices in forest products industry enterprises were investigated. In addition, it was determined by using one-way variance analysis (ANOVA) and
independent-t test that whether average of points of CRM techniques and results according to demographic characteristics of participants (gender, age, position in the company, the legal structure of the company and the working time of employees in the company) and sector are different or no differences.

2. Material and Method

The number of entrepreneurs in Turkey was taken as the population in the study. Based on TURKSTAT 2014 data, a total number of entrepreneurs is 58876 (URL-1, 2017). The following sample determination formula was used to determine the total number of participants to whom the surveys would be applied (Naing et al., 2006) and it was determined as 266.

\[ n = \frac{Nz^2PQ}{Nz^2+D^2PQ} \]  

In formula;
- \( n \): sample size;
- \( N \): universe size;
- \( P \): \( P \)-value (0.5);
- \( Q \): \( Q \)-value (0.5);
- \( Z \): \( Z \)-score at 95% confidence interval (1.96);
- \( D \): margin of error (0.06)

In order to increase the validity and reliability of the study, the number of the samples has been increased to 344. The surveys were applied by performing face to face interviews. At the stage of preparing survey form, the questions were decided either by reviewing the literature or interviewing the people (Ünverdi, 2008). A survey form was prepared in accordance with a 5-point Likert-type scale (very little:1, little:2, middle:3, much:4 too much:5). But, it was decided to evaluate the results according to a 4-point Likert-type scale instead of a 5-point Likert-type scale because of the low-intensity response. All the statistical analyses of the surveys were performed with IBM SPSS Statistics 19 packaged software. Percentage values of the data were calculated. Whether mean CRM techniques and results differ by demographic characteristics of participants were determined. For this, independent t-test and one-way variance (ANOVA) were employed.
3. Results

3.1. Some Demographic Characteristics of Respondents

81.7% of employees who participated in the survey are male, 12.7% are female. Of them, 15.4% are between 18-25 years old, 34.6% between 26-33 years old, 41% between 34-41 years old and 81% over 42 years old. The positions of participants in the company are like that: 2.3% are lower-level managers, 59.9% are middle managers and 37.8% are senior managers. The legal structure of companies was categorized into 3 groups. The percentages of the categories: 11% are the sole proprietorship, 76.2% are limited liability company and 12.8% are the joint-stock company. The approximately half of the participants (47.1%) are working in the forest products sector for 6-10 years. 60% of the participants are working in the furniture sector.

**Figure 1.** The distribution of participants according to gender

**Figure 2.** The distribution of participants according to age

**Figure 3.** The distribution of participants according to the position in company

**Figure 4.** The distribution of participants according to the legal structure of company
3.2. Customer Relationship Management (CRM) Techniques and Results

The questions regarding CRM techniques were given in Table 1. These CRM techniques used by companies were determined: “face-to-face interviews with customers (97.4 %)”, “use of new technology (96 %)”, “development and presentation of new products and services (93 %)”, “marketing strategies (91.9 %)” sales force automation (88.1 %)”, “use of new information technologies (86.9 %)”, “campaign methods (80.2 %)”, “creating call centers (72.8 %)”, “dealer / service automation (71.2 %)”, and “websites for clients (69.4 %)”.

Table 1. The distribution of the answers given to questions about the level of use of customer relationship methods

<table>
<thead>
<tr>
<th>Service/Technique</th>
<th>Little</th>
<th>%</th>
<th>Middle</th>
<th>%</th>
<th>Much</th>
<th>%</th>
<th>Too Much</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development and presentation of new products and services</td>
<td>4</td>
<td>1.2</td>
<td>20</td>
<td>5.8</td>
<td>140</td>
<td>40.7</td>
<td>180</td>
<td>52.3</td>
</tr>
<tr>
<td>Face-to-face interviews with customers</td>
<td>3</td>
<td>0.9</td>
<td>6</td>
<td>1.7</td>
<td>87</td>
<td>25.3</td>
<td>248</td>
<td>72.1</td>
</tr>
<tr>
<td>Use of new technology</td>
<td>1</td>
<td>0.3</td>
<td>13</td>
<td>3.8</td>
<td>111</td>
<td>32.3</td>
<td>219</td>
<td>63.7</td>
</tr>
<tr>
<td>Sales force automation</td>
<td>3</td>
<td>0.9</td>
<td>38</td>
<td>11</td>
<td>138</td>
<td>40.1</td>
<td>165</td>
<td>48.0</td>
</tr>
<tr>
<td>Marketing strategies</td>
<td>6</td>
<td>1.7</td>
<td>22</td>
<td>6.4</td>
<td>132</td>
<td>38.4</td>
<td>184</td>
<td>53.5</td>
</tr>
<tr>
<td>Campaign methods</td>
<td>14</td>
<td>4.1</td>
<td>54</td>
<td>15.7</td>
<td>116</td>
<td>33.7</td>
<td>160</td>
<td>46.5</td>
</tr>
<tr>
<td>Benefit from sales agents and distributors</td>
<td>53</td>
<td>15.5</td>
<td>87</td>
<td>25.3</td>
<td>103</td>
<td>29.9</td>
<td>101</td>
<td>29.4</td>
</tr>
<tr>
<td>Dealer / Service Automation</td>
<td>29</td>
<td>8.5</td>
<td>70</td>
<td>20.3</td>
<td>120</td>
<td>34.9</td>
<td>125</td>
<td>36.3</td>
</tr>
<tr>
<td>Use of new information technologies</td>
<td>8</td>
<td>2.3</td>
<td>37</td>
<td>10.8</td>
<td>126</td>
<td>36.6</td>
<td>173</td>
<td>50.3</td>
</tr>
<tr>
<td>Websites for clients</td>
<td>34</td>
<td>9.9</td>
<td>71</td>
<td>20.6</td>
<td>113</td>
<td>32.8</td>
<td>126</td>
<td>36.6</td>
</tr>
<tr>
<td>Creating call centers</td>
<td>170</td>
<td>49.5</td>
<td>80</td>
<td>23.3</td>
<td>44</td>
<td>12.8</td>
<td>50</td>
<td>14.5</td>
</tr>
<tr>
<td>Implementation of e-commerce strategy</td>
<td>97</td>
<td>28.2</td>
<td>87</td>
<td>25.3</td>
<td>77</td>
<td>22.4</td>
<td>83</td>
<td>24.1</td>
</tr>
</tbody>
</table>

%: percentage; f: frequency

The distribution of questions regarding CRM results was given in Table 2.
The vast majority of participants (89.8%) said that CRM increases customer retention. For the statements of “CRM improves market share”, “CRM increases the company’s sales volume”, “CRM improves the service quality of the company” and “CRM increases the profitability of the company”, the vast majority of participants said “too much”. The distribution of answers given to the statement of which “CRM increases the level of customer satisfaction” are like that: Participants said that of 18.4% are little, 21.5% are middle, 27.3% are much and 32.6% are too much. For the statement of “CRM provides more effective marketing campaigns”, the vast majority of participants said “much”.

Table 2. The distribution of the answers given to questions about the level of

<table>
<thead>
<tr>
<th></th>
<th>Little</th>
<th>Middle</th>
<th>Much</th>
<th>Too Much</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRM increases customer retention</td>
<td>8</td>
<td>2.3</td>
<td>151</td>
<td>158</td>
</tr>
<tr>
<td>CRM improves market share</td>
<td>11</td>
<td>3.2</td>
<td>131</td>
<td>169</td>
</tr>
<tr>
<td>CRM increases the company’s sales volume</td>
<td>26</td>
<td>7.6</td>
<td>120</td>
<td>124</td>
</tr>
<tr>
<td>CRM increases the level of customer satisfaction</td>
<td>63</td>
<td>18.4</td>
<td>94</td>
<td>112</td>
</tr>
<tr>
<td>CRM improves the service quality of the company</td>
<td>8</td>
<td>2.3</td>
<td>128</td>
<td>176</td>
</tr>
<tr>
<td>CRM increases the profitability of the company</td>
<td>20</td>
<td>5.9</td>
<td>114</td>
<td>152</td>
</tr>
<tr>
<td>CRM provides more effective marketing campaign</td>
<td>18</td>
<td>5.3</td>
<td>148</td>
<td>142</td>
</tr>
</tbody>
</table>

%: percentage; f: frequency

Also, for testing the statistical differences between CRM techniques and results and demographic characteristics of participants, independent t-test and one-way variance (ANOVA) were employed. The Duncan's Multiple Range Test was employed for determining the difference between groups. The results were given in Table 3.

According to the results of one-way variance analysis (ANOVA), there was a significant difference between the CRM techniques and the legal structure of the company (p=0.001<0.05). In terms of the legal structure of the company, the arithmetic mean of points of participants are like that: 3.943 for the sole proprietorship, 4.043 for limited liability company and 4.250 for the joint-stock company.

At the same time, according to the results of independent t-test, there was significant difference between CRM techniques and sector (p=0.046<0.05).
Table 3. The results of Duncan’s multiple range test for the level of use of CRM techniques

<table>
<thead>
<tr>
<th>Legal structure of companies</th>
<th>$\bar{X}$</th>
<th>HG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole proprietorship</td>
<td>3.943</td>
<td>A</td>
</tr>
<tr>
<td>Limited liability company</td>
<td>4.043</td>
<td>B</td>
</tr>
<tr>
<td>Joint-stock company</td>
<td>4.250</td>
<td>C</td>
</tr>
</tbody>
</table>

$\bar{X}$: arithmetic mean; HG: homogeneity group

4. Conclusions and Recommendations

It was determined that the vast majority of employees in the forest products industrial companies participated in the survey is male. In terms of the task and position of employees in the companies, the vast majority of participants are middle managers (such as engineering, sales representative). According to the legal structure of the companies, a great majority of companies are limited liability companies. The vast majority of participants work in the furniture sector.

It was found that CRM technique which have the highest number of answers given by participants is the statement of “face-to-face interviews with customers”. CRM technique which have the lowest number of answers given by participants is the statement of “creating call centers”.

In addition, it was determined that CRM result which have the highest number of answers given by participants are the statement of “CRM improves the service quality of the company”.

The level of importance given to the CRM techniques by the forest products industry enterprises which are the joint-stock company are higher than others.

According to our research, it is required to comply with customer requests and demands in order to act in accordance with the objectives of companies.
References


