

Strategic Value of Mobile CRM Applications: A Review of Mobile CRM at Dow Corning and DirecTV

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Abstract – CRM systems help organisations interact effectively with customers enabling the creation of customer profiles, analysing customer data and understanding customers' needs. This leads to improved customer loyalty and enhanced customer experience. However the focus of this paper will be on mobile CRM applications. By making CRM applications mobile, businesses can allow their staff to access customer information ubiquitously thus offering faster and improved services. Mobile CRM applications can help to realise an organisation's goals especially on the innovation front. This paper focusses on describing CRM systems and their importance in making these systems mobile through an exhaustive literature review and later by briefly analysing two chosen organisations - Dow Corning and DirecTV. Further discussion will offer insight into challenges of mobile CRM applications. Analysis of the two organisations indicates that mobile CRM applications helps to improve productivity, provide quick responses, save costs in serving current customers and acquire new customers.

Keywords - Customer Relationship Management; CRM; mobile CRM; mobile CRM applications; Dow Corning; DirecTV, mobile CRM benefits and challenges.

1. Introduction

Service is the key to success in any business, and Customer Relationship Management (CRM) systems assist businesses in providing improved service by maintaining relationships with customers through improved understanding at every touch point. Particularly, mobile CRM applications are helping sales people to effectively carry out their tasks outside the confines of the organisational boundary. The market for mobile CRM applications is currently seeing record growth as new products and services around mobile CRM are being developed. The portable nature of mobile devices combined with voice and data communication provides value to any organisation. Adoption of mobile CRM with customer value at the core of any businesses' strategy will help in developing better relationships with customers.

It is hypothesised that mobile CRM will enable businesses to gain long term competitive advantage by optimally delivering strategic value. As mobile CRM helps to garner knowledge about customers and their preferences without being tied to a physical geographic location, it is important that businesses invest in mobile CRM. A lot of current studies have focussed on CRM applications but lack emphasis on mobile CRM applications. It is the intention of this paper to be the bridge in illustrating CRM and mobile CRM applications and also to demonstrate how mobile CRM applications have provided value for some organisations. The adoption of CRM is growing rapidly whilst mobile CRM is still in its infancy. No business can afford to be left behind in the race for the opportunities that come with mobile CRM adoption.

The primary purpose of this paper is to elucidate CRM and mobile CRM applications, and briefly analyse how mobile CRM applications help businesses provide superior customer service leading to positive customer experience and higher retention rate. This paper is divided into 4 subsequent sections. The second section provides a brief review that outlines the concept of CRM, CRM systems and mobile CRM. The second section further illustrates how mobile CRM applications can create strategic value for businesses. The third section outlines the possible challenges of mobile CRM applications. The fourth section details how two organisations

(Dow Corning and DirecTV) have benefited through the use of mobile CRM applications. Finally, the conclusion section summarises the key points, outlines the limitations of this paper and provides some possibilities for future research on mobile CRM applications. The purpose of this paper is limited to highlight the use of mobile CRM applications and how these portable applications create strategic value. The intention is not to rank the organisations discussed in this paper.

2. CRM, CRM Systems, Mobile CRM and its value

Retention of customers is a critical factor for any business because of its direct impact on the profit margins. Retention rate can be improved by enhancing the customer experience through exceptional products and services [12]. Companies can realise this core business strategy through the utilisation of information systems [24]. O'Brien & Marakas [21] have stated that information systems can help in understanding customer behaviour, in identifying suitable products and services and by enhancing customer experience. According to Brown et al [6] CRM is an integrated approach which helps the firm in every interaction it has with customers in business functions like marketing, sales and support. Toor [29] pointed out that CRM can help firms to gain competitive advantage and create value by improving relationships with customers. CRM focuses on promoting long term and sustainable customer relationships that add value for both the customer and the company [22]. As a result CRM systems have evolved to plan, schedule and control sales activities that can eventually provide more feedback on customers [15]. However CRM is not limited to sales management alone but covers the entire customer life cycle, marketing, after sales service and support activities [32]. CRM systems that are well-utilised can help to improve relations with customers and provide good returns on investment.

Business firms generally adopt one of the many commonly used strategies to gain competitive advantage. Some of the most commonly used strategies are cost leadership, differentiation, innovation, growth and alliance. Regardless of the strategy chosen by business firms, information systems play a vital role in realizing strategic business objectives particularly competitive advantage [14]. Enterprise applications such as CRM systems are adopted by organisations to retain customers. Although there are several benefits of CRM systems, these are mainly intended to reduce transaction costs, increase customer loyalty, optimize revenue potential, offer better customer service and create a complete 360-degree view of the customers [16].

Traditionally, CRM applications are based at the firm's site; however these applications are accessed by the sales personnel from outside the organisation through organisations' portals with limited mobility [7]. With the popularity of smart phones and other mobile handheld devices, various vendors have introduced mobile CRM applications that provide a high level of portability [19]. These portable CRM applications can be referred to as mobile CRM applications. These applications can be installed on mobile devices to allow sales personnel to access customer data and other information stored in a firm's computers, from outside the organisation to enhance business efficiency [25]. Rainer and Cegielski [23] define mobile CRM as an interactive CRM system that enables a business to conduct sales, marketing and customer service activities using a mobile medium. Most importantly mobile CRM applications help to promote interaction with customers at every touch point and collect data relating to customers' preferences and issues while serving the customer even from outside the organisation. Also, the collected data can be analysed to gain an understanding of potential services that can be offered to enhance positive customer experience [27]. This in turn has a ripple effect by indirectly enhancing business intelligence too. The capabilities offered by mobile CRM applications are allowing users to review a company's service and support data so that sales representatives can address a sales pitch, update data and reduce sales cycles by inputting orders in real time [3]. Nonetheless it is important to note that mobile CRM applications are not different enterprise applications but are mainly intended to complement the existing CRM systems in the organisation, particularly to make them mobile. Currently mobile commerce is gaining popularity because of the rapid proliferation of smart phones worldwide. As a result several vendors are developing mobile CRM applications to complement the wide variety of smart phones. Some popular mobile CRM applications are Salesforce mobile, SugarCRM Mobile, Sales CRM EZ!, 2do CRM and Microsoft Dynamics CRM [31]. Each vendor offers different features and functionalities in

their mobile applications. Given the current trends it has become more important than ever before to understand the strategic focus of mobile CRM applications.

3. Challenges of mobile CRM applications

As noted earlier mobile CRM applications allow sales personnel to establish a link to the organisation's CRM. Implementation of CRM applications involves huge investments and additional applications escalate costs, but the additional expense is negligible compared to the benefits it provides to any organisation [17]. However, these mobile applications can limit the accessibility of all CRM features, particularly when sales personnel would like to know the customer life time value and the return on investment. It may not be possible to analyse all the customer data using mobile devices because of the high volume of customer data, limited functionality and the limited processing capability of mobile devices [4]. However, Microsoft, SAP, Salesforce, Sybase and other vendors have developed applications, which can be expensive, but provide additional functionalities that can help to deliver better customer service, cross sell products effectively, discover new customers and increase the customer revenue by closing the deal faster [2].

Users of mobile CRM rely on synchronisation technologies to transfer the data into handheld devices by synchronising it with the main system at the office, whenever convenient, allowing them to utilise CRM even when there is no connectivity. It can also be considered a disadvantage because the data is only as current as the last time it was synchronised, whereas sales people need real-time data. Standardising mobile applications on one mobile device is another challenge. It can often be difficult since different devices are better suited to one task over another. User resistance is a major challenge that managers need to address prior to the implementation of CRM [13]. Resistance can be minimised by providing training to the users, in this case sales personnel. The other approach to reduce resistance is to involve the sales personnel in the development process that allows users to share their views and experience about the information needs in their day-to-day activities. This end user development approach also leads to a higher acceptance rate [20].

4. Mobile CRM Applications at Dow Corning & DirecTV

The paper now analyses two existing organisations (Dow Corning & DirecTV) to identify how they have utilised mobile CRM to their benefit. Two organisations from different industries were chosen. The analysis is purely qualitative in nature. It is expected that properly designed mobile CRM applications can provide a ubiquitous enterprise wide view of each customer.

5. Dow Corning

Dow Corning, a global leader in manufacturing silicon-based products offers 7,000 products to 25,000 customers worldwide. It is jointly owned by The Dow Chemical Company and Corning, Inc [9]. Dow Corning's strategic goal is to understand customers' needs and provide innovative solutions by using a combination of materials, services and expertise [10]. With the support of a worldwide network and its 9000 employees Dow Corning is able to make around half of its sales outside the United States [9].

In order to provide excellent customer service and better utilize their CRM system that was plagued with its own unique problems, the CEO of Dow Corning proposed a transition to SAP CRM suite from a more complicated Siebel CRM system to integrate and improve cross-channel communications and personalize customer interaction [30]. This move allowed sales people to access sales applications through a portal, offered business intelligence reporting and the ability to transmit data between mobile devices. Furthermore this mobile CRM suite from SAP helped sales staff to receive leads information and also allowed them to qualify the leads without delays [26]. Singh [28] also points out that by making CRM applications mobile, through the use of the SAP CRM suite, businesses can achieve a customer-centric enterprise, which helps improve customer intimacy, service and loyalty, while streamlining operations in order to optimize results. The integration of CRM with mobile devices has also made it possible for salespeople to initiate sales processes from anywhere. The SAP CRM suite has allowed Dow Corning to integrate about 17 internal systems into a single portal. The single portal allows sales staff access to customer and sales history, pricing

and product data and increased reporting capability [5]. The SAP suite has given Dow Corning and its sales staff a competitive advantage that will enable them to easily achieve their strategic goals.

6. DirecTV

DirecTV is the world's leading satellite-based television services provider delivering digital television entertainment services to millions of customers in United States and Latin America [8]. Gittlen [11] reported that the company has 5,000 independent dealers reselling DirecTV services with 45 area sales managers. They needed remote access to critical information relating to finances, activation and cancellations of services in order to support the dealer network. Any delays in responding to the dealers' queries could potentially increase churn rate. Unfortunately, sales representatives couldn't access the information on time due to data flow problems from their Oracle Siebel CRM system [11]. DirecTV also did not want their area sales managers carrying around cumbersome notebooks but wanted a way through which the data was accessible on portable mobile devices. The problem of mobilising an existing enterprise application was looming large at DirecTV.

To resolve their woes, DirecTV integrated their existing Oracle Siebel CRM system with mobile middleware (AMP Sales mobile CRM solution) from Antenna software. The Antenna software allowed sales people to access the Siebel CRM system on their Blackberry phones in real-time. This mobility provided data to the sales personnel from various databases to improve their productivity. In addition to this it also saved time and increased the number of sales [18]. The use of Antenna software has allowed DirecTV to deliver mobile, real-time CRM data to its sales staff rather than old data. The software allows the sales staff to be able to interact with information on a timely basis. Bailor [1] reported that by mobilising its CRM application, DirecTV has been able to increase the number of accounts that are visited every week by 30%. In addition sales data reporting frequency has been reduced from seven days to one day whilst the service request resolution process has fallen from five days to three.

Both these cases demonstrate that the adoption of mobile CRM is designed to provide higher customer service and enhance customer loyalty. Through the adoption of mobile CRM, Dow Corning & DirecTV have emphasised a customer-centric approach to their business practices in order to generate and uphold sustainable value through long term customer relationships. Mobile CRM has helped both these companies in acquiring new customers, retaining existing profitable customers and enhancing relationships with prevailing customers. It is also worthwhile to note that the transition to mobile CRM came after extensive use of their existing CRM systems.

By making CRM applications mobile, Dow Corning proficiently managed customer profiles and identified valuable customers to offer customised products and services to its customers. Similarly, DirecTV improved productivity by supporting its dealer network and meeting the customers' needs efficiently.

It is evident though these cases that mobile CRM holds tremendous potential to create a personalised ubiquitous customer relationship. The adoption of mobile CRM strategy has helped these organisations to create a rich one-to-one experience for customers. These companies have seen the implementation of mobile CRM as a customer driven organisational strategy, not just another isolated technology implementation project.

7. Conclusion

With the increased popularity and use of mobile devices, vendors are offering portable CRM applications that help sales people to access customer profiles, requests and preferences using their mobile devices. The benefits of mobile CRM application have been demonstrated in this paper through the case of Dow Corning where the introduction of SAP CRM system helped to improve their customer relations. DirecTV is another organisation which adopted middleware to make their CRM mobile, thus benefiting by increasing their customer base and reducing the cost of acquiring new customers. Although, there are several challenges in adopting mobile CRM applications, organisations need to carefully consider their needs in conjunction with

the benefits of the proposed CRM to avoid any disillusionment about its usage. It is also evident that mobile CRM applications have supported sales personnel in performing their day-to-day activities at Dow Corning and DirecTV. Although the scope of this study is limited to two businesses, this case study review has provided an insight into the strategic value of mobile CRM applications.

As with any research paper, this paper also has its limitations. As it was impractical to include a greater number of firms using mobile CRM applications and visit their sites to collect the data, a case study approach was used to explain how mobile CRM created value for Dow Corning and DirecTV. This suggests a need for further research to understand how businesses in different industries are benefiting and creating value with mobile CRM applications. Future research could adopt business surveys to ascertain the adoption of mobile CRM in various industries.

Analysis of the two organisations reveals that mobile CRM applications are not only helping them to improve relationship with customers, but also help reduce the costs of acquiring new customers. To conclude, mobile CRM applications proffer opportunities and challenges, however businesses need to justify the need of adopting mobile applications. Further investigation into the current trends and features offered by the vendors might help in choosing suitable applications.

As we move into the future, companies are building robust mobile CRM applications that will make it more conducive to access both the applications and the underlying data. The ability to maintain one-to-one relationships with customers, low costs, constant access and improved customer service is extended by mobile CRM applications. This will make them vital to almost every organisation.

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