SUCCESS FACTORS OF MOBILE CRM PROJECTS – AN OVERVIEW

Description of Objectives and Success Factors of Mobile CRM Projects

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Abstract: Mobile Customer Relationship Management (mCRM) frames the interface between business and client by supporting mobile actors using mobile terminals with mobile business processes. Experiences from the CRM background show difficulties in the implementation phase. Two reasons are responsible for these difficulties: poor execution of the project and unattainable project objectives. Therefore achievable objectives and success factors of mCRM projects are identified in this article, analysing scientific publications and best-practice cases. Initially the potential project objectives are discovered. Following the success factors of mCRM projects are determined and finally the achieved goals in projects are ascertained.

1 INTRODUCTION

Within commercial environments the significance of the interface between a company and their clients increases. Customer Relationship Management (CRM) "is the infrastructure that enables the delineation of and increase in customer value, and the correct means by which to motivate valuable customers to remain loyal – indeed, to buy again" (Dyché 2002, p. 4). Information and communication systems are employed to enhance the customer relation and to standardise the CRM activities and processes. Mobile CRM is a term for CRM systems integrating actors using mobile terminals. In terms of our research mobile terminals are mobile hand-held devices like cellular phones, PDAs and Smartphones but also on-board vehicle computers or notebooks. Mobile CRM (mCRM) expands the channels of CRM to the customer (Sundararajan 2002) and assists both actors of CRM – employees and customers using mobile terminals via public and private communication networks. In mCRM scenarios employees (e. g. field manager gets mobile access to customer information) and/or customers (e. g. customer receives flight information on his cellular phone) are in the state of being mobile (Hampe & Schwabe 2002). In the mobile state the mobile actor is not located within its homelike infrastructure.

In the course of so-called mCRM projects mCRM is implemented in businesses. They consist of defining the strategy and the activities of mCRM, launching a mCRM system to back-up the mCRM activities and audit the success of the executed activities. The status of the implementation of mCRM in businesses is at its initial stage as shown in the research of Salomann et al. (2005). Experiences from the CRM-background exhibit the danger of project-failure. Several studies (e. g. Thomson et. al, 2002; IOMA, 2003) document the failure of CRM projects in the past. To prevent mCRM projects from failing it seems reasonable to inspect the success of the projects.

Pinto & Prescott (1990) give planning and tactics as dimensions for project success. Insufficient planning may inhibit that the desired added value is not achievable by the project itself. Consequently, the reachable objectives have to be defined.

Mistakes in tactics affect the project execution. For a proper project execution the project's success factors must be kept in mind. Therefore, the subject of this article is to discuss reachable objectives and success factors of mCRM projects individually.

The article is organized as follows: The second chapter deals with the applied research method. In chapter three the empirical results of the research method are outlined. A summary and an outlook are provided in the last chapter.

2 THE RESEARCH METHOD

2.1 Literature Review

Management projects such as mCRM projects can be considered as a "sequences of events" with three different stages (see figure 1): Development, implementation and evaluation (Packendorff, 1995).
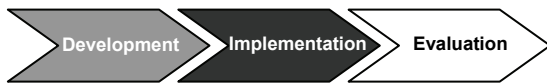

Figure 1: Generic sequences of a mCRM project (according to Packendorff, 1995)

In the development stage the corporate environment is analysed, the objectives are defined and the business units as well as the products are planned (Kotler & Bliemel, 2001). Objectives are imaginative statements about aspired future conditions (Kuß & Tomczak, 2002). The stated condition has to be measurable and changeable (Homburg & Bruhn, 2000). Objectives related to mobile CRM are part of the corporate set of objectives and have to be achieved by the mCRM project. An objective is considered as successful when its measurable target value was accomplished.

During the implementation stage the planned objectives of the development phase are executed and controlled (Hippner, 2004). The success factors of the project have to be kept in mind in this stage. Success factors "are those few things that must go well to ensure the success for a manager or an organization" (Boyton and Zmund, 1984). The research on success factors has been actively pursued. Originally the research referred to the identification of global factors as attempted in the PIMS study (Neubauer, 1999). From 1990 on researchers began to look for success factors within market strategies (Fritz, 1990). Nowadays the quest for success factors is limited to particular corporate activities (Alt et al. 2004; Belout et al. 2004). Success factors of mCRM projects have not yet been identified.

Finally in the evaluation phase the project has to be evaluated. Project impacts and acquired results have to be measured against the objective settings and actions of adjustment have to be taken (Hahn, 1999).

Salomann et al. (2005) interrogated 89 decision makers in Germany, Austria and Switzerland. Only a minority of the survey's respondents (9 %) have already completed a mCRM project, whereas 60 % are introducing or planning to introduce mobile CRM in their company. This indicates that mCRM

projects are at their initial stage. Previous projects with CRM background confirm minor success rates (Kemp, 2001; Thomson et. al, 2002; IMOA, 2003; Unknown author, 2004). The reasons for the project failures can be assigned to the following three areas:

- Technical aspects of the implementation of the CRM system. The system or application complexity can be too advanced for the use of later operators.
- Deficient description of CRM activities. Companies stagger often how to realize CRM in an appropriate way for their business.
- Lack of project management. Coordination and organisation of the project are often executed insufficiently.

2.2 Key Questions and Methodical Approach

Up to now observed mistakes only accounted for the implementation stage of a project. However failure of projects can also be caused during the development or the evaluation stage. In the development stage unfeasible objectives can be defined. In the evaluation phase the control of the effectiveness of the projects can be left out. Therefore the key questions of this article are:

- Which objectives can be theoretically and practically reached with a mCRM project?
- Which factors need to be considered in order to implement the project successfully?

In order to answer these questions, three steps in accordance to the three sequences of management projects have to be conducted.

The first step is to identify the potential objectives of a mCRM project. An extensive review on literature concerning the objectives of CRM and mCRM shall lead to this.

Secondly the success factors of mCRM projects have been ascertained by a secondary analysis of 65 recent scientific publications from Europe and USA. The publications were derived through enquiries of information databases such as EBSCO and ScienceDirect as well as of available studies and publications referring to mCRM and CRM. The key words of the research have been expressions representing success factors or obstacles in CRM or mCRM projects. The publications are based on both conceptual and empirical research. The success factors were determined by the quantitative frequency of mentions according to the procedure of

Fritz (1990). Fritz carried out a literature analysis to find success factors for corporate prosperity.

The third step is to identify achieved goals in completed mCRM projects by a further secondary analysis. Analysed were 62 best-practice cases of mCRM projects in Europe, USA and Asia. The cases extensively comment the course of events and the outcome of each project. The absolute frequency of occurred successes was recorded. The successes deduced the formulation of reached objectives.

3 FINDINGS OF THE RESEARCH PROCEDURE

3.1 Potential Objectives

The possible objectives of the mCRM project were derived from a review of over 100 publications dealing with CRM and mCRM. According to Diller (2002) the objectives in marketing can be sorted into a system of objectives. They consist of performance, interaction, customer, market and income objectives (see figure 2). The performance objectives refer to inner corporate activities. They are composed of reductions in process time and costs as well as advancements of employee productivity, data quality and coordination of tasks. Further performance objectives are a precise function of the mCRM system as well as improved employee satisfaction. Interaction objectives deal with the customer relation. Among these are the offering of novel services, the integration of order processing elements and the option that the customer overtakes parts of business processes (e. g. customer information, sales process). Both interaction and performance objectives support the customer objectives which have impact on the market objectives. These are retention of existing and acquisition of new customers. The customer objectives support the market objectives composed of increased revenues, rise of market share and improved competitiveness. The market and performance objectives affect the income objective resulting in higher profits. Figure 2 shows the possible objectives of mCRM projects.
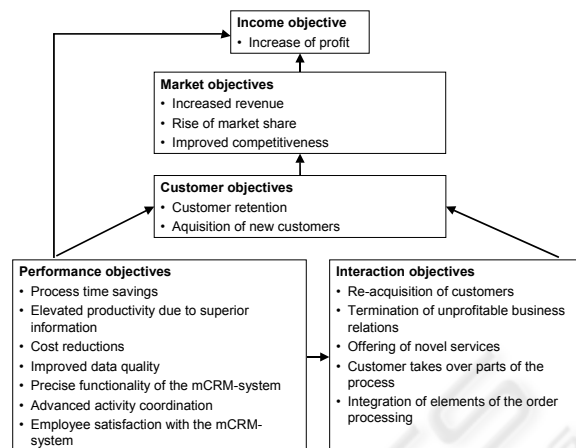

Figure 2: Potential objectives of mCRM projects.

3.2 Success Factors of mCRM Projects

We identified 65 relevant publications which mentioned 450 times one out of 31 different success factors. The mentioned factors can be divided into three categories that have been responsible for project failure:

- Project management
- Processes and activities
- Technical factors

Other factors were only stated four times in publications and can therefore be neglected. The success factors with project management background were mentioned 161 times. Those factors need to be considered when the mCRM is not an extension of a CRM project but entirely novel.

Factors related to processes were stated 177 times and those with technical background 108 times. Process and technical factors were mentioned especially by publications based on conceptual research.

Altogether, 12 critical success factors were detected. These factors were mentioned by at least 18 % of the databases and have a special relation to mCRM. The following factors deal with project management:

- **Interdisciplinary project team**. The team implementing the mCRM system has to incorporate marketing and IT specialists. This team has to work together intensively.
- **Involvement of later users**. Later users (front office personnel, field service, customers) have special insight into what is needed for successful mCRM. Therefore they have to be

involved in the implementation procedure at an
early stage.

- **Sufficient project resources**. The project team
  needs to be equipped with sufficient skills and
  know-how as well as financial and human re-
  sources.
- **Top management backup**. The support and the
  encouragement of the executive board is essen-
  tial to prevail changes in business processes.

The following four success factors are related to
mCRM processes:

- **Customer-oriented processes.** The activities of
  mCRM should be connected to the customer
  buying cycle. This process consists of stimu-
  lation, evaluation, purchase and after-sales.
- **Process customising.** The mCRM activities
  need to be customised and standardised accor-
  ding to specific needs of both customers and
  vendor.
- **Customer analysis.** Before the proper activities
  of mCRM are executed, the data of the custo-
  mer base needs to be integrated into the system
  and wisely analysed.
- **Mobile process.** The mCRM activities must
  bear utility on customer and vendor. The mobile
  interface needs to be interactive, emotional and
  personalised.

Technical success factors are as follows:

- **Technical integration of the system.** Any error
  in the mCRM-system has an impact on the
  customer relation. Therefore the system must be
  carefully integrated.
- **Mobile application and service.** The mobile
  application is to be usable with clear menu navi-
  gation. The mobile service needs to be fun-
  ctional.
- **Selection of mCRM system.** The system and the
  mobile hardware need to be carefully selected.
- **Transfer requirements.** The transfer of data
  must be stable and safe.

Figure 3 indicates the relative frequencies of the
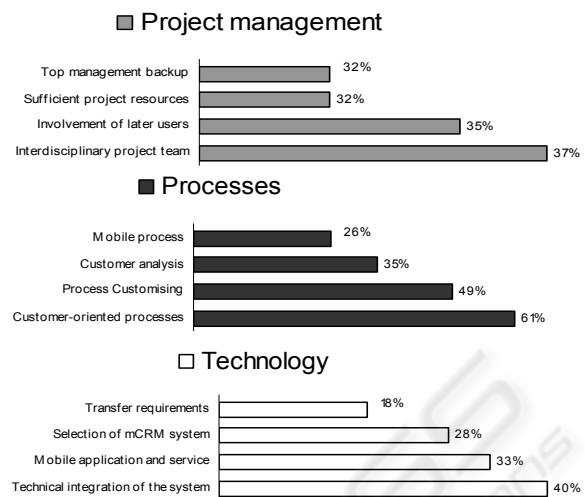mentioned success factors.

Figure 3: Relative frequencies of the mentioned success
factors.

3.3 Reached Objectives in the mCRM Projects

The 62 best-practice cases could be divided
according to which actor of the mCRM scenario was
in the state of being mobile: the employee who want
to sell products and services and/or the customer.

In the majority of cases (43) the employee was
mobile. In those cases the field service was visiting
the customer at his homelike infrastructure. Through
mCRM the field service was better informed and
more productive. The result was a reduction in costs
and process time. In 18 cases the customer was mo-
bile and used mobile services. The customer was
able to request these services autonomously. There-
by the acquisition of new customers is enhanced as
well as the retention of existing customers. In one
case both actors were being mobile. In this case a
novel service was offered and supported by mem-
bers of the field service. mCRM activities can be
categorized into marketing, sales and service activi-
ties which have activities concerning the customers
and the contact to the customers. Marketing activi-
ties support the identification of new customers.
Those new customers are yielded to demand inde-
pendently. The effect is an increase in revenue.
mCRM marketing activities are conducted by com-
panies of the production sector. Sales activities sup-
port field service and mobile customers to encourage
the sale of product or service. If the customer is
mobile, novel services are offered. The customer is
supposed to follow the sales process as independent-
ly as possible. The field service is supported with
better information. This reduces time and costs and

increases data quality and employee motivation. The mCRM service process encourages customers to repurchase. Existing services are provided to mobile customers. The customer requests the service independently. This is reducing cost and process cycle time at the company. Additionally the field service is linked to the company. The main target is to increase maintenance or service activities at the customer site in order to drive more business.

Of the 18 originally identified potential objectives were 13 actually met in projects. Among these are all of the performance objectives:

- *Process time savings*. Due to more efficient field service and better information inside the company, process time is reduced.
- *Improved productivity*. The field service can be supplied with information about customers and products through the mobile device. Therefore productivity rises.
- *Improved data quality*. Either the client or the field service create and modify customer data. This enhances the quality of the material.
- *Cost reductions*. The process savings and the fact that the customer performs parts of the process is reducing costs.
- *Functionality of the mCRM system*. Due to the interface function of mCRM the customer registers every inconsistency of the mCRM system. Therefore mistakes must be avoided.
- *Advanced activity coordination*. The field service can be better coordinated through mobile communication.
- *Employee satisfaction*. The later users of the system must be satisfied with the changes in business processes.

Furthermore three interaction objectives can be achieved:

- *Novel services*. Novel services can be offered to customers by mobilising existing services or by creating new mobile services.
- *Overtaking of process parts*. Process parts or entire processes such as the sales process can be conducted by the customer.
- *Elements of the order processing*. The field service can handle elements of the order processing such as payment, order confirmation and availability check at the customer's location.

Performance and interaction objectives assist the customer objectives:

- *Customer retention*. Better information about customers helps to keep a good relationship

with customers. This results in higher revenues per customer and more frequent repurchases.
- *Customer acquisition*. mCRM marketing activities help identifying new customers.

The market objective is as follows:

- *Increased revenue*. Due to retention and acquisition of customers revenues rise.

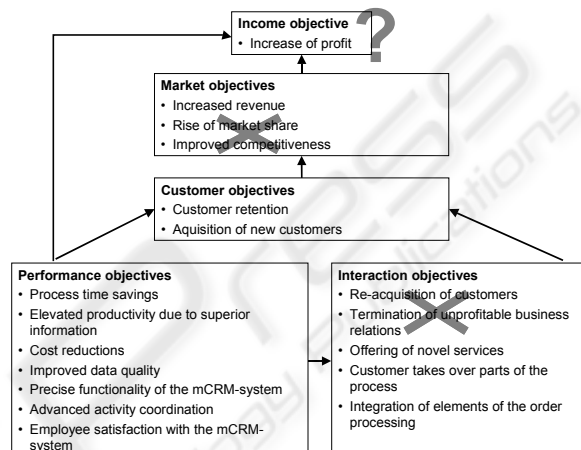Figure 4 shows the reachable objectives as result of the second analysis.

Figure 4: Reachable objectives of mCRM projects.

Uncertain is whether profits ascend through mCRM (income objective). The rise of market share as well as improved competitiveness can not be met with mCRM projects. Furthermore, re-acquisition of customers and the termination of unprofitable business relations are not reachable objectives of mCRM projects.

4 SUMMARY AND OUTLOOK

4.1 Summary

In this article success factors and objectives of mCRM projects were empirically determined by secondary research. Our two analyses led to the formulation of 12 success factors and 13 objectives.

- *Success factors of mCRM projects:* Successful mCRM projects need to pay attention to project management, processes and technology. Within the project management the project team has to be interdisciplinary and has to incorporate later users. Top management and sufficient resources must back up the project. Process specific success factors are that mCRM-activities have

to be customised and need to refer to the customer buying cycle. Additionally, customer data is to be analysed and requirements of the mobile process need to be considered. Technical success factors are the diligent selection and integration of the mCRM system as well as the consideration of technical requirements regarding transfer, application and service.

- ***Objectives of mCRM:*** Reachable objectives of mCRM projects are customer, market, interaction and performance objectives. Customer objectives deal with acquisition of new and retention of existing customers. The market objective is to increase revenues. The interaction objectives offer of new services to the customer and shifts business activities to the customer through mCRM. Therefore, the customer can overtake and execute independently activities such as the sales process. Elements of the order processing could be carried out at the customer's location. Finally the company's performance is enhanced through mCRM projects due to improved productivity of employees, reduced costs and process time, better coordination of activities and a functional mCRM-system.

4.2 Outlook

Since objectives and success factors of mCRM projects are disclosed, causal connections between and within objectives and success factors are further areas of research. Moreover, the process specific success factors were held quite general due to the fact that there were no restraints concerning products or industries. A sharper formulation of these success factors is wishful. Finally, our analysis could neither assure nor decline the effectiveness of mCRM to increase the profit of companies. This aspect however is of high interest to decision makers of future mCRM projects.

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