

ACHIEVING THE COMPETITIVE ADVANTAGE BY USING CUSTOMER RELATIONSHIPS MANAGEMENT (CRM)

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Abstract: The aim associated with this article is to examine the impacts of customer satisfaction and customer value on the competitive advantage strategies such as cost leadership strategy, differentiation strategy, and concentration strategy. This study used the questionnaire method to collect the data while PLS-SEM was used to test the hypotheses. This study found that customer satisfaction and customer value have a significant positive association with competitive advantage strategies such as cost leadership strategy, differentiation strategy, and concentration strategy. These results show that the increased interest in removing Customer Relationships Management (CRM) will increase the competitive advantage in telecommunications companies.

Key words: competitive advantage, customer relationships management, telecommunications companies.

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Introduction

The main benefits of CRM are that the organization can distinguish itself from other competitors by fast-moving to customers and providing super serves, regarding that, CRM dimensions have come forward to contain the customer satisfaction (CSA), which represents the personal feeling generated by the customer with joy and pleasure when he/she see that the goods or service correspond to his/her hopes. The second dimension included the customer value, who represents the situation in which the benefit to the patient is greater than the sacrifices he has made. While the competitive advantage that is one of the survival features of competing organizations in fast-responding markets is that the customer's uniqueness and excellence have become an essential characteristic of achieving excellence through the ability of an organization to perform in a single way or identify methods that are not competitors can pursue or reach it, the organization use of its internal strengths of financial resources and human capabilities that possess the advantages of its rare skills is one of the necessary signs of competitive advantage, as well as organizations, have not stood at this point, it has worked hard to divide the market into parts to achieve response to the variable needs of customers. The competitive advantage based on creativity,

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innovation, and trust of trade-mark is characterized by a secure and viable rate than that based on cost reduction, and offering prices are not high for customers.

The current study highlights the following questions:

1. What is the level of CRM application in telecommunications Companies used in this study?
2. How interested are telecommunications companies that studied in this study to achieve a competitive advantage?
- 3- What kind of relationship between the application of CRM and the achievement of competitive advantage in the Telecommunications Companies with the topic of this study?

Increasing the awareness of Telecommunications Companies about the importance of applying CRM, especially in increasing competition, and as a step in strengthening the endeavour of Telecommunications Companies in providing communication services in accordance with the needs and expectations of customers as a competitive basis.

This study aims at:

- 1- Analyzing the impact of CRM variables on competitive advantage variables in the Telecommunications Companies in this study.
- 2- To reach a set of conclusions and recommendations that are in the interest of telecommunications companies by applying the philosophy of managing the relationship with the customer.

Literature review

Customer Relations Management is defined as "developing and maintaining long-term relationships with strategically important customers". Hussain, Mosa, and Omran (2017) stated that CRM is "a functional process to achieve a continuous dialogue with customers and communicate with them across all access points, to increase the personality of the most valuable customers and retain them and increase the effectiveness of marketing initiatives".

Agnihotri, Dingus, Hu, and Krush (2016) defined CSAT as "The ability of an organization to attract and retain customers, and improve customer relations over time, Moreover, the customer is the key to long-term success and competitiveness and that knowing customer satisfaction is a source of customer expectations, and informed source to earn their retention and a source of study of organizational efficiency to provide goods and services, and can The organization decides on the actions required to meet the needs of customers". Methods of measuring customer satisfaction can be identified according to the opinions of the researchers who addressed this topic.

Zhang, Guo, Hu, and Liu (2017) stated that the value of the customer " is the equivalent of cash at present that the customer can pay for the benefits of future cash flow ." Hence the value of the customer can be divided into - a - building the value of the customer b - the value of the customer's life.

Payne, Frow, and Eggert (2017) observed that there are three ways to build a customer's value:

- 1- Building customer value through packaging and labelling.
- 2- Building the customer's value through sales representatives: Sales relationships.
- 3- Building customer value, relationship, and expertise in the field of fast markets.

The value of a customer's life is defined as "the current value of future cash flows describing the customer of the relationship " (Nawaz, Afzal, & Shehzadi, 2013). McColl-Kennedy, Hogan, Witell, and Snyder (2017) indicated that customer's lifetime value is defined as the customer's value determined by the assessment of the amount of all purchases as well as the projection of future purchases minus the customer's marketing costs. The customer values have a more significant influence on the selection of competitive strategies in the organization (Myšková & Hájek, 2019).

The concept of competitive advantage as it is in many contemporary management concepts has given him a lot of definitions, Kumar and Pansari (2016) defined the competitive advantage is defined as " the ability of the organization to perform in a single style or to identify methods that competitors cannot follow in Present or future " as well as known the competitive advantage as " the organization exploits its internal strengths in the performance of its activities so that it creates value that the rest of the competitors cannot achieve in their performance of their activities ". McLean and McGovern (2017) defined the Costing Leadership Strategy" as a competitive low-cost strategy that targets the mass and large or wide market and requires the establishment of activities for efficient facilities, and an active effort to reduce cost through experience". Goddard and Simm (2017) stated that Costing Leadership Strategy as "a complete set of procedures designed to produce or deliver goods relative to the low cost of competitors with properties that are acceptable to customers ". Thompson & Strickland, 2003:117, believe that the entry point for achieving and delivering lower-cost products is a strong competitive entry in the markets as many buyers are price-sensitive, and the goal of these strategies is to achieve a cost advantage over competitors.

Semuel, Siagian, and Octavia (2017) defined the differentiation strategy as "providing a product or service that the user considers to be of a value that is not superior to compete." They also noted that the differentiation strategy includes the choice of one or more criterion among the options that are used by many buyers in the industry. The strategy of differentiation is usually associated with high prices and higher-than-average costs for the industry, that the goal of the strategy Differentiation is to give customers the opportunity to prefer one product over the other and thus centralize marketing and strategic thinking for customers.

Anderson and Hannam (2019) defined the concentration strategy as "a complete set of procedures designed to produce or deliver services that serve the needs of a particularly competitive sector," while they believe that the concentration strategy is on one side of the market, i.e. a prestigious product niche. The competitive advantage strategies are dependent on the satisfaction of the customers of an

organization (Ivanova, Holionko, Tverdushka, Olejarz, & Yakymchuk, 2019). Based on these kinds of literature, this study contains hypotheses that are mentioned as follows:

1. There is a relationship with a significant difference between CRM and the achievement of competitive advantage, so this hypothesis leads to the following:
 - I. There is a correlation with a significant difference between the dimensions of CRM.
 - II. There is a correlation with a significant difference between the dimensions of competitive advantage.
 - III. There is a positive correlation with a significant difference between customer satisfaction and the dimension of competitive advantage.
 - IV. There is a correlation with a significant positive difference between the customer value and the dimension of competitive advantage.

Research methods

This study aims to examine the achievement of competitive advantage by using customer relationship management. The data gathered from the customer relations officers and out of 455 responses, only 320 questionnaires were returned that was representing approximately 70.32 per cent response rate.

The diagram of the study is considered as an expressive image of the aims, and the idea of this study, the following arrows refer to correlation and impact.

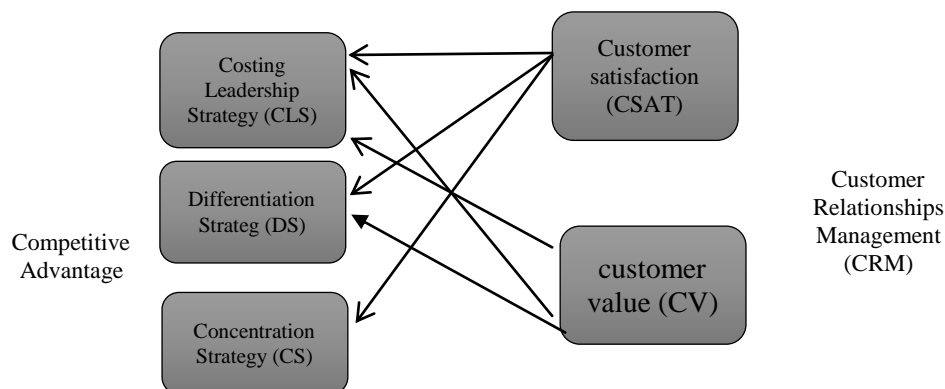


Figure 1: Hypothetical diagram of the study

Findings

The findings exposed that the convergent validity is valid because all the criteria are full filled such as the values of Alpha and composite reliability (CR) are larger than 0.70 while AVE and loadings are not lower than 0.50. These values are mentioned in Table 1.

Table 1: Convergent Validity

Items	Loadings	Alpha	CR	AVE
CLS1	0.681	0.857	0.889	0.572
CLS2	0.756			
CLS3	0.715			
CLS4	0.741			
CLS5	0.811			
CLS6	0.822			
CS1	0.831	0.883	0.910	0.629
CS2	0.834			
CS3	0.793			
CS4	0.685			
CS5	0.785			
CS6	0.822			
CSAT1	0.775	0.896	0.917	0.585
CSAT2	0.848			
CSAT3	0.510			
CSAT4	0.818			
CSAT5	0.736			
CSAT6	0.783			
CSAT7	0.813			
CSAT8	0.782			
CV1	0.879	0.806	0.862	0.558
CV2	0.776			
CV3	0.709			
CV4	0.673			
CV6	0.680			
DS1	0.696	0.849	0.882	0.520
DS2	0.815			
DS3	0.622			
DS4	0.619			
DS5	0.692			
DS6	0.801			
DS8	0.776			

The findings also exposed that the discriminant validity also valid because all the criteria are full filled such as the ratio of Heterotrait Monotrait are not larger than 0.90 that means no high correlation among the constructs that are mentioned in Table 2 as under:

Table 2: HTMT Ratio

	CLS	CS	CSAT	CV	DS
CLS					
CS	0.777				
CSAT	0.773	0.419			
CV	0.706	0.537	0.545		
DS	0.403	0.636	0.605	0.713	

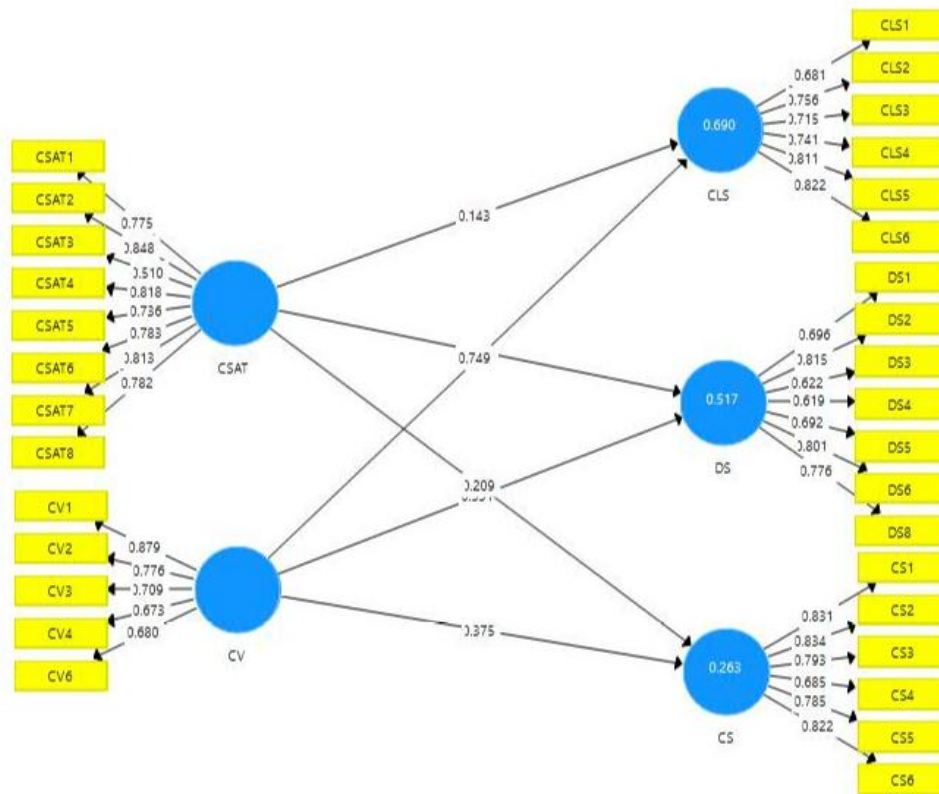


Figure 2: Measurement Model Assessment

The findings also exposed that positive links among both the dimensions of the supply chain with all three dimensions of competitive advantage because all beta has a positive sign. In addition, the links are significant because probability values

are less than 0.50, t-statistics are larger than 1.64, and no zero lies among the upper and lower limits that are mentioned under Table 3.

Table 3: Path Analysis

	Beta	S.D.	t-values	p-values	L.L.	U.L.
CSAT -> CLS	0.143	0.047	3.020	0.001	0.062	0.215
CSAT -> CS	0.209	0.068	3.071	0.001	0.103	0.334
CSAT -> DS	0.286	0.055	5.165	0.000	0.196	0.372
CV -> CLS	0.749	0.036	20.958	0.000	0.690	0.808
CV -> CS	0.375	0.068	5.493	0.000	0.250	0.479
CV -> DS	0.531	0.043	12.393	0.000	0.462	0.602

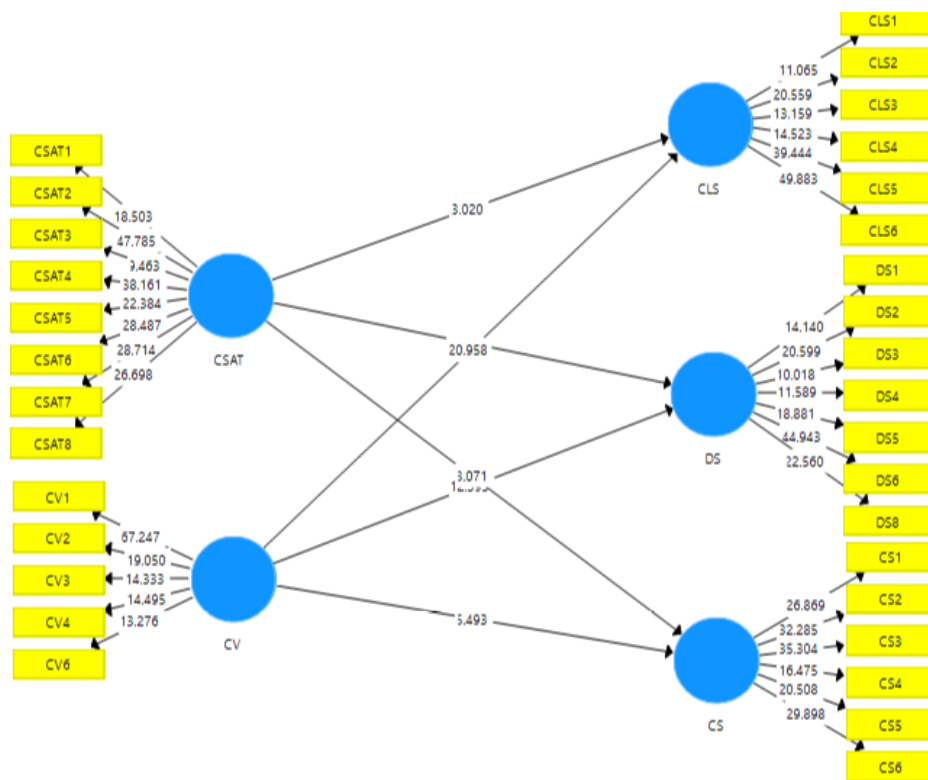


Figure 3: Structural Model Assessment

Discussions

This study found that customer satisfaction and customer value has a positive link with the competitive advantage strategies and these findings are similar with the output of Rintamäki and Kirves (2017) who also found that positive association among the customer value and strategies of competitive advantage. In addition, the result of the present study is matched with the findings of the Khan and Ghouri (2018) who also exposed that the selection of the strategies about competitive advantage depends upon the customer satisfaction of the company. Moreover, the results of the current study about the positive linkage of customer satisfaction and strategies of competitive advantage are similar to the output of Kuhl and Krause (2019) who also examined the positive link among them.

If public organizations want to adopt the concepts of customer relations management, they should reconsider the internal processes of companies, and this can be done through reengineering and new changes that keep pace with the state of progress in modern societies. Urge the employees of the researched communication companies to pay attention to the quality of the service provided to customers, and the speed of responding to their requests, especially internet services, through the holding of sessions and continuous dialogue seminars with them. The need to benefit from the philosophy of customer relations management as it allows us to identify customers and build and maintain a profitable bilateral relationship by delivering excellent value and satisfaction to customers, and this is by connecting by opening channels of direct communication with the customer and interacting with him. Competitive advantage must be introduced by public organizations to be able to meet the challenges faced by the external environment, i.e. the competition environment.

Conclusions

The contact companies need to increase the cognitive and philosophical interest in the concept of customer relations management, and the most important theories and the latest in this field to be able to catch up with the cognitive progress that is taking place in this field at the regional and global level and to benefit from this cognitive development at the level Practical and field. The public research companies are concerned with customer satisfaction. They are an essential priority for them, but this interest may not be based on a scientific concept such as the concept of customer relations management and giving importance and care to the customer as much as it is based on other concepts perhaps, because of the lack of knowledge of these concepts by employees Scientific. They deal with it customarily or innately, if you will, and this applies to all other dimensions of customer relations management. The low customer confidence in the organizations has led to the emergence of customer relations management to create the language of dialogue and consult with customers to reach the stage where customers are

acquired and maintained. One of the main benefits of customer relations management is that the organization can distinguish itself from other organizations by rapidly moving to customers through its portals and internet networks that keep the organization within walking distance of its customers.

Limitations and future directions

This study has some valuable future directions for upcoming research and also the limitations of the study. This study takes only two factors, such as customer satisfaction and customer value, to predict the competitive advantage strategies and suggested that future studies should add more factors in their analysis. In addition, this study takes only the telecommunication sector in the analysis, and future studies should add other sectors in their analysis.

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OSIĄGNIĘCIE PRZEWAGI KONKURENCYJNEJ ZA POMOCĄ ZARZĄDZANIA RELACJAMI KLIENTÓW (CRM)

Streszczenie: Celem związanym z tym artykułem jest zbadanie wpływu zadowolenia i wartości klienta na strategię przewagi konkurencyjnej, takie jak strategia przywództwa kosztowego, strategia różnicowania i strategia koncentracji. W badaniu wykorzystano metodę kwestionariuszową do zebrania danych, podczas gdy do przetestowania hipotez zastosowano PLS-SEM. Badanie wykazało, że zadowolenie klienta i wartość klienta mają znaczący pozytywny związek ze strategiami przewagi konkurencyjnej, takimi jak strategia przywództwa kosztowego, strategia różnicowania i strategia koncentracji. Wyniki te pokazują, że zwiększone zainteresowanie usunięciem zarządzania relacjami z klientami (CRM) zwiększy przewagę konkurencyjną w firmach telekomunikacyjnych.

Słowa kluczowe: przewaga konkurencyjna, zarządzanie relacjami z klientami, firmy telekomunikacyjne.

使用客户关系管理(CRM)实现竞争优势

摘要: 与本文相关的目的是研究客户满意度和客户价值对竞争优势战略(如成本领导战略, 差异化战略和集中度战略)的影响本研究使用问卷调查法收集数据, 而PLS-SEM用于检验假设。这项研究发现, 客户满意度和客户价值与竞争优势战略(如成本领先战略, 差异化战略和集中度战略)具有显著的正相关关系。这些结果表明, 对消除客户关系管理(CRM)的兴趣日益增加, 这将增加电信公司的竞争优势。

关键词: 竞争优势, 客户关系管理, 电信公司。