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THE PERCEPTIONS OF MARKETING EXECUTIVES IN CALIFORNIA-BASED FINANCIAL SERVICES ORGANIZATIONS WITH REGARD TO CUSTOMER RELATIONSHIP MANAGEMENT

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by

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ABSTRACT

The purpose of this study was to investigate the perceptions of marketing executives in California-based financial services organizations with regard to the effectiveness of customer relationship management (CRM). The study reviewed the literature to introduce the financial services industry, to examine the use of CRM, and to identify reasons for CRM's successes and failures. The researcher conducted an attitudinal study to assess the perceptions of marketing executives in the California financial services industry as it relates to the effectiveness of customer relationship management (CRM) in their organizations. The study randomly sampled over 100 corporate marketing executives in the state of California. This sample responded to an online survey questionnaire to elicit the participant's perceptions as they related to the success of CRM in their organization. The finding presented a list of best practices and common pitfalls that marketing executives can use to in current or future initiatives. This included a review of participant's perceptions based on some key demographic characteristics.

Chapter One

Introduction

There was a time in the United States when merchants knew their customers. The country was organized into small businesses that served the community and fueled the local economy. By 1830, the economy boasted of thousands of small rural businesses whose strength was personally catering to their customers. Doing business was more comfortable and easier as a result of this familiarity between customers and the local business owners. Today, we refer to this collection of small-scale loosely organized businesses as cottage industries (Webster's, 1996).

In the years after 1850, technology changes began to influence all aspects of cottage industries. The introduction of new machinery shifted the focus away from manpower to technologies that allowed for greater production of goods. For example, the introduction of textile machines such as the self-acting mule replaced the need for the less efficient spinning wheels. These types of innovation lead to further advancements in technology and a slow evolution toward assembly lines, interchangeable parts, and other forms of mass production (Mokyr, 1990).

Drucker (1973) states that society in every developed country moves towards institutions. "In the society of 1900 the family served in every single country as the agent of, and organ for, most social tasks. Institutions were few and small. The society was diffused in countless molecules: small workshops, small schools, the individual professional - whether doctor or lawyer - practicing by himself, the farmer, the craftsmen, the neighbor retail store, and so on. There was the beginning of big business" (Drucker, p.3).

By the beginning of the twentieth century, the cottage industries became constrained by the size of their households and small businesses. They found it increasingly difficult to rapidly adopt these new technologies. As competition for business increased, many small businesses came together to form large-scale firms. The economies of scale allowed these firms to share costs while creating products for customers both local and across country. At the same time, a factory system emerged within the urban community that could adapt to the newest technologies and quickly adopt productivity growths (Mokyr, 1990).

During the Industrial Revolution, companies focused their efforts on developing mass produced products and mass marketing advertisement. As a result, small proprietor’s influence over customer’s purchases began to decline (Peppers and Rogers, 1993). One of the casualties of moving from the customer-centered small business to the larger modern corporation is the loss of personal touch with the customers. Some corporations have recognized the importance of changing their strategies to improve customer relations. At issue is how best to accomplish this.

Corporations recognize this loss of contact with the customer as a problem due to the lack of profits. Some companies have started to change their business strategy to improve customer relations. These companies have discovered a marketing strategy introduced by Peppers and Rogers (1995) called “customer relationship management” (CRM). Some of the key aspects of the CRM strategy include building and maintaining customer relationships by: (a) acquiring high quality customers, (b) improving retention of valued customers, and (c) improving the development of customer relationships. CRM is currently in practice within organizations and across industries. The current literature on the topic suggests that most companies are aware of CRM. However, there are currently no acknowledged methods of measuring the effectiveness of this customer-based strategy.

Statement of the Problem

There is a growing distance between large corporations and their customers. Many corporations have lost focus while dealing with the increasing complexity of business and the strong competitive forces in the marketing place. This loss of focus has resulted in an increased loss of business. This provides an for new companies to quickly take customers away from the competition by understanding and responding to customers' needs. Companies such as American Express, Dell Computers, and American Airlines have shown this strategy to be successful (Hiebeler, Kelly, & Ketteman, 1998). While most corporations have always recognized the importance of their customers, many are now beginning to recognize the need to improve their customer relations.

The marketing departments within most organizations are typically responsible for implementing strategies related to improving customer relationships. These departments are lead by marketing executives that focus their efforts on acquiring new valuable customers and retaining their existing customers. Hughes states that executives developing a customer-focused strategy must reach out across the organization and master a variety of different skills in order to find success. However, many executives fail to appreciate the challenges and the opportunities provided by both the new and old technologies within their organizations. In practice they find that the technology is complicated and that there are many ways to put the different pieces together (Hughes, 1994).

To complicate matters, the current CRM literature takes many forms. At one extreme, consulting companies herald the values of CRM and encourage executives to alter their business strategy by investing in this trend (Bordoloi, 2002). In the middle, software companies present their tools and roadmaps in an attempt to provide successful implementations to the industry (Meta Group, 2001). At the other extreme, analysts and academics search for the quantifiable results that CRM can increase revenue or reduce costs (Norcia, 2002).

One difficulty is that there is little literature from objective researchers attempting to capture the results of CRM initiatives over the last few years. In addition, it is not clear whether marketing executive's perceptions are completely understood with regard to the planning and implementation of CRM initiatives (Williams & Burrows, 2001, Raymond, 2002). Any new research should attempt to capture these perceptions as well as sort out the current literature to determine the characteristics that lead to a project's success or failure.

The Setting

An excellent environment to observe the CRM business strategy in motion is the financial services industry. This industry is comprised of companies that provide a variety of services to both commercial and consumer customers. These companies can generically be categorized into 2 groups based on their standard industry classification (SIC) codes. These groups are the banks and the insurance companies. Both of these groups of companies are well established in the United States. The banking group represents approximately 12,067 companies controlling over $3.1 trillion in total United States deposits. The insurance group represents 17,000 companies with more than $600 billion in premiums. Each of these groups has matured at different rates over the last 30 years (National Technical Information Services, 2000). Both groups have invested a great deal of time and effort in this customer-focused business strategy. As a result, some companies have unlocked the key to future success while others continue the struggle.

One of the largest segments of this industry is the California-based financial services organization. This segment is comprised of any financial services company that bases one or more of its major divisions in the state of California. Some of the strongest members of the banking group are Bank of America, Capital One, Countrywide, Washington Mutual, and Wells Fargo. Some of the strongest members of the banking group in the insurance group are Allstate Insurance, MetLife Insurance, Transamerica Insurance and Investments, and Farmers Insurance (National Financial Services Network, 2002). The following are some key statistics related to these groups.

#	Bank/Credit Card/Mortgage Company	Number of Total Employees	Net Assets	Market Capitalization
1	Bank of America	142,670	$ 037.60 Billion	$ 107.10 Billion
2	Capital One	21,648	$ 177.00 Million	$ 012.20 Billion
3	Countrywide	17,921	$ 004.10 Billion	$ 005.68 Billion
4	Washington Mutual	49,039	$ 011.70 Billion	$ 035.60 Billion
5	Wells Fargo	123,200	$ 017.70 Billion	$ 084.20 Billion

#	Insurance Company	Number of Total Employees	Net Assets	Market Capitalization
1	Allstate	39,627	$ 015.90 Billion	$ 026.20 Billion
2	Met Life	46,000	$ 016.00 Billion	$ 021.00 Billion

Despite the extensive support that exists in the literature for implementing CRM, there is little evidence of the perception of its effectiveness as a day-to-day business strategy.

Purpose of the Study

The purpose of this study is to investigate the perceptions of marketing executives in California-based financial services organizations with regard to the effective planning and implementation of customer relationship management (CRM). The study will seek to bridge the gap between the theory, CRM, and its application within the financial services industry. More specifically, the study will :

1. Determine the perceptions of marketing executives with regard to the planning and the implementation of CRM within California-based financial services organizations.
2. Determine the factors that lead to both successful and failed CRM initiatives.

Mission Statement

The mission of this study is to gather the perceptions of California-based financial services marketing executives. These perceptions will be collected in the form of both quantitative and qualitative data. In addition, data will be extended by applying statistical analysis. At the completion of the study, the researcher will have used this repository of data and analysis to:

1. Respond to the three research questions.
2. Advance the theoretical body of knowledge with new insights.
3. Provide the financial services industry with a set of best practices based on research.
4. Lay the foundations for the development of a robust CRM maturity model.

Research Questions

1. What are the perceptions of California-based financial services marketing executives with regards to the planning and implementation of CRM initiatives?
2. What characteristics are essential for the successful planning and implementation of CRM initiatives in California-based financial services companies?
3. What are the common pitfalls, with respect to planning and implementation, for failed CRM initiatives within California-based financial services companies?

Significance of the Study

The study will examine how companies are operationalizing the new paradigm of customer relationship management. Specifically, this research will be able to provide additional insights to marketing executives who are now involved in or will soon begin CRM-based initiatives in their organizations. These insights will include examples of the effective strategies employed by various companies in the past. This research will also serve as a guide for executives considering new CRM initiatives. This guide will include recommendations for planning CRM projects, choosing appropriate technologies, and hiring professionals to implement the project. Finally, this research will also provide a set of best practices for success that may validate or enhance an executive's current strategy.

Limitations of the Study

The study will be limited to companies based in California, so comparisons can be made among organizations that share a common tax structure and common labor laws. Data will be gathered from companies established prior to 1997 as a way to eliminate the problems associated with new businesses, such as start-up costs, an untrained work force, and other introductory issues. The focus will be on companies, which have been implementing CRM for at least two years, and are continuing to use CRM software.

Definition of Terms

The following definitions are intended to clarify the meanings of key terms in the context of this study:

Customer relationship management (CRM). A marketing strategy designed to better understand the needs of the customer.

End customer. The actual customers who purchase a product or service from a company.

External partners. Business partners who are not employees of the company; however, they work closely with the company offering services on a regular basis.

Financial services companies (FSC). For-profit organizations that offer products or services of a financial nature.

Internal professionals. A group of professionally trained employees within the company.

LifeTime value (LTV). A calculation designed to determine the total revenue that a customer will bring into an organization.

Outsource. The use of outside services that were performed within the company in the past.

Recency, frequency, monetary analysis (RFM). A business analysis that uses statistical modeling techniques to predict customer's behavior.

Return on investment (ROI). An accounting and financial calculation that determines the number of dollars that an organization receives as a result of one or more investments.

Chapter Two

Literature Review

Overview

This chapter of the dissertation presents a review of the literature related to the different aspects of customer relationship management (CRM). These aspects range from the theories and strategies for managing customers to the technology challenges associated with developing CRM tools inside an organization. The review completes with an assessment of the key factors that determine a project's success or failure.

In the early 1900s, the United States economy consisted of thousands of small companies. Each company produced one type of product, which was sold to the people in the local community. The owners of these companies knew their customers by name. To ensure their own prosperity, the owners maintained a close relationship with each customer. Many of these companies prospered and grew into large modern corporations with multiple products. However, today these same corporations have lost touch with the people that buy their products and services. The relationship with the customer was a casualty of this growth. With the introduction of the digital marketplace, there is a direct relationship between the number of customers and a company's success. As a result, companies are threatened by decreasing revenue and possible extinction.

Some corporations recognize the importance of changing their strategy to improve customer relations. These corporations have discovered a marketing philosophy introduced by Don Peppers and Dr. Martha Rogers (1993) called customer relationship management (CRM).

Some of the key aspects of CRM include building and maintaining customer relationships by (a) acquiring high quality customers, (b) improving retention of valued customers, and (c) improving development of customer relationships. In addition, technology is an essential part of the CRM business model. Technology must be used to create comprehensive information systems and real-time distribution mechanisms to support all these objectives.

The information systems must be used to create, monitor, and evaluate marketing and sales campaigns. These campaigns are designed to acquire prospective customers and retain existing customers. These information systems will also be used to capture and monitor all interactions with customers and trigger special marketing events based on the customer's behavior. Real-time distribution mechanisms make interactions with the customer a reality. New technology innovations make this possible via electronic commerce through the Internet.

In the remainder of this literature review, the author will describe the evolution of the CRM philosophy and the technology issues associated with implementing a CRM solution. The topics related to the CRM evolution include (a) challenging the old paradigm of mass marketing, (b) developing strategies for relationship management, and (c) effecting the profitability of the organization. The topics related to the technology issues include (a) creating the technology infrastructure, and (b) determining characteristics for projects that both succeed and fail.

Challenging the old paradigm of Mass Marketing

Peppers and Rogers (1993, 1995) are one of the first authors that challenge the old paradigm of mass production, mass media, and mass marketing. They were the first to describe a new paradigm based on customized production, individually addressable media, and one to one marketing. This paradigm is based on building an individual relationship with each individual customer. These relationships would not be one-way dyads, but would allow for an interaction between the company and the customer using the most current technology. These ideas were radical for their time because most companies had been very successful doing business using the traditional methods of mass marketing and economies of scale strategies.

Today, the power of the customer (Porter, 1980) has only started to be understood. More companies base a large part of their strategic planning on understanding and servicing the needs of the customer (Dolan, 1991). Significant technology challenges also have made corporate and customer two-way dyads more feasible. Peppers and Rogers refer to making contact with the customer through the means of mail, phone, and fax machine. They predicted a future where interactive television would be a possibility. This future is a reality today due to the advent of the Internet, very large database technologies, and sophisticated “customerization” and “householding” software products.

The new paradigm of database marketing has changed the rules of traditional business competition. In the traditional model, market share is a primary goal for most companies. Dolan (1991) describes market share as “the ratio of a company’s sales to total industry sales in a particular market. Market share can be measured in dollars or units" (p. 625). This business model emphasizes the need to gain a greater level of sales then in past years and through the quickest manner possible. Alternatively, Peppers and Rogers believe that less focus should be placed on short-term profits. More profits can be realized by retaining the most profitable customer for the longest period of time. Peppers and Rogers present a new business strategy that attempts to capture a greater share of the customers, and not more of the market. This starts with determining which customers are loyal and represent a profitable relationship to the company. Peppers and Rogers explore this idea by using statistical modeling techniques to calculate each customer's lifetime value (LTV) for the company. In addition, they suggest that profiling techniques can be used to tell customers apart and to customize products and services that meet their needs.

Reichhold (1996) makes a strong statement about the importance of customers, employees, and investors over the traditional goal of sales and profits. Sales and profits are clearly important to a company's success. Reichhold suggests that sales and profits are by-products of a successful customer centered organization. He declares that corporations must replace their customers within five years . . . their employees within four years . . . and their investors within one year. He also states that these losses directly affect a company through low growth numbers, weaken profits, and a shortened corporate life expectancy. The loyalty effect presents a convincing argument for success. Companies can directly benefit from any efforts directed toward building and maintaining the right type of customer relationships.

Reichhold leads the reader down the path of understanding the value of the customer by focusing on measuring and retaining each customer. Retention is accomplished through creating high quality products that are priced competitively, and marketed using direct marketing and interactive marketing techniques. The value proposition must be better than ever because the customers are smarter. Technology is the enabler that allows the company and the customer to reach out and do business together. Reichhold invests a great deal of effort in convincing the reader that loyal customers are more profitable. The life cycle of a profitable customer is examined highlighting the costs associated with acquiring and maintaining a typical relationship. All of the data validates the strong statement that customers cost less to administer, and are more profitable the longer they stay with the institution.

Reichhold addresses the loyalty issues relating to the customers, the employees, and the investors. The scope of this review has been limited to the customer aspects of the book. Reichhold makes an argument to focus the strategy of the company away from profit and towards a customer centric strategy. The data are very convincing and the company profiles are insightful. However, there is no attempt to explain how to implement the strategy presented in the book. If the customer is now the focus of the company, how do we find the customers and convince them to remain with the institution? There are some references to the use of modern information technologies, but this is clearly an area where new research could be performed.

Hagel and Armstrong (1997) expanded on the idea of customer management and loyalty in the virtual communities of the Internet. They explain that sales and market must work together to be successful. Hagel and Armstrong state, “Customers in many markets, search for value, not stability; price not relationships” (p. 197). To encourage loyalty, companies must move closer to the customer. Most companies must have a present in the new virtual communities. This includes provide selling and customer service on-line, as well as, monitoring and participating in newsgroups and chat sessions. Customer loyalty and relationship management must be part of the organization’s marketing strategy.

The Meta Group (2001) presents a broader definition of CRM. They suggest that CRM is more then a marketing philosophy. It is a strategy to improve sales, customer service, and operations. The Meta Group offers a vision for a “CRM ecosystem” (p. 4) that begins with the alignment of business processes and technology. Next, the Meta Group states that this ecosystem must include a business environment where all of the organization’s day-to-day operations are integrated together. This integration includes all the customer touch points including call centers, web sites, and emails. Finally, the Meta Group acknowledges the need for the customer level reporting, analysis, and profiling services provided by the marketing department. It is unclear whether the business community has adopted this broader definition or if this definition is an attempt by consultants and software companies to leverage the hype of this current business fad.

Developing Strategies for Relationship Management

Customer relationship management (CRM) is more than a marketing philosophy. It is a major component of an organizations overall business strategy. Therefore, it is important to review the literature, which connects an organization’s business strategy to a

CRM solution. There is a great deal of literature on the topic of strategy. Much of the literature refers to the importance of the customer. Dolan (1991) offers an extensive explanation of a strategic marketing department's function. One clear theme is the importance of centering all strategies on the customer. Dolan explains that as an industry matures, the individual companies evolve their strategic objectives from a product driven focus toward a customer driven focus. The recent increase in competition in many industries, such as banking, telecommunications, and high technology, has provided evidence for Dolan's idea.

Prahalad and Hamel (1990) have examined the relationship between core competencies and the modern corporation. They have referred to core competencies as being the root to an organization's competitive advantage (Porter, 1996). Later, Prahalad and Hamel (1994) focused their attention on the customers and the customer satisfactions as a significant core competency that an organization can use to create a competitive advantage.

McKenna (1991) offers a pure marketing view on strategy. McKenna states, "Marketing is everything. Marketing today is not function; it is a way of doing business" (p. 5). This idea pervades his research. Many of his themes emphasize that marketing starts with building individual customer relationships. He states, "What really matters is how existing and potential customers think about a company in relationship to it competitors. Customers set up a hierarchy of values, wants, and needs based on imperial data, opinions, word of mouth references, and previous experiences . . ." (p. 43). Later, McKenna (1997) emphasized the use of technology in relationship marketing. He explains that technologies such as customer marketing databases have connected with the Internet to increase the sense of urgency. Classic strategic themes, such as "time to market" (McKenna, 1991, p. 22), have taken on a new perspective.

Effecting the Profitability of the Organization

The ultimate reason that many organizations are embracing the customer relation management (CRM) philosophy is the promise of great profitability. Heskette, Sasser, Schlesinger (1997) explained that a "service profit chain" exists in all organizations. This chain contains strong links between employee loyalty and customer loyalty, and between customer loyalty and a company's profits. They cite research in organizations, such as Xerox, where high marks in customer satisfaction resulted in improved profitability over a three-year period.

Two dissertations examine the different aspects of the customer relationship process. The first dissertation reviews the organizational processes that lead to customer profitability. Huntley (1999) suggests that organizations that focus their effort on their customers are more likely to reach customer profitability. Specifically, Huntley states the organizational goals must be in alignment with the needs of their most valued customers. Next, the organization's key business processes must be designed with the customer in mind. For example, does the organization make it difficult for the customer to buy their products or services? Huntley also acknowledges the importance of quality throughout the customer's life span with the organization.

The second dissertation explores the differences between customer satisfaction and customer value. Boentiz (2001) states that measuring customer satisfaction is not a true indication of loyalty. She also states, companies fail to measure the potential value of a customer. Most customer satisfaction surveys are based on past transactions and revenue and companies should put processes in place to measure the potential value of each customer. In addition, Boentiz suggests (a) developing and implementing a customer value measurement system, (b) operationalizing customer value analysis, (c) integrating customer value analysis into a strategy navigation system, and (d) measuring the impact of customer value.

Sveiby (1997) examined the importance of customers as part of an organization's new knowledge-based assets. He states, " . . . the key to sustained profitability is establishing and maintaining stable customer relationships" (p. 179). Sveiby provides some research and presents a set of findings; however, he does not elaborate on the source, sampling, or methodology of the research. The findings are compelling but the research must be validated for accuracy and completeness.

Peterson (1999) has examined the relationship between CRM systems and companies' return on investment (ROI). Peterson has reviewed the economics of companies investing in marketing strategies, such as CRM. The focus is on the costs and benefits of such a solution. Peterson commented on the difficulty of gaining a true cost of implementation; however, a ROI calculation is provided and examples are described in detail.

Creating the Technology Infrastructure

Hughes (1994) has embraced the new paradigm that Peters and Rogers (1993) introduced a year earlier. Hughes described how to use business knowledge and database technology to implement a customer centric direct marketing operation inside an organization. Hughes presented a framework that instructs the reader on the issues that must be addressed while building a marketing database. These issues include defining strategy behind the marketing database, determining the blend between customer and prospects, understanding the potential uses of the marketing database, and why marketing databases fail.

The strategy behind building a marketing database starts with the organizational strategic plan. The strategy must include a directive to build customer loyalty, reduce customer attrition and increase sales (Hughes, 1994). This means that there must be a commitment of 2 to 3 years to develop the desired affect on customer behavior. This commitment includes long-range budget considerations, company wide support from customer service, technical support, advertising, marketing and sales. In addition, a strong leadership must be in place to build a team of internal professionals and external partners.

It is important to understand why the database is being created. It begins with analyzing the customer or prospective customer through ad-hoc queries, that “slice and dice” the many dimensions of the customer. The results are detailed customer profiles that describe customer demographics, attitudes and behaviors. The database should also be used to perform recency, frequency, monetary (RFM) analysis and statistical modeling techniques. RFM predicts the chance that the customer will respond to future marketing campaigns.

Hughes devoted much of his research to explaining why so many database implementations have failed. He starts with faulty planning and execution. Little time is spent thinking of the newest plan, all the way through, in order to make sure it makes good economic sense. Hughes suggests that marketing managers should follow a few basic rules during implementation. First, managers should outsource most database functions to experienced professionals. Second, managers should build the first database rapidly using an appropriate scale. Then, managers should execute small marketing campaigns that allow the learning process to start immediately. This will build experience before major mistakes affect the overall project. Third, managers should build a database team with a forceful leader who has a long-term budget. Many managers fail due to their poor follow through practices. The details of the executions are complicated and must be watched closely. One of the most important parts of the execution is the ability to track the results of the campaign at a customer level. The final disposition must be captured to determine the true cost of the acquisition and the profitability of the customer.

Hughes does not trivialize the implementation process. He states that marketing managers now have enough technology to successfully segment and market directly to individual customers. However, most managers are not up to the challenge. They rely on a mass marketing approach. Next, Hughes shows the reader how to use the financial data that is produced from the marketing database to build customer profitability. Statistical modeling techniques can be used to increase customer lifetime value by executing planned campaigns designed to increase retention rate, increase referral rate, and increase the average annual purchase of each customer. This direct approach results in decreasing marketing costs and developing new niche markets.

Hiebeler (1998) and Taylor (1999) identified three main technology issues that must be considered when implementing a CRM solution. He has stated that corporations need to consolidate their customer data, purchase customer relationship management software, and determine which CRM software solution is appropriate for their business. First, most companies have data regarding their customers somewhere in the organization. Hiebeler believes that the main problem is that the data are not consolidated into a single location. Taylor believes the solution is to integrate all customer data into a single database. All key decision-makers can then access this data from any location. Second, companies must purchase software applications that organize and present this customer data in order to make it useful. These applications assist a marketing department to effectively acquire new customers and retain existing customers. A company must invest a significant amount in time and money before any results are seen. Taylor states that the results of these efforts can dramatically improve an organization’s profits. Third, there are a number of vendors that offer customer relationship management software and services. Each of these vendors is well known for providing high quality software applications in other industries. Taylor does not offer an opinion, but does provide a list of the four top selling vendors including: Siebel Systems, SAP, Oracle, and Baan.

Nash (1993) describes database marketing systems as an asset that far exceeds the value of just a marketing list. He states a list is merely a static group of names, addresses, and other related data. A database marketing system is dynamic and enables the organization to take advantage of the fact that people are more then just names, addresses, and numbers.

Nash presents four beliefs that demonstrate the power of targeting customers and prospects through direct marketing databases. First, customers are more important than non-customers. A database of existing customers is the best source for new business. Second, past behavior is the best indicator of future behavior. Database mining tools enable an organization to find these behaviors hidden behind the volumes of data. Third, some customers are more important then other customers. A database can create a total picture of the customer and the value they add to the organization. Fourth, customers are likely to share certain characteristics. The characteristics can be the basis for targeting the most profitable individuals. Fifth, prospective customers are likely to look like current customers. This can be one of the best methods for finding new customers.

Nash also offers a summary of the different type of data that can be used to provide the right product to the right customer. He states prospect and customer can be categorized based a wide variety of data attributes. For example, geographic data can be used to select the closest dealership to the customer. In addition, demographic data such as age, income, and level of education can be used to promote a new car model to the correct age and income groups.

Fournier, S., Dobscha, S., & Glenmick, D. (1998) addressed the problems associated with putting more technology between the company and the customer. They have stated that our over-dependence on technology gets in the way of relationships.

Customer databases and statistical procedures have been used to predict and target a customer's behavior. Fournier et al. believes that the results of such activities have not been successful. Technology must be paired with classic market research and allow the company to grow closer to their customer. They promote the idea of customer-response hot lines and product discussion groups to bring technology and marketing together.

DeBoisblanc (1999) is more optimistic then Fournier et al. about the successes of technology. DeBoisblanc believes that the critical element that most CRM solutions neglect is the importance of the process. The process is the translation of the strategic objective into a clear plan for executing the marketing strategy. The technology, such as customer databases or software, is only a tool that makes the connection possible.

Determining Characteristics for Projects that Both Succeed and Fail

There is a significant gap in the customer relationship management (CRM) literature. As described above, there is extensive research on the theory and application of CRM solutions; however, there is little evidence of the effectiveness of CRM solutions. Much research concludes with a general statement that improvements of some type were observed, after a CRM solution was implemented at an organization. Other research indicated that profitability was increased by some percentage. There does not appear to be any research that examines the effectiveness of technology of the CRM solution. Such research would include evaluations of the hard and soft costs of planning, selecting, and implementing a CRM solution. It would also include an extensive benefit analysis including all sales revenue, new customer relationships, and customer retention statistics credited to the CRM solution. However, there is a great number of authors with sets of recommendations, accolades, warnings, and other war stories. The best of these will now be presented as a set of recommendations and warnings for the successful planning and implementation of CRM initiatives.

Bordoloi (2002) stated, “Some (companies) have successfully implemented CRM solutions and created powerful, new revenue generating opportunities while some are playing catch up and are caught in the mad rush to implement” (p. 1). He presents a three-step framework for executing a successful CRM project. The first step begins with formulating a solid CRM vision. This vision requires a comprehensive review of the internal business capabilities and the external challenges for the organization. The second step is to create executive commitment for the project. This commitment requires a champion to create enough energy and passion for the vision to move throughout the organization. This executive sponsorship guarantees that the project has high visibility and buy-in across all ranks of users. The last step is to let business processes drive the CRM implementation. Bordoloi stated that technology is the enabler but must not drive the focus or direction of the project. He warns mangers not to be seduced by the blind promise of a comprehensive customer database designed for no particular objective. The best CRM initiatives are driven by a set of highly specific goals and key measurements that define the success of the project.

Buskirk & Lavik (2003) provide solutions to a number of real world scenarios. Buskirk & Lavik have organized these scenarios into eight mentoring modules designed to bring the challenges of marketing to life for the reader. The text is more then a collection of war stories. It provides a blueprint for developing successful strategies including an in-depths analysis and a set of helpful hints in each modules such as surrounding yourself with the best people, create a strong management team, stay focused on the customer, incorporate the customer in the feedback process, and subscribe to life long learning.

Canadian Godin Imbeau Group (2001), a professional services organization, offers a list of the top reasons why CRM projects fail. Their list represents a collection of experiences in the organization's CRM practice area. First, CGI Group states that many failed CRM initiatives begin without a strategy. A proper strategy would have provided clear objectives and management oversight throughout the project. Second, CGI Group states the failed CRM strategy was not integral to the business strategy. They suggest that CRM cannot be just a project and it must be a part of the company's mission. Third, the CRM toolset is based on someone else's success. CGI Group warns that many companies select the wrong software tools and may need help from a professional organization to choice the correct solution. Fourth, the CRM initiative is launched with no regard for enterprise or customer interfaces. CGI Group believes that the CRM initiative must be consistent with the way the sales force, marketing teams and customer service center interacts with the end customer. Fifth, the CRM initiative is launched without customer input. CGI Group suggests that the customer must be consulted through the use of focus groups, surveys, or other methods of contact. Sixth, CRM is considered an information technology project and not a business initiative leveraging technology. CGI Group encourages creating a team of technologists and business users through each step in the CRM lifecycle. Seventh, CRM is launched without defined metrics and objectives. The key to these types of initiatives is to create a set of current and proposed measurements that can be used to determine success at the end of the project. Eighth, CRM is considered a one-time event. CGI Group states that CRM is more then just an organizational fad or a single project. CRM is a new business strategy that has a lifecycle that requires many years to implement. Ninth, assume you have a customer centric culture. CGI Group suggests that many companies may have to launch customer awareness projects before they can design their CRM strategies. Tenth, there is no top down leadership and employee buy-in for CRM. There must be an executive sponsor that will act as the CRM champion to ensure that the initiative does not lose steam after the excitement of the project kickoff settles down.

Caissae (2002) states that CRM projects fail because executives do not know the details of the project. He states that project planners must consider a great number of in-depth details before rolling out even a pilot project of this magnitude. Caissae suggests four major tasks that should be included in this planning process. First, plan for failure by preparing a recovery plan. This recovery plan includes rolling out the project in phases while making it easy to stop the project at a moment's notice and recover the organization back to normal. Second, include key executives in regular meetings throughout the project. Caissae states, "Executives and mangers who feel left out of the loop likely will create obstacles to a smooth implementation" (p. 2). Third, Caissae urges mangers to choose their list of vendors wisely. Make sure all of the hardware and software products work well together and have a proven track record. Caissae also strongly suggests that mangers consider hiring integrators, consulting professionals that have extensive experience installing these types of products in specific environments. Fourth, Caissae also recommends that managers look outside of the organization for outsourcing solutions that will take over their customer care center. These managers should be accustomed to supporting specific types of customers. Many of Caissae suggestions appear to be sound. However, managers must consider the risk of using too many outside resources. This strategy may result in higher costs and a loss of expertise wherein the organization should be building its core competencies.

Gladwyne Software (2000) presents the results of their survey entitled Return on Investment (ROI) at Risk. This survey sampled 150 financial and information technology (IT) executives. The goal of the survey was to "identify the (a) importance and relative risks of strategic technology investments like CRM (b) impact of unmanaged risk on their business and (c) methods used by organizations to address these risks and enhance ROI" (p. 4). The results of the survey illustrated that 67% of projects without proactive risk management were more likely to be late or over budget. The survey results describe potential project risks as lack of expertise, lack of education / training, inadequate knowledge transfer, complexity of business processes, and system incompatibility. These are many of the same risks that plague all large projects in a corporate environment. However, at the core of these results are two significant observations. First, proper leadership is an essential part of any successful major organizational initiative. This leadership begins with executive sponsorship and oversight. It also includes strong project management in the planning and execution during each phase of the project's lifespan. This can only be accomplished by well-trained technology managers that have the time and resources to thoroughly research and plan before software is purchased and the team of technologists is hired. Second, the reader must be careful when reviewing the results of surveys and white papers sponsored by software companies that may benefit from the findings. Both CGI Group and Gladwyne Software are in the business of consulting, training, or implementing CRM relation solutions. This type of literature can be greatly educational and provide an excellent foundation for a project plan, but the reader should look beyond the white paper to understand the ingredients of a successful CRM implementation.

Norcia (2000) offers an explanation to the question, "Who moved my ROI". He states that managers are sold on the belief that CRM projects would result in "substantial payback, increased revenue, reduced costs, loyal customers, real-time data, and happier customers". Norcia admits that CRM-based projects often result in reduced costs and process improvements but rarely result in a dramatic change in the bottom-line. He states that the return on investment (ROI) is lost in a maze of fact and figures that can only be found with the aid of data analytics. By this he refers to a complicated process of statistical analysis and predictive models that may allow managers to define and measure the key factors that drive the project's success. The diligent manager may add the cost saving to the increased revenues associated with direct mail, email, telemarketing, wireless, and web campaigns and find the positive effect on the bottom line.

Summary

Many companies have lost contact with their customers. Some companies recognize this is a problem. Many are rethinking their marketing and servicing strategies.

A popular marketing strategy that has been widely recognized is the philosophy of customer relationship management (CRM). A large amount of literature has been published related to the evolution of this philosophy and the technology issues associated with implementing a CRM solution. The literature includes evolution topics such as (a) challenging the old paradigm of mass marketing, (b) developing strategies for relationship management, and (c) effecting the profitability of the organization. The technology issues include (a) creating the infrastructure, and (b) determining the effectiveness of the technology. There appears to be at least one gap in the research that has been performed to date. There is an opportunity to perform unique research on the effectiveness of the technology and the implementation of a CRM solution.

A CRM solution can take many forms. The implementation could focus on any part of the literature previously citied. The key to a successful implementation is to measure the effectiveness of the completed solution. Research may be performed that explores this idea. A CRM maturity model might be developed to measure various levels of effectiveness in an organization. Key executives could be surveyed to determine their company's level of maturity as it relates to this model. In this context, the voice of the CRM manager has not been heard.

Summary of Factors

The previously cited literature presented a list of factors that could contribute to the success of a CRM project. The following is the list of the best practices for managers and leaders of CRM.

1. Formulate a solid vision for the project
2. Focus on gaining and maintaining executive commitment
3. Allow business processes to drive the CRM implementation
4. Never begin a project without a strategy
5. Ensure the project begins with a clear set of objectives and defined metrics
6. Consider using outside experts in the stages of the project

The previously cited literature also presented a list of factors that could contribute to the pitfalls of a CRM project. The following is the list of the common issues for managers and leaders of CRM.

1. The initiative was treated only as a technology project
2. The initiative was not considered a business priority
3. The initiative was launched without defined objectives
4. The initiative was considered a one-time event
5. A did not examine their internal capabilities and external challenges
6. The project was not integral to the business strategy
7. The project was based on someone else's success as your blueprint
8. The manager did not prepare a recovery plan to prevent impacting the business
9. The manager did not choose their vendors wisely

Chapter Three

Methodology

This chapter of the study proposal presents a plan to capture the California-based marketing executive's opinions and add these perceptions to the current body of knowledge. The researcher selected a survey research methodology outlined by Isaac's and Michael's (1997) "Handbook in research and evaluation" and McMillan's and Schumacher's (1997) "Research and education, a conceptual introduction". The plan is a detailed description of the proposed (a) research design, (b) analysis unit and population, (c) sample, (d) survey design, (e) data collection, and (f) statistical analysis procedures.

Research Design

The research design for the study consisted of three major tasks. First, the researcher developed an online survey instrument to obtain the perceptions of California-based marketing executives. Isaac and Michael (1997) state that instrumentation is "the process of selecting or developing measuring devices and methods appropriate to a given evaluation problem" (p. 195). McMillan and Schumacher (1997) consider the use of a survey instrument as the most widely used technique to deliver the same questions to all subjects, ensure anonymity, and control costs. The proposed survey consisted of 20 items including 3 demographics items, and 17 Likert-based items. The questionnaire was tested for validity and reliability using traditional methods. Second, the researcher selected the sample from a list of California marketing executives. At that point, the researcher sent a letter to the proposed respondents by mail requesting, their participation in the study. Third, the researcher collected, organized, and presented the data from the respondents. The researcher broke down the responses to the questionnaire and applied the data to the research questions. The remainder of this chapter will focus on each of these activities.

Analysis Unit and Population

The analysis unit for the research is a California-based financial services marketing executive. The population for the research is all California-based Financial Services marketing executives. The InfoUSA (2003) estimates that there are over 5,000 marketing executives that work in financial services organizations based in the state of California.

Sample

The sample for the research consisted of 300 marketing executives selected using a random technique. The researcher drew this sample from the list of approximately 5,000 executives available from InfoUSA, a commercial data bureau specializing in consumer and business level information. In addition, data was gathered from institutions established prior to 1997 as a way to eliminate the problems associated with new businesses, such as start-up costs, an untrained work force, and other introductory issues. The researcher randomly selected 2,000 marketing executives from the list. To guarantee the sample was selected in a random manner, the list was loaded into a Microsoft spreadsheet and each name will be assigned a number between 1 and 5,000. The software delivered the random list of 2,000 subjects selected for the study.

Going forward, the researcher mailed the letter of inquiry concerning their willingness to participate in an online survey (Appendix A) to the group of 2,000 executives. The researcher waited two weeks and then mailed the same group of 2,000 executives a reminder postcard. The researcher considered the sample complete when at least 300 marketing executives responded and participated in the online survey. If at least 300 executives did not respond, then the researcher would have randomly selected a new group of 2,000 marketing executives from the list. This process continued until at least 300 responses were collected.

Instrument

The researcher has developed an online survey instrument (Appendix B) with approximately 20 items and a paper-based invitation letter (Appendix A). The first 3 items aggregate key demographic information from the respondents including:

1. Respondent’s annual marketing budget (i.e. < $100,000, $100,001-$500,000, $500,001-$1,000,000, $1,000,001-$5,000,000, $5,000,001-$10,000,000).
2. Respondent’s years with company (i.e. < 1 Year, 1-5 Years, 5-10 Years, 10-15 Years, 15-20 Years, > 20 Years).
3. Respondent’s industry segment (i.e. Bank, Insurance, Mortgages, Credit Cards, Other).

The researcher has selected the respondent’s annual marketing budget as a way to measure the company’s size and commitment to marketing related initiatives. The researcher selected the respondent’s years with the company as a way to measure the executive’s influence and experience within the organization. The researcher selected the respondent’s industry segment as a way to determine any differences between banks, insurance companies and other financial organizations.

The next 17 items asked the respondent's opinion related to the success of CRM in their organization. The respondents were asked to base their responses upon a 6-point Likert scale. The Likert scale and anchors are:

N. Not applicable, the statement does not relate to the company.

1. Strongly disagree, rarely if ever is the statement true.
2. Disagree, occasionally the statement is true.
3. No opinion.
4. Agree, usually the statement is true.
5. Strongly agree, the statement is always true.

This Likert-type scale is widely used in survey design and has been determined to be easy understood by respondents. Each of the survey questions were designed to illicit the opinions of the respondents. In addition, this is a balanced scale with the neutral response in the middle of the range, which reduces respondent errors (Edwards & Ewen, 1996). Therefore, the "Strongly Disagree" to "Strongly Agree" scale is the best suited for this type of inquiry.

Validity

McMillan and Schumacher (1997) describe validity as "the extent to which inferences made on the basis of numerical scores are appropriate, meaningful, and useful" (p. 235). The researcher addressed the topic of content validity by employing a Delphi committee to create the online survey instrument and to demonstrate the validity of the instrument. This Delphi committee consisted of a panel of experts in the field of financial services, marketing, and customer relationship management who reviewed and critiqued a draft copy of the online survey questionnaire and the paper-based invitation letter. The panel offered their comments and suggestions to ensure that the survey is valid and appropriate to the research questions. The researcher updated the survey instrument based on the comments from the expert panel. The following is a description of the Delphi committee:

1. Dr. Kathleen Gumbleton, Vice-president of Research at Launch.Yahoo.com and Senior Research Manger at Transamerica Insurance and Investment Group. Dr. Gumbleton has an earned Doctorate in International Political Economy and Business Strategic Planning.
2. Mr. David Bailey, President and Founder of One2One Group, a database marketing company offering specialized products in the automotive and financial services industries. Mr. Bailey holds an earned Master degree in Business Administration and Marketing.
3. Mr. Adrian Newby, Vice President of Business Development at Action Online. Prior to his current assignment, Mr. Newby was the Director of Technology Marketing at Transamerica Home Loan and Transamerica Insurance and Investment Group.
4. Mr. Brian DeWitt, Vice-President of Product Development at Countrywide Insurance Services. Mr. DeWitt has an earned Master in Business degree.
5. Mr. Andrew Anson, Vice President of Marketing Research at Imperial Bank. Mr. Anson has an earned Bachelors degree in English and Marketing.

The researcher began the process by preparing an initial set of 20 potential survey items based on patterns and observations from the literature review. Next, the researcher prepared a Delphi survey (Appendix C) to obtain the opinions of the committee members. The survey asked the members to determine to what extent the 20 survey items are appropriate to the three research questions. For each of the 20 items, the survey instructions asked the committee members to based their responses upon a three point scale where the scale and anchors are:

1. Very appropriate
2. Not appropriate
3. Modify as suggested

The survey provided an area after each item to provide any written suggestions. The researcher asked the committee members to return the completed survey within 3 business days.

Next, the researcher reviewed the answers to the questions to determine if the question should be part to the final instrument. The researcher added the item to the survey if three or more out of the five respondents stated that the item is “Very appropriate”. The researcher discarded the item if three or more out of the five respondents state that the questions are “Not appropriate”. The researcher updated the Delphi survey with the modified items and re-submitted only these items for review. Next, the suggested modifications were incorporated into the survey when the modification provided additional clarity to the question and did not substantial modify the results of the Delphi process. The modification include:

1. Adding the word “maintain” to question 1. The question now reads: “Existing customers cost less to maintain then new customers”.

The survey was completed when all of the questions have either been added to the final survey instrument or discarded as not appropriate.

The following is a review of the results of the first round of Delphi survey process. Table 1 illustrates the 20 items starting with the item number, the number of committee members that marked the question as “Appropriate”, “Not Appropriate”, “Modify”, and the results of the Delphi survey process for this question.

Table 1

Review of First Round Delphi Survey Process

Question #	Appropriate	Not Appropriate	Modify	Results
1.	3	0	2	Keep the Question
2.	4	1	0	Keep the Question
3.	4	1	0	Keep the Question
4.	4	1	0	Keep the Question
5.	4	1	0	Keep the Question
6.	2	1	2	Modify / Send to Committee
7.	5	0	0	Keep the Question
8.	3	0	2	Keep the Question
9.	4	0	1	Keep the Question
10.	5	0	0	Keep the Question

(table continues)

Review of First Round Delphi Survey Process

Question #	Appropriate	Not Appropriate	Modify	Results
11.	3	1	1	Keep the Question
12.	5	0	0	Keep the Question
13.	5	0	0	Keep the Question
14.	3	0	2	Keep the Question
15.	4	0	1	Keep the Question
16.	4	0	1	Keep the Question
17.	3	0	2	Keep the Question
18.	5	0	0	Keep the Question
19.	2	0	3	Modify / Send to Committee
20.	2	1	2	Modify / Send to Committee

The majority (17) of item from the Delphi survey scored as "Appropriate" (3 or greater) and was used in the final survey. Only item 19 scored as "Modify" (3 or greater). The comments associated with this item suggest that the wording is similar to item 7. As a result, the item was removed from the final survey. In addition, items 3 and 20 did not score high enough on any of the 3 scales. This suggests that there is no agreement on these items and they were removed from the survey. Next, the modified survey was tested for reliability.

Reliability

McMillan and Schumacher (1997) describe reliability as "the extent to which results are free from error" (p. 239). The researcher employed an agreement reliability estimate to demonstrate the instruments level of reliability. This type of reliability establishes the extent to which “two or more people agree about what they have seen, heard, or rated” (McMillan & Schumacher, 1997, p. 242). The researcher selected seven marketing executives to participate in the reliability test. The researcher sent the proposed paper-based invitation letter to the sample group directing them to complete the online survey instrument within 24 hours. Three days later, the researcher contacted the seven marketing executives and asked them to complete a short telephone interview (Appendix D). Next, the researcher collected, organized, and compared the responses to determine if the instrument meats the test of reliability.

The following is a review of the results of the short telephone interview process.

Table 2

Review of Telephone Interview / Validity Process

Question #	Yes	No	Comments
1. Were the instructions easy to follow?	7	0	
2. Was the wording of any question confusing?	0	7	
3. Were the responses to all the questions adequate?	7	0	
4. Do you have any additional comments?	3	4	See comments below

The following are the comments for the telephone survey:

1. Consider changing the tone of question 10 from negative to positive.
2. Change “I believe” to “How strongly do you agree or disagree with the statement ”.
3. Move demographic questions to a separate page at the end.
4. Add an email address for questions and comments.

5. Add an affiliation like Pepperdine and an appropriate privacy statement.

Data Collection Procedure

The following is a multi-step procedure for collecting data during the study. The steps are described below:

1. The researcher placed the survey items on a website available through the Internet.
2. The researcher prepared and mailed the paper-based invitation letter (Appendix A) to the 2,000 marketing executives selected in the sample. Two weeks later the same 2,000 executives were mailed a reminder postcard. This process continued until at least 300 executives respond to the online survey.
3. Each marketing executive responded by visiting the web site, completed the survey, and pressed the submit button on the last page.
4. The data for each completed survey was saved to a text file on the web server.
5. The website did not collect any type of personal data (as a way to ensure response's anonymity). However, the web site captured the Internet Protocol (IP) address for each completed survey to ensure no duplicate data exists in the sample.
6. On the last page of the survey, respondents were invited to visit the site in 3 months for a summery of the findings.

Statistical Analysis Procedure

The researcher will code and enter the data into a statistical software program such as Number Cruncher Statistical System (NCSS) for analysis. Each of the research questions was tested using an appropriate statistical procedure, and presented for interpretation.

The researcher reviewed and analyzed this data in two major ways. In the first pass, the researcher examined the data from a global perspective to determine if the empirical data conforms to the findings from the theoretical literature. The literature presented a set of factors that may influence either the success or failure of a company's CRM initiative. For research questions one and two, the author used descriptive statistics to measure the types of responses and the degree to which the respondent agrees or strongly agrees with the factor. For research question two and three, the author translated each of these factors into a null hypothesis, captured data through the survey instrument, executed a statistical procedure, and evaluated the results of the null hypothesis.

In the second pass, the researcher created a set of sub groupings using a cluster analysis technique. Each of the subgroups was examined to determine if there are any meaningful differences in the subgroups. The results of this analysis highlight the factors within each cluster. The researcher examined the factors looking for similarities and differences. In either case, the researcher presented a profile of the respondent's perceptions based on the key demographics captured on the survey instrument.

Research Question One

What are the perceptions of California-based financial services marketing executives with regard to the planning and implementation of CRM initiatives?

Method. Survey data gathered for response to this research question was analyzed using descriptive statistics.

Analysis. The researcher examined the tabulation of responses of marketing executives who were asked to mark one of the following terms: “Not Applicable”, “Strongly Disagree”, “Disagree”, “No Opinion”, “Agree”, “Strongly Agree”.

Presentation. The outcomes for the survey items are presented in separate tables in Chapter 4 of this dissertation. Table 3 illustrates the format for the outcome tables. They include the respondent’s perception, number of respondents, and percentage of respondents for each group.

Table 3

Survey Item Number: Format of Results Tables for Individual Survey Items

#	Respondent’s Perception	# of Respondents	% of Respondents
0.	Not Applicable	50	15%
1.	Strongly Disagree	50	15%
2.	Disagree	50	15%
3.	No Opinion	50	15%
4.	Agree	50	15%
5.	Strongly Agree	50	15%

In addition, the researcher identified the significant perceptions from the sample of 300 California-based financial services marketing executives. The researcher examined the responses to each of the survey items and determined the number of “Agree, usually the statement is true” and “Strongly Agree, the statement is always true” responses. Next, the totals for each question were ranked ordered and the top 10 items are presented in a table and a histogram. Table 4 illustrates the format of the summary table.

Table 4

Survey Item Number: Format of Summary Table

#	Respondent's Perception	# of Respondents	Percentage of 4 & 5 Scores	Cum. Percentage
1.	Perception One	50	16.7 %	16.7 %
2.	Perception Two	50	16.7 %	16.7 %
3.	Perception Three	50	16.7 %	16.7 %
4.	Perception Four	50	16.7 %	16.7 %
5.	Perception Five	50	16.7 %	16.7 %

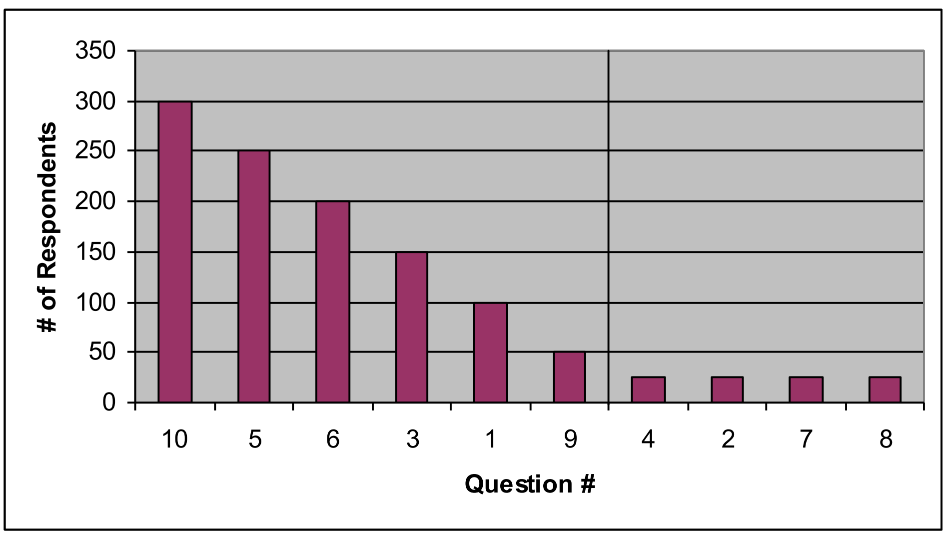

Figure 1. Research Question One: Format of results tables for individual survey items.

Research Question Two

What characteristics are essential for the successful planning and implementation of CRM initiatives in California-based financial services companies?

Method. Based on a review of the literature, five key factors were attributed to the successful planning and implementation of a CRM initiative. These include: (a) Solid Vision for Project, (b) Executive Commitment, (c) Business Rules Drive the Project, (d) Customer Input, and (e) A Long Term Strategy. These five factors were translated into five survey items.

Analysis. The researcher examined the responses of marketing executives who were asked to mark one of the following terms: “Not Applicable”, “Strongly Disagree”, “Disagree”, “No Opinion”, “Agree”, “Strongly Agree”. Next, a Chi Square statistical analysis procedure was employed using a level of significance of 0.05. The researcher examined the probability (p) levels to determine the essential characteristics. In addition, the researcher combined all the factors together, conducted a linear regression and presented the number of respondents, the correlation coefficient (r), and the relationship for each of the factors.

Research Question Three

What are the common mistakes, with respect to planning and implementation, for failed CRM initiatives within California-based financial services companies?

Method. Based on a review of the literature, five key factors were attributed to the failed planning and implementation of a CRM initiative. These include: (a) Begin Without Strategy, (b) Select Wrong Software Tools, (c) Launch Without Defined Metrics, (d) Only an Technology Project, and (e) Poor Technology Management. These five factors were translated into five survey questions.

Analysis. The researcher examined the responses of marketing executives who were asked to mark one of the following terms: “Not Applicable”, “Strongly Disagree”, “Disagree”, “No Opinion”, “Agree”, “Strongly Agree”. Next, a Chi Square statistical analysis procedure was employed using a level of significance of 0.05. The researcher examined the probability (*p*) levels to determine the common mistakes. In addition, the researcher combined all the factors together, conducted a linear regression and presented the number of respondents, the correlation coefficient (*r*), and the relationship for each of the factors.

Summary

This chapter presents a plan to capture the California-based marketing executive’s perceptions as a method toward responding to the prospects research questions. The plan is a description of the research design including the analysis unit, population, sample, survey design, and analysis procedures.

The chapter begins with a detailed explanation of the analysis unit, the population, and the sampling choices. This is followed with a description of the three major tasks for collecting the research data. This includes: (a) developing the online survey, (b) selecting the sample of California-based marketing executives, and (c) collecting, organizing and presenting the data. Finally, each of the research questions was presented in a form that demonstrates how the question was answered through the research process. This includes: (a) translating the research question into a null hypothesis, (b) specifying which data will be used to respond to the research question, and (c) reviewing the method of analysis that will be employed to complete the research. The next chapter presents the findings of the study.

Chapter Four

Results

This chapter of the study presents the results of the research. The following is a description of the activities required to capture and analyze the data based on the methodology described in chapter three. The results chapter includes: (a) a review of the data collection procedure, (b) the presentation of the data, and (c) the corresponding analysis that will be used to draw conclusion in chapter five.

Review of the Data Collection Procedure

The researcher conducted the data collection procedure over a 6-month time period from November 2003 through April 2004. Table 5 presents a timeline of events.

Table 5

Timeline of Events

#	Event Description	Date
1	Researcher sent out 2,000 survey invitation letters	11/24/2003
2	Researcher sent out 2,000 survey reminder postcards to the first group	12/15/2003
3	Researcher sent out 1,000 additional survey invitation letters	02/15/2004
4	Researcher sent out 1,000 reminder postcards to the second group	03/01/2004
5	Researcher selected 100 marketing executives for telephone interviews	03/29/2004
6	Researcher collected 25 marketing executives telephone interviews	04/15/2004

The researcher began with a list of approximately 5,000 executives available from InfoUSA, a commercial data bureau specializing in consumer and business level information. The researcher randomly selected 2,000 marketing executives to participate in the study. The researcher mailed the online survey invitation letter (Appendix A) to the 2,000 member sample. Two weeks later, the research mailed the same group of 2,000 executives a reminder postcard. The goal for the study was to capture 300 completed responses. After two weeks, there were only 65 responds to the survey instrument.

Second, the researcher used software that randomly selected an additional 1,000 marketing executives to participate in the study. This group was mailed the same online survey invitation letter. Two weeks later, the researcher mailed the same group of 1,000 executives a reminder postcard. From this group after 2 weeks, 48 executives completed the survey so there were only 113 total respondents to the survey.

Next, the researcher used the software that randomly selected 100 marketing executives to participate in the next phase of the study. This group was contacted via telephone and invited to participate in the survey. The goal for this additional phase of the study was to collect 25 telephone interviews that could be used for analysis later in the study.

At the end of the data collection procedure, the research data comprised of 113 responses to the survey via a paper-based invitation letter and 25 responses to the survey via a telephone conversation.

Presentation of the Data

This section presents a summary of the responses for each of the 20 items on the survey questionnaire. Each survey item is presented within a table and has a written description including the number of respondents in each category and the percentage each category contributes to the total number of responses.

The first 17 items asked the respondent's opinion related to the success of CRM in their organization. The respondents were asked to base their responses upon a 6 point Likert scale. The Likert scale and anchors were:

N. Not applicable, the statement does not relate to the company.

1. Strongly disagree, rarely if ever is the statement true.
2. Disagree, occasionally the statement is true.
3. No opinion.
4. Agree, usually the statement is true.
5. Strongly agree, the statement is always true.

The next 3 items asked the respondent's key demographic information including:

1. Respondent's annual marketing budget (i.e. < $100,000, $100,001-$500,000, $500,001-$1,000,000, $1,000,001-$5,000,000, $5,000,001-$10,000,000).
2. Respondent's years with company (i.e. < 1 Year, 1-5 Years, 5-10 Years, 10-15 Years, 15-20 Years, > 20 Years).
3. Respondent's Industry Segment (i.e. Bank, Insurance, Mortgages, Credit Cards, Other).

The goal during the data collection procedure was to obtain 300 responses via a paper-based invitation letter. During the 6 month period, only 113 responses were collected. As a result, the researcher collected 25 additional responses to the survey via a telephone conversation. The 2 groups were compared later in the chapter to ensure the 25 sample members of the non-responding population are similar in their demographic characteristics to the 113 responders. The following is a presentation of the research data compiled from the 113 responses to the survey via a paper-based invitation.

The first survey items states, “Existing customer cost less then new customers”. Table 6 displays a summary of responses based on each category. 0.00 % of the respondents stated their opinion as “Not Applicable”. 0.00 % of the respondents stated their opinion as “Strongly Disagree”. 9.73 % of the respondents stated their opinion as “Disagree”. 2.65 % of the respondents stated their opinion as “No Opinion”. 30.97 % of the respondents stated their opinion as “Agree”. 56.64 % of the respondents stated their opinion as “Strongly Agree”.

Table 6

Survey Item 1: Existing Customer Cost Less then New Customers

#	Respondent’s Perception	# of Respondents	% of Respondents
0.	Not Applicable	0	0.00
1.	Strongly Disagree	0	0.00
2.	Disagree	11	9.73
3.	No Opinion	3	2.65
4.	Agree	35	30.97
5.	Strongly Agree	64	56.64

$N = 113$

The second survey items states, “Customer retention can mean high profitability”. Table 7 displays a summary of responses based on each category. 0.00 % of the respondents stated their opinion as “Not Applicable”. 0.00 % of the respondents stated their opinion as “Strongly Disagree”. 0.00 % of the respondents stated their opinion as “Disagree”. 1.77 % of the respondents stated their opinion as “No Opinion”. 28.32 % of the respondents stated their opinion as “Agree”. 69.91 % of the respondents stated their opinion as “Strongly Agree”.

Table 7

Survey Item 2: Customer Retention can Mean High Profitability

#	Respondent’s Perception	# of Respondents	% of Respondents
0.	Not Applicable	0	0.00
1.	Strongly Disagree	0	0.00
2.	Disagree	0	0.00
3.	No Opinion	2	1.77
4.	Agree	32	28.32
5.	Strongly Agree	79	69.91

N = 113

The third survey items states, “My company has started a CRM initiative”. Table 8 displays a summary of responses based on each category. 18.75 % of the respondents stated their opinion as “Not Applicable”. 0.89 % of the respondents stated their opinion as “Strongly Disagree”. 4.46 % of the respondents stated their opinion as “Disagree”. 14.29 % of the respondents stated their opinion as “No Opinion”. 36.61 % of the respondents stated their opinion as “Agree”. 25.00 % of the respondents stated their opinion as “Strongly Agree”.

Table 8

Survey Item 3: My Company has Started a CRM Initiative

#	Respondent's Perception	# of Respondents	% of Respondents
0.	Not Applicable	21	18.75
1.	Strongly Disagree	1	0.89
2.	Disagree	5	4.46
3.	No Opinion	16	14.29
4.	Agree	41	36.61
5.	Strongly Agree	28	25.00

N = 112

The fourth survey items states, "My company has completed a CRM initiative". Table 9 displays a summary of responses based on each category. 21.43 % of the respondents stated their opinion as "Not Applicable". 2.68 % of the respondents stated their opinion as "Strongly Disagree". 22.32 % of the respondents stated their opinion as "Disagree". 24.11 % of the respondents stated their opinion as "No Opinion". 21.43 % of the respondents stated their opinion as "Agree". 8.04 % of the respondents stated their opinion as "Strongly Agree".

The fifth survey items states, "My company's CRM initiative was successful". Table 10 displays a summary of responses based on each category. 34.26 % of the respondents stated their opinion as "Not Applicable". 0.00 % of the respondents stated their opinion as "Strongly Disagree".

Table 9

Survey Item 4: My Company has Completed a CRM Initiative

#	Respondent's Perception	# of Respondents	% of Respondents
0.	Not Applicable	24	21.43
1.	Strongly Disagree	3	2.68
2.	Disagree	25	22.32
3.	No Opinion	27	24.11
4.	Agree	24	21.43
5.	Strongly Agree	9	8.04

N = 112

4.63 % of the respondents stated their opinion as “Disagree”. 28.70 % of the respondents stated their opinion as “No Opinion”. 23.15 % of the respondents stated their opinion as “Agree”. 9.26 % of the respondents stated their opinion as “Strongly Agree”.

Table 10

Survey Item 5: My Company's CRM Initiative was Successful

#	Respondent's Perception	# of Respondents	% of Respondents
0.	Not Applicable	37	34.26
1.	Strongly Disagree	0	0.00
2.	Disagree	5	4.63
3.	No Opinion	31	28.70
4.	Agree	25	23.15
5.	Strongly Agree	10	9.26

N = 108

The sixth survey items states, “My company’s CRM initiative has executive commitment”. Table 11 displays a summary of responses based on each category. 25.47 % of the respondents stated their opinion as “Not Applicable”. 0.94 % of the respondents stated their opinion as “Strongly Disagree”. 2.83 % of the respondents stated their opinion as “Disagree”. 25.47 % of the respondents stated their opinion as “No Opinion”. 27.36 % of the respondents stated their opinion as “Agree”. 29.25 % of the respondents stated their opinion as “Strongly Agree”.

Table 11

Survey Item 6: My Company’s CRM Initiative has Executive Commitment

#	Respondent’s Perception	# of Respondents	% of Respondents
0.	Not Applicable	27	25.47
1.	Strongly Disagree	1	0.94
2.	Disagree	3	2.83
3.	No Opinion	27	25.47
4.	Agree	29	27.36
5.	Strongly Agree	31	29.25

$N = 106$

The seventh survey items states, “My Company’s business rules were part of the CRM initiative”. Table 12 displays a summary of responses based on each category. 25.71 % of the respondents stated their opinion as “Not Applicable”. 0.00 % of the respondents stated their opinion as “Strongly Disagree”. 6.67 % of the respondents stated their opinion as “Disagree”. 25.71 % of the respondents stated their opinion as “No

Opinion". 36.19 % of the respondents stated their opinion as "Agree". 19.05 % of the respondents stated their opinion as "Strongly Agree".

Table 12

Survey Item 7: My Company's Business Rules were Part of the CRM Initiative

#	Respondent's Perception	# of Respondents	% of Respondents
0.	Not Applicable	27	25.71
1.	Strongly Disagree	0	0.00
2.	Disagree	13	12.38
3.	No Opinion	27	25.71
4.	Agree	38	36.19
5.	Strongly Agree	20	19.05

N = 105

The eight survey items states, "My company included customer input during the project planning phase". Table 13 displays a summary of responses based on each category. 23.08 % of the respondents stated their opinion as "Not Applicable". 1.92 % of the respondents stated their opinion as "Strongly Disagree". 19.23 % of the respondents stated their opinion as "Disagree". 23.08 % of the respondents stated their opinion as "No Opinion". 27.88 % of the respondents stated their opinion as "Agree". 5.77 % of the respondents stated their opinion as "Strongly Agree".

Table 13

Survey Item 8: My Company Included Customer Input during the Project Planning Phase

#	Respondent's Perception	# of Respondents	% of Respondents
0.	Not Applicable	24	23.08
1.	Strongly Disagree	2	1.92
2.	Disagree	20	19.23
3.	No Opinion	23	23.08
4.	Agree	29	27.88
5.	Strongly Agree	6	5.77

N = 104

Table 14

Survey Item 9: The CRM Initiative has Part of the Company's Long Term Strategy

#	Respondent's Perception	# of Respondents	% of Respondents
0.	Not Applicable	18	18.00
1.	Strongly Disagree	37	37.00
2.	Disagree	3	3.00
3.	No Opinion	18	18.00
4.	Agree	35	35.00
5.	Strongly Agree	37	37.00

N = 100

The 10th survey items states, “My company select the correct software tool for the CRM initiative”. Table 15 displays a summary of responses based on each category. 27.27 % of the respondents stated their opinion as “Not Applicable”. 2.97 % of the respondents stated their opinion as “Strongly Disagree”. 2.97 % of the respondents stated their opinion as “Disagree”. 44.55 % of the respondents stated their opinion as “No Opinion”. 16.83 % of the respondents stated their opinion as “Agree”. 4.95 % of the respondents stated their opinion as “Strongly Agree”.

Table 15

Survey Item 10: My Company Select the Correct Software Tool for the CRM Initiative

#	Respondent’s Perception	# of Respondents	% of Respondents
0.	Not Applicable	28	27.72
1.	Strongly Disagree	3	2.97
2.	Disagree	3	2.97
3.	No Opinion	28	44.55
4.	Agree	17	16.83
5.	Strongly Agree	5	4.95

N = 101

The 11th survey items states, “My company defined the critical success factors before the CRM initiative started”. Table 16 displays a summary of responses based on each category. 21.78 % of the respondents stated their opinion as “Not Applicable”. 0.99 % of the respondents stated their opinion as “Strongly Disagree”. 6.93 % of the respondents stated their opinion as “Disagree”. 26.73 % of the respondents stated their opinion as “No Opinion”. 34.65 % of the respondents stated their opinion as “Agree”. 8.91 % of the respondents stated their opinion as “Strongly Agree”.

Table 16

Survey Item 11: My Company Defined the Critical Success Factors Before the CRM Initiative Started

#	Respondent’s Perception	# of Respondents	% of Respondents
0.	Not Applicable	22	21.78
1.	Strongly Disagree	1	0.99
2.	Disagree	7	6.93
3.	No Opinion	27	26.73
4.	Agree	35	34.65
5.	Strongly Agree	9	8.91

N = 101

The 12th survey items states, “My company’s CRM project was only treated as a technology project”. Table 17 displays a summary of responses based on each category. 22.22 % of the respondents stated their opinion as “Not Applicable”. 30.30 % of the respondents stated their opinion as “Strongly Disagree”. 31.31 % of the respondents stated their opinion as “Disagree”. 11.11 % of the respondents stated their opinion as “No Opinion”. 3.03 % of the respondents stated their opinion as “Agree”. 2.02 % of the respondents stated their opinion as “Strongly Agree”.

Table 17

Survey Item 12: My Company's CRM Project was only Treated as a Technology Project

#	Respondent's Perception	# of Respondents	% of Respondents
0.	Not Applicable	22	22.22
1.	Strongly Disagree	30	30.30
2.	Disagree	31	31.31
3.	No Opinion	11	11.11
4.	Agree	3	3.03
5.	Strongly Agree	2	2.02

$N = 99$

The 13th survey items states, "Our IT managers reviewed the details of the CRM project". Table 18 displays a summary of responses based on each category. 30.61 % of the respondents stated their opinion as "Not Applicable". 4.08 % of the respondents stated their opinion as "Strongly Disagree". 9.18 % of the respondents stated their opinion as "Disagree". 21.43 % of the respondents stated their opinion as "No Opinion". 30.61 % of the respondents stated their opinion as "Agree". 4.08 % of the respondents stated their opinion as "Strongly Agree".

The 14th survey items states, "My company included customer input during the implementation phase". Table 19 displays a summary of responses based on each category. 27.55 % of the respondents stated their opinion as "Not Applicable". 2.04 % of the respondents stated their opinion as "Strongly Disagree". 16.33 % of the respondents stated their opinion as "Disagree". 23.47 % of the respondents stated their opinion as "No Opinion". 28.57 % of the respondents stated their opinion as "Agree". 2.04 % of the respondents stated their opinion as "Strongly Agree".

Table 18

Survey Item 13: Our IT Managers Reviewed the Details of the CRM Project

#	Respondent's Perception	# of Respondents	% of Respondents
0.	Not Applicable	30	30.61
1.	Strongly Disagree	4	4.08
2.	Disagree	9	9.18
3.	No Opinion	21	21.43
4.	Agree	30	30.61
5.	Strongly Agree	4	4.08

N = 98

Table 19

Survey Item 14: My Company Included Customer Input during the Implementation Phase

#	Respondent's Perception	# of Respondents	% of Respondents
0.	Not Applicable	27	27.55
1.	Strongly Disagree	2	2.04
2.	Disagree	16	16.33
3.	No Opinion	23	23.47
4.	Agree	28	28.57
5.	Strongly Agree	2	2.04

N = 98

The 15th survey items states, “My company’s CRM initiative was not considered a business priority”. Table 20 displays a summary of responses based on each category. 21.65 % of the respondents stated their opinion as “Not Applicable”. 20.67 % of the respondents stated their opinion as “Strongly Disagree”. 24.27 % of the respondents stated their opinion as “Disagree”. 9.28 % of the respondents stated their opinion as “No Opinion”. 5.15 % of the respondents stated their opinion as “Agree”. 1.03 % of the respondents stated their opinion as “Strongly Agree”.

Table 20

Survey Item 15: My Company’s CRM Initiative was not Considered a Business Priority

#	Respondent’s Perception	# of Respondents	% of Respondents
0.	Not Applicable	21	21.65
1.	Strongly Disagree	20	20.67
2.	Disagree	41	24.27
3.	No Opinion	9	9.28
4.	Agree	5	5.15
5.	Strongly Agree	1	1.03

N = 97

The 16th survey items states, “My company’s CRM initiative was launched without defined objectives”. Table 21 displays a summary of responses based on each category. 21.43 % of the respondents stated their opinion as “Not Applicable”. 15.31 % of the respondents stated their opinion as “Strongly Disagree”. 35.71 % of the respondents stated their opinion as “Disagree”. 21.43 % of the respondents stated their opinion as “No Opinion”. 11.22 % of the respondents stated their opinion as “Agree”. 1.02 % of the respondents stated their opinion as “Strongly Agree”.

Table 21

Survey Item 16: My company’s CRM initiative was launched without defined objectives

#	Respondent’s Perception	# of Respondents	% of Respondents
0.	Not Applicable	21	21.43
1.	Strongly Disagree	15	15.31
2.	Disagree	35	35.71
3.	No Opinion	15	15.31
4.	Agree	11	11.22
5.	Strongly Agree	1	1.02

N = 98

The 17th survey items states, “My company’s CRM initiative was considered a one-tine event”. Table 22 displays a summary of responses based on each category. 20.41 % of the respondents stated their opinion as “Not Applicable”. 19.39 % of the respondents stated their opinion as “Strongly Disagree”. 48.98 % of the respondents stated their opinion as “Disagree”. 8.16 % of the respondents stated their opinion as “No Opinion”. 3.06 % of the respondents stated their opinion as “Agree”. 0.00 % of the respondents stated their opinion as “Strongly Agree”.

Table 22

Survey Item 17: My Company's CRM Initiative was Considered a One-Time Event

#	Respondent's Perception	# of Respondents	% of Respondents
0.	Not Applicable	20	20.41
1.	Strongly Disagree	19	19.39
2.	Disagree	48	48.98
3.	No Opinion	8	8.16
4.	Agree	3	3.06
5.	Strongly Agree	0	0.00

N = 98

Table 23

Survey Item 18: Annual Marketing Budget

#	Respondent's Perception	# of Respondents	% of Respondents
0.	Less Than $100,000	31	34.44
1.	$100,001 To 500,000	27	30.00
2.	$500,001 To 1,000,000	12	13.33
3.	$1,00,001 To 5,000,000	10	11.11
4.	$5,000,001 To 10,000,000	2	2.22
5.	Greater Than $10,00,001	8	8.89

N = 90

The 19th survey items ask the respondents their, “Years with company”. Table 24 displays a summary of responses based on each category. 2.13 % of the respondents stated their years with company as “< 1 Year”. 10.64 % of the respondents stated their years with company as “1-5 Years”. 29.79 % of the respondents stated their years with company as “6-10 Years”. 19.15 % of the respondents stated their years with company as “11-15 Years”. 9.57 % of the respondents stated their years with company as “16-20 Years”. 28.72 % of the respondents stated their years with company as “> 20 Years”.

Table 24

Survey Item 19: Years with Company

#	Respondent’s Perception	# of Respondents	% of Respondents
0.	< 1 Year	2	2.13
1.	1-5 Years	10	10.64
2.	6-10 Years	28	29.79
3.	11-15 Years	18	19.15
4.	16-20 Years	9	9.57
5.	> 20 Years	27	28.72

N = 94

The 20th survey item asks the respondents their, “Industry Segment”. Table 25 displays a summary of responses based on each category. 1.08 % of the respondents stated their industry segment as “Automotive”. 24.73 % of the respondents stated their industry segment as “Bank”. 29.03 % of the respondents stated their industry segment as

"Insurance". 12.90 % of the respondents stated their industry segment as "Mortgage". 1.08 % of the respondents stated their industry segment as "Credit Cards". 31.18 % of the respondents stated their industry segment as "Other".

Table 25

Survey Item 20: Industry Segment

#	Respondent's Perception	# of Respondents	% of Respondents
0.	Automotive	1	1.08
1.	Bank	23	24.73
2.	Insurance	27	29.03
3.	Mortgage	12	12.90
4.	Credit Cards	1	1.08
5.	Other	29	31.18

N = 93

Analysis

The researcher examined the responses to each of the survey items and determined the number of "Agree, usually the statement is true" and "Strongly Agree, the statement is always true" responses. Next, the totals for each item was rank ordered and the top 10 items are presented in Table 26 and Figure 2. Survey item 2, "Customer retention can mean higher profitability" scored the highest number of positive responses with 15.24 %. Survey item 1, "Existing customer cost less then new customers" scored the next highest number of positive responses with 13.60 %. Survey item 9, "The CRM initiative was part of the Company's long term strategy" scored third with 9.89 %

positive responses. Survey item 3, “My company has started a CRM initiative” scored fourth with 9.48 % positive responses. Survey item 6, “My company’s CRM initiative has executive commitment” scored fifth with 8.24 % positive responses. Survey item 7, “My company’s business rules were part of the CRM initiative” scored sixth with 7.97 % positive responses. Question number 11, “My company defined the critical success factors before the CRM initiative started” scored seventh with 6.04 % positive responses. Survey item 5, “My company’s CRM initiative was successful” scored eighth with 4.81 % positive responses. Survey item 8, “My company included customer input during the project planning process” scored ninth with 4.81 % positive responses. Survey item 13, “Our IT managers reviewed the details of the CRM project” scored the lowest with 4.67 % positive responses. Figure 2 illustrates these results within a histogram.

Research question one asks, what are the perceptions of California-based financial services marketing executives with regards to the planning and implementation of CRM initiatives? This question can be answered by determining the highest ranked responses to the survey instrument. Survey items 1 through 17 relate to the perceptions of California-based financial services marketing executives. Survey item number 2, “Customer retention can mean higher profitability”, survey item number 1, “Existing customer cost less then new customers”, survey item 9, “The CRM initiative was part of the Company’s long term strategy”, and survey item 3, ”My company has started a CRM initiative” represents the strongest perceptions of California-based financial services marketing executives with regard to the planning and implementation of CRM initiatives.

Table 26

Research Question One: Results of individual survey items

#	Survey Items	# of Respondents	Percentage of 4 & 5 Scores	Cum. Percentage
1.	Survey Item 2	111	15.25	15.25
2.	Survey Item 1	99	13.60	28.85
3.	Survey Item 9	72	9.89	38.74
4.	Survey Item 3	69	9.48	48.21
5.	Survey Item 6	60	8.24	56.46
6.	Survey Item 7	58	7.97	64.42
7.	Survey Item 11	44	6.04	70.47
8.	Survey Item 5	35	4.81	75.27
9.	Survey Item 8	35	4.81	80.08
10.	Survey Item 13	34	4.67	84.75

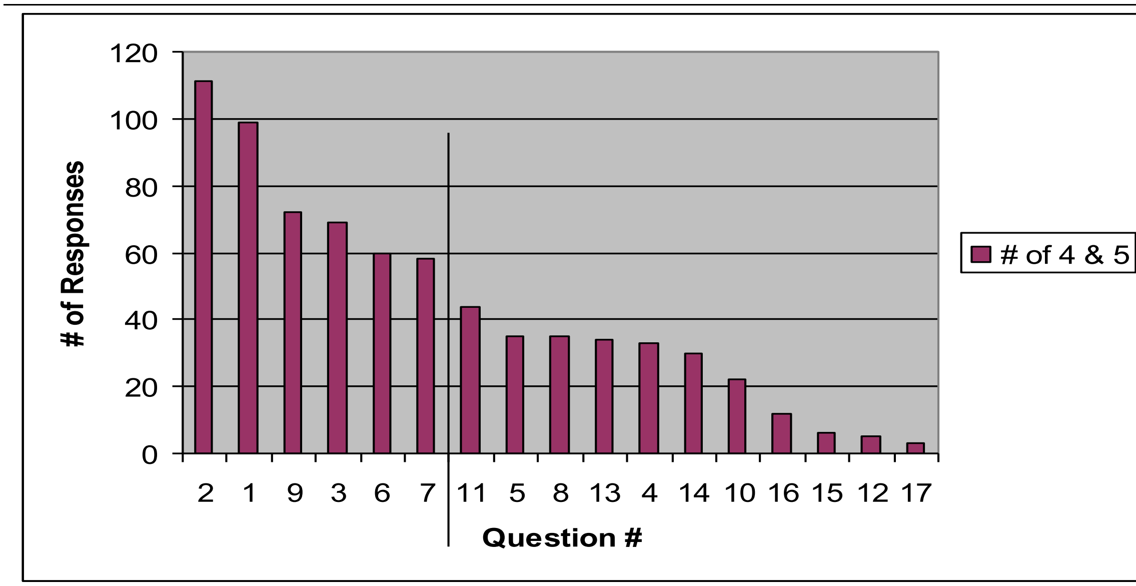

Figure 2. Research Question One: Results of individual survey items.

Research question two asks, what characteristics are essential for the successful planning and implementation of CRM initiatives in California-based financial services companies? This question can be answered by determining the highest ranked responses to the survey instrument. Survey items 6, 7, 8, 9, 10, 11, 13 and 14 relate to the essential characteristics for the successful planning and implementation of CRM initiatives. Table 27 presents the rank order of these survey items. Survey Item 9, "The CRM initiative was part of the Company's long term strategy", survey item 6, "My company's CRM initiative has executive commitment", and survey item 7," My company's business rules were part of the CRM initiative" represented 53.52 % of the total responses. These three characteristics can be considered the strongest of the group.

Table 27

Research Question Two: Summary of Essential Characteristics

#	Survey Items	# of Respondents	Percentage of 4 & 5 Scores	Cum. Percentage
1.	Survey Item 9	72	20.28	20.28
2.	Survey Item 6	60	16.90	37.18
3.	Survey Item 7	58	16.34	53.52
4.	Survey Item 11	44	12.39	65.92
5.	Survey Item 8	35	9.86	75.77
6.	Survey Item 13	34	9.58	85.35
7.	Survey Item 14	30	8.45	93.80
10.	Survey Item 10	22	6.20	100.00

Research question three asks, what are the common pitfalls, with respect to planning and implementation, for failed CRM initiatives within California-based financial services companies? This question can be answered by determining the highest ranked responses to the survey instrument. Survey items 12, 15, 16, 17 relate to the common pitfalls, with respect to planning and implementation, for failed CRM initiatives. Table 28 presents the rank order of these survey items. Survey Item 16, “My company’s CRM initiative was launched without defined objectives”, and survey item 15, “My company’s CRM initiative was not considered a business priority” represented 69.23 % of the total responses. These two characteristics can be considered the strongest of the group.

Table 28

Research Question Three: Summary of Common Pitfalls

#	Survey Items	# of Respondents	Percentage of 4 & 5 Scores	Cum. Percentage
1.	Survey Item 16	12	46.15	46.15
2.	Survey Item 15	6	23.08	69.23
3.	Survey Item 12	5	19.23	88.46
4.	Survey Item 17	3	11.54	100.00

Two Group Comparison

The goal during the data collection procedure was to obtain 300 responses via a paper-based invitation letter. During the 6 month period, only 113 responses were collected. As a result, the researcher collected 25 additional responses to the survey via a telephone conversation. The 2 groups will now be compared to ensure the non-responding population is similar in their demographic characteristics to the 113 responders.

Table 29 displays a summary of the 2 groups responses in relation to their annual marketing budget. The Internet population represents fewer respondents who stated their annual marketing budget as “Less Than $100,000” compared to the telephone population. The Internet population represents more respondents who stated their annual marketing budget as “$100,001 To 500,000” compared to the telephone population. The Internet population represents more respondents who stated their annual marketing budget as “$500,001 To 1,000,000” compared to the telephone population. The Internet population represents more respondents who stated their annual marketing budget as “$1,00,001 To 5,000,000” compared to the telephone population. The Internet population represents fewer respondents who stated their annual marketing budget as “$5,000,001 To 10,000,000” compared to the telephone population. The Internet population represents more respondents who stated their annual marketing budget as “Greater Than $10,00,001” compared to the telephone population. The researcher performed a Chi-Square Goodness of Fit test comparing the Internet Group and the Telephone Group using a significance level of 0.05. The resulting *p*-value was 0.65. The results state there is no difference in the proportions of the responses between the two groups in relation to their annual marketing budget.

Table 29

Two Group Analysis Based on Annual Marketing Budget

#	Respondent's Budget	Percentage of Internet Responders (N = 90)	Percentage of Telephone Responders (N = 19)	*p*-Value
0.	Less Than $100,000	34.44	42.11	0.65
1.	$100,001 To 500,000	30.00	26.32	
2.	$500,001 To 1,000,000	13.33	10.53	
3.	$1,00,001 To 5,000,000	11.11	10.53	
4.	$5,000,001 To 10,000,000	2.22	5.26	
5.	Greater Than $10,00,001	8.89	5.26	

Table 30 displays a summary of the 2 groups responses in relation to their years with the company. The Internet population represents more respondents who stated their years with company as "< 1 Year" compared to the telephone population. The Internet population represents fewer respondents who stated their years with company as "1-5 Years" compared to the telephone population. The Internet population represents a great deal more respondents who stated their years with company as "6-10 Years" compared to the telephone population. The Internet population represents fewer respondents who stated their years with company as "11-15 Years" compared to the telephone population. The Internet population represents the same number of respondents who stated their years with company as "16-20 Years" compared to the telephone population. The Internet population represents the same number of respondents who stated their years with company as "> 20 Years" compared to the telephone population. The researcher performed a Chi-Square Goodness of Fit test comparing the Internet Group and the Telephone Group using a significance level of 0.05. The resulting *p*-value was 0.00. The results state there is a difference in the proportions of the responses between the two group in relation to their years with the company. This difference can be accounted for by the respondents who stated their years with company as “6-10 Years”. This gap was wide enough to account for this difference. However, 16 of the 17 context-based survey items scored *p*-values indicating a high level of similarities between the 2 groups.

Table 30

Two Group Analysis based on Years with Company

#	Respondent’s Years	Percentage of Internet Responders (N = 94)	Percentage of Telephone Responders (N = 21)	*p*-Value
0.	< 1 Year	2.13	0.00	0.000
1.	1-5 Years	10.64	23.81	
2.	6-10 Years	29.79	9.52	
3.	11-15 Years	19.15	28.57	
4.	16-20 Years	9.57	9.52	
5.	> 20 Years	28.72	28.57	

Table 31 displays a summary of the 2 groups responses in relation to their industry segment. The Internet population represents more respondents who stated their industry segment as “Automotive” compared to the telephone population. The Internet population represents more respondents who stated their industry segment as “Bank” compared to the telephone population. The Internet population represents fewer respondents who stated their industry segment as “Insurance” compared to the telephone population. The Internet population represents more respondents who stated their industry segment as "Mortgage" compared to the telephone population. The Internet population represents more respondents who stated their industry segment as "Credit Cards" compared to the telephone population. The Internet population represents the same number of respondents who stated their industry segment as "Other" compared to the telephone population. The researcher performed a Chi-Square Goodness of Fit test comparing the Internet Group and the Telephone Group using a significance level of 0.05. The resulting *p*-value was 0.00. The results state there is a difference in the proportions of the responses between the two groups in relation to their industry segment. This difference can be accounted for by the respondents who stated their industry segment as "Mortgage" or "Credit Cards". However, 16 of the 17 survey context-based items scored *p*-values indicating a high level of similarities between the 2 groups.

Table 31

Two Group Analysis based on Industry Segment

#	Respondent's Industry	Percentage of Internet Responders (N = 93)	Percentage of Telephone Responders (N = 21)	*p*-Value
0.	Automotive	1.08	0.00	0.00
1.	Bank	24.73	23.81	
2.	Insurance	29.03	42.86	
3.	Mortgage	12.90	0.00	
4.	Credit Cards	1.08	0.00	
5.	Other	31.18	33.33	

Summary

This chapter presents the results of the research conducted from November 2003 through April 2004. The chapter is organized based on the three major steps during this phase of the study. They include: (a) a review of the data collection procedure, (b) the presentation of the data, and (c) the corresponding analysis that will be used draw conclusion.

Each of these steps contributed to the researcher's plan to capture the California-based marketing executive's perceptions as a method towards answering the dissertations research questions. The next chapter will present the conclusions of the study.

Chapter Five

Conclusions

This chapter of the study presents the conclusions of the research. These conclusions bring together the key factors found in the literature review chapter and the data presented in the findings chapter. The chapter discusses (a) the conclusions from the research questions, (b) the implications of the study, and (c) the recommendations for future research.

The purpose of this study was to investigate the perceptions of marketing executives in California-based financial services organizations with regards to the effectiveness of customer relationship management (CRM). The study reviewed the literature to introduce the financial services industry, to examine the use of CRM, and to identify reasons for CRM's successes and failures. The researcher conducted an attitudinal study to assess the perceptions of marketing executives in the California financial services industry as it relates to the effectiveness of customer relationship management (CRM) in their organizations. The study randomly sampled 300 corporate marketing executives in the state of California. This sample responded to an online survey questionnaire to elicit the participant's perceptions as they relate to the success of CRM in their organization. The research questions for the study were as follows:

1. What are the perceptions of California-based financial services marketing executives with regards to the planning and implementation of CRM initiatives?
2. What characteristics are essential for the successful planning and implementation of CRM initiatives in California-based financial services companies?

3. What are the common pitfalls, with respect to planning and implementation, for failed CRM initiatives within California-based financial services companies?

Conclusions

Research question one. What are the perceptions of California-based financial services marketing executives with regards to the planning and implementation of CRM initiatives? The literature review and the survey instrument presented a list of perceptions regarding the planning and implementation of CRM initiatives. The following is the list of these perceptions used in the survey instrument:

- Existing customer cost less than new customers (Survey Item 1)
- Customer retention can mean higher profitability (Survey Item 2)
- My company's CRM initiative had executive commitment (Survey Item 6)
- My company's business rules were part of the CRM initiative (Survey Item 7)
- My company included customer input during the project's planning phase (Survey Item 8)
- The CRM initiative was part of the Company's long term strategy (Survey Item 9)
- My company selected the correct software tools for the CRM initiative (Survey Item 10)
- My company defined the critical success factors before the CRM initiative started (Survey Item 11)
- My company's CRM initiative was treated only as a technology project (Survey Item 12)
- Our IT managers reviewed the details of the CRM project (Survey Item 13)

- My company included customer input during the implementation phase (Survey Item 14)
- My company's CRM initiative was not considered a business priority (Survey Item 15)
- My company's CRM initiative was launched without defined objectives (Survey Item 16)
- My company's CRM initiative was considered a one-time event (Survey Item 17)

The data presented in the findings chapter demonstrates that survey item 2: "Customer retention can mean higher profitability", survey item 1: "Existing customer cost less then new customers", and survey item 9: "The CRM project was be part of the company's long term strategy" represents the strongest perceptions of California-based financial services marketing executives with regard to the planning and implementation of CRM initiatives.

Research question two. What characteristics are essential for the successful planning and implementation of CRM initiatives in California-based financial services companies? The literature review and the survey instrument presented a list of characteristics essential for the successful planning and implementation a company's CRM initiative. The following is the list of these essential characteristics used in the survey instrument:

- My company's CRM initiative had executive commitment (Survey Item 6)
- My company's business rules were part of the CRM initiative (Survey Item 7)

- My company included customer input during the project's planning phase (Survey Item 8)
- The CRM initiative was part of the Company's long term strategy (Survey Item 9)
- My company selected the correct software tools for the CRM initiative (Survey Item 10)
- My company defined the critical success factors before the CRM initiative started (Survey Item 11)
- Our IT managers reviewed the details of the CRM project (Survey Item 13)
- My company included customer input during the implementation phase (Survey Item 14)

The data presented in the findings chapter demonstrates that survey item 9, "The CRM initiative was part of the Company's long term strategy", survey item 6, "My company's CRM initiative has executive commitment", and survey item 7," My company's business rules were part of the CRM initiative" represents the essential characteristics for the successful planning and implementation of CRM initiatives.

Research question three. What are the common pitfalls, with respect to planning and implementation, for failed CRM initiatives within California-based financial services companies? The literature review and the survey instrument presented a list of common pitfalls for company's failed CRM initiative. The following is the list of these common pitfalls used in the survey instrument:

- My company's CRM initiative was treated only as a technology project (Survey Item 12)

- My company's CRM initiative was not considered a business priority (Survey Item 15)
- My company's CRM initiative was launched without defined objectives (Survey Item 16)
- My company's CRM initiative was considered a one-time event (Survey 17)

The data presented in the findings chapter demonstrates that survey Item 16, "My company's CRM initiative was launched without defined objectives", and survey item 15, "My company's CRM initiative was not considered a business priority" represents the most common pitfalls with respect to planning and implementation for failed CRM initiatives.

Implications

The conclusions from this study offer a number of significant implications for California-based financial services marketing executives who are now involved in or will soon begin CRM-based initiatives in their organizations. First, California-based financial services marketing executives now have a definitive list of factors that could contribute the success or failure of their CRM-based initiatives. In addition, these factors have been rank ordered based on their level of significance. This will allow marketing executives to prioritize their efforts and manage each of these risks more effectively.

Second, the examples of the effective strategies presented in the literature review provide a guide for executives considering new CRM initiatives. This guide offers recommendations for planning CRM projects, choosing appropriate technologies, and hiring professionals to implement the project.

Third, the conclusions suggest that many respondents are willing to talk about his or her CRM success stories. However, very few respondents are willing to share his or her opinions if the CRM project was not successful. Perhaps another research method should be used such as interviews or focus groups to capture these respondent's opinions.

Authors Observations

Many of the perceptions found in the literature review were incorporated into the final survey instrument. However, a few very important perceptions were not included as a result of the validity or reliability process. Some of the perceptions did not directly address the research question. Other perceptions were considered redundant by the Delphi committee and removed from the final survey instrument. Nevertheless, these perspectives are important and require a proper explanation.

The literature emphasized the importance of formulating a solid vision for the project. Bordoloi (2000) and CGI Group (2001) address the importance of starting with a solid vision for the project. This vision must include a review of the company's internal capabilities and external challenges. This process should not just be a one-day activity. The end result of this exercise must be a set of statements or beliefs that can be used later to make the important decisions. A solid vision is the essential tool that a company uses then the leaders must decide what new product to develop or what new market to go into. It must involve the participation of all the key groups within the company. The more time spent on developing a solid vision, the great the likelihood of future success.

The literature also emphasizes the need to never begin a project without a strategy. Porter (1980), Dolan (1991), and Meta Group (2001) all address the importance of strategy. This is more then a high-level boardroom activity. It is the process of planning a sequential set of key activities that leads to a path of success. Do not confuse the concepts of vision and strategy. They are closely tied together but must be viewed as separate activities. The company's strategy should be developed by examining the vision and created a plan that includes a set of statements that are both tangible and measurable. The company's strategy should flow naturally from the vision if the right amount of time was put into developing a truly solid vision for the company.

Another perception reminds the reader to ensure that the project is integral to the business strategy. CGI Group (2001) warns that CRM is likely to fail if it is treated as just a project. The CRM initiative must be part of the company's vision and strategy. The message here is that CRM must be build on a stable foundation of vision and strategy. There really is a proper order of execution: vision, strategy, and then CRM, in that order. This is the best advice for managers thinking about starting a CRM initiative.

The literature also offers some great suggestions to avoid pitfalls. Do not rely on someone else's success as your blueprint for success. This may be a good place to start. However, every company is different and someone else's blueprint may not work at your company. However, managers should find the best practices described in the blueprint and incorporate them into a new blueprint for your company where it is appropriate. If a particulate aspect does not fit, do not try and make it fit, just move on the next part of your blueprint.

There was also an excellent point that is often overlooked. A manager should always prepare a recovery plan as soon as project issues may impact the business. A project of this size will impact the company in a profound way. This could be great if it all works. It can also be devastating if the technology fails or the business logic is corrupted. A manager must remember to create disaster recovery plans long before the project is completed. Make sure the data is backed up on a regular basis. Make sure that the failure of one piece of technology does not bring all productivity in the company to a halt.

The literature also stresses the importance of choosing your vendors wisely. Make sure the technology vendors and consulting companies have done this type of project before with a company similar to yours in the same industry segment. Also consider using outside experts in the various stages of the project. Make sure all your resources have the skills and experience needed to finish what they have begun.

Finally, the CRM literature reveals a marketplace that offers managers a wide range of extremes. At one extreme, consulting companies herald the values of CRM and encourage executives to alter their business strategy by investing in this trend (Bordoloi, 2002). In the middle, software companies present their tools and roadmaps in an attempt to provide successful implementations to the industry (Meta Group, 2001). At the other extreme, analysts and academics search for the quantifiable results that CRM can increase revenue or reduce costs (Norcia, 2002).

Recommendations

The purpose of this study was to examine a very specific group of executives limited to one industry and one geographical region. Further research could either expand on these areas by examining a different group or a different setting. For example, a researcher could reproduce this study with the existing survey instrument in the healthcare, consumer goods, or entertainment industries. Alternatively, the same study could compare the results founded in California with a new set of results captured in another state such as New York, Massachusetts, or Illinois. Another different setting or group could be found by additional research in this field in an international setting such as in Europe or Asia.

Another study could also extend the research by employing a greater level of statistical analysis to the data. This data could be capture by employing more individual interviews, a focus group format, or by developing a number of cases studies across a group of companies.

Finally, there is one significant take away from this study for both researchers and marketing executives. The planning and execution of a CRM-based initiative is a very complicated and challenging project filled with numerous potential pitfalls. This type of project should not be entered into lightly and managers should consult an expert who has both the academic understanding and real world experience in this area. In addition, do not rely exclusive on a technology professionals or industry experts. The data demonstrates that only a team of professionals with a diverse range of experiences can guide the project to a successful conclusion.

Generalizability of the Findings

As stated earlier, the goal during the data collection procedure was to obtain 300 responses via a paper-based invitation letter. During the six-month period data collection period, only 113 responses surveys were returned. To ensure that the non-response error was not significant, a sample of 25 non-respondents were contacted by telephone and their responses to the survey were recorded. The responses of the 2 groups were compared and differences in responses between the 2 groups, as well as differences in responses based on demographic characteristics were analyzed. The researcher performed a Chi-Square Goodness of Fit test to examine the differences. This test examines the pattern of responses between the 2 groups. A significant level of 0.05 was used. The Table 32 illustrates the results of the analysis and *p*-values for each of the 20 survey items are reported. Survey item 1 scored a *p*-value of 0.0995. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 2 yielded a *p*-value of 0.647. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 3 yielded a *p*-value of 0.222. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 4 yielded a *p*-value of 0.481. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 5 yielded a *p*-value of 0.782. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 6 yielded a *p*-value of 0.52. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 7 yielded a *p*-value of 0.823. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 8 scored a *p*-value of 0.457. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 9 yielded a *p*-value of 0.358. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 10 yielded a *p*-value of 0.791. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 11 yielded a *p*-value of 0.0449. The results state there is a difference in the proportions of the responses between the 2 groups. Survey item 12 yielded a *p*-value of 0.229. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 13 yielded a *p*-value of 0.369. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 14 yielded a *p*-value of 0.15. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 15 yielded a *p*-value of 0.49. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 16 yielded a *p*-value of 0.1212. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 17 yielded a *p*-value of 0.65. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 18 yielded a *p*-value of 0.881. The results state there is no difference in the proportions of the responses between the 2 groups. Survey item 19 yielded a *p*-value of 0.000. The results state there is a difference in the proportions of the responses between the 2 groups. Survey item 20 yielded a *p*-value of 0.000. The results state there is a difference in the proportions of the responses between the 2 groups.

The *p*-values for survey items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15,1 6, 17, and 18, showed no difference in response patterns between the Internet Group and the Telephone Group. The *p*-values for survey items 11, 19 and 20 showed a difference in response patterns between the Internet Group and the Telephone Group. The difference identified in survey item 11, “My company defined the critical success factors before the

CRM initiative started" can be accounted for by the respondents who stated their perceptive as "Agree" or "Not Applicable". This gap was wide enough to account for this difference. The difference identified in survey item 19 can be accounted for by the respondents who stated their years with company as "6-10 Years". This gap was wide enough to account for this difference. The difference identified in survey item 20 can be accounted for by the respondents who stated their industry segment as "Mortgage" or "Credit Cards". This gap was wide enough to account for this difference. However, 16 of the 17 context-based survey items scored *p*-values indicating a high level of similarities between the 2 groups. The results indicate that few of the items were different. Therefore, it does appear that there was some level of bias and any generalization should be limited to groups with similar demographics characteristics of the actual survey group.

The results also provide some insights regarding an alternative to the population of California-based financial services marketing executives. First, 29.8 % of the respondents stated they had 6 to 10 years of experience with the company. Second, 28.7 % of the respondents stated they had greater then 20 years of experience with the company. These 2 groups alone make up 58.5 % of the respondent group. This indicates the research has captured a larger amount of the experienced population then originally thought. In addition, the non-response error for the survey was negligible. Therefore, the population of likely respondents is far less then 5,000 California-based financial services marketing executives. As a result the findings of the study have broader implications and can be safely generalized to all California-based financial services marketing executives and possibly all financial services marketing executives based in states similar in size and economic based to the state of California.

Table 32

Goodness of Fit Results

#	Survey Items	*p*-Value	X^2	Comment
1.	Survey Item 1	0.955	1.06	No difference in pattern of responses
2.	Survey Item 2	0.647	2.485	No difference in pattern of responses
3.	Survey Item 3	0.222	6.98	No difference in pattern of responses
4.	Survey Item 4	0.481	3.48	No difference in pattern of responses
5.	Survey Item 5	0.782	2.47	No difference in pattern of responses
6.	Survey Item 6	0.52	4.22	No difference in pattern of responses
7.	Survey Item 7	0.823	2.19	No difference in pattern of responses
8.	Survey Item 8	0.457	4.68	No difference in pattern of responses
9.	Survey Item 9	0.358	5.50	No difference in pattern of responses
10.	Survey Item 10	0.791	2.41	No difference in pattern of responses
11.	Survey Item 11	0.0449	11.368	Difference in pattern of responses
12.	Survey Item 12	0.229	6.87	No difference in pattern of responses
13.	Survey Item 13	0.369	5.404	No difference in pattern of responses
14.	Survey Item 14	0.15	8.02	No difference in pattern of responses
15.	Survey Item 15	0.49	4.42	No difference in pattern of responses
16.	Survey Item 16	0.1212	8.7	No difference in pattern of responses

(*tables continues*)

#	Survey Items	*p*-Value	X^2	Comment
17.	Survey Item 17	0.65	3.33	No difference in pattern of responses
18.	Survey Item 18	0.881	1.76	No difference in pattern of responses
19.	Survey Item 19	0.000	80	Difference in pattern of responses
20.	Survey Item 20	0.000	3001	Difference in pattern of responses

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Appendix A

Paper-based Invitation Letter

Pepperdine University
Malibu, California
August 01, 2003

Responders Name
Responders Title

Dear Colleague:

I am a marketing executives and a current doctoral candidate at Pepperdine University. My research is in the area of Customer Relationship Management and I need 5 minute of your time to complete an online survey questionnaire. I value your opinion.

The research focuses on the perception of executives toward Customer Relationship Management tools and software in your organization. The following link will direct you to the online survey questionnaire:

http://www.zatoak.com/survey

The results will be posted on the survey website when the study is completed. I would appreciate if you would complete the questionnaire prior to August 30th, 2003.

Thank you for your time.

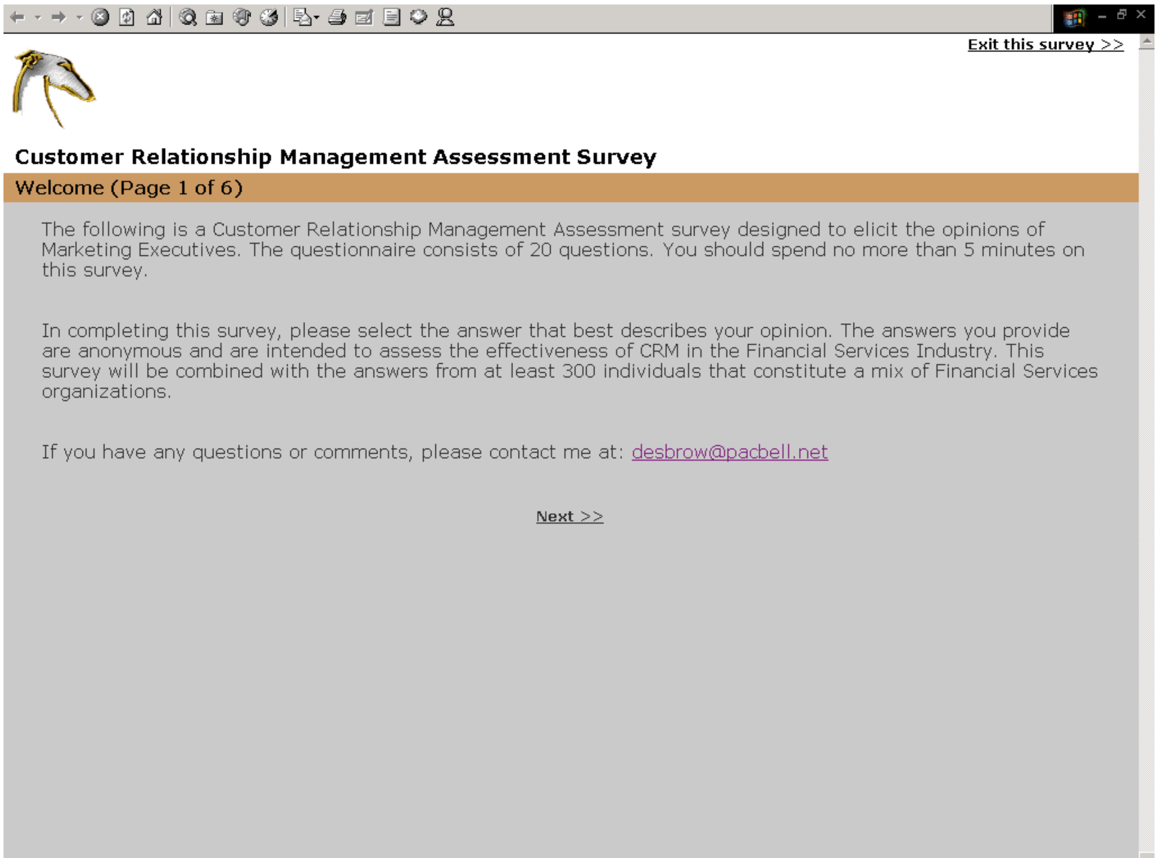
Sincerely,

____

J. Patrick Desbrow
Doctoral Candidate, Organizational Leadership

Appendix B

Online Survey Instrument



Exit this survey >>

Customer Relationship Management Assessment Survey

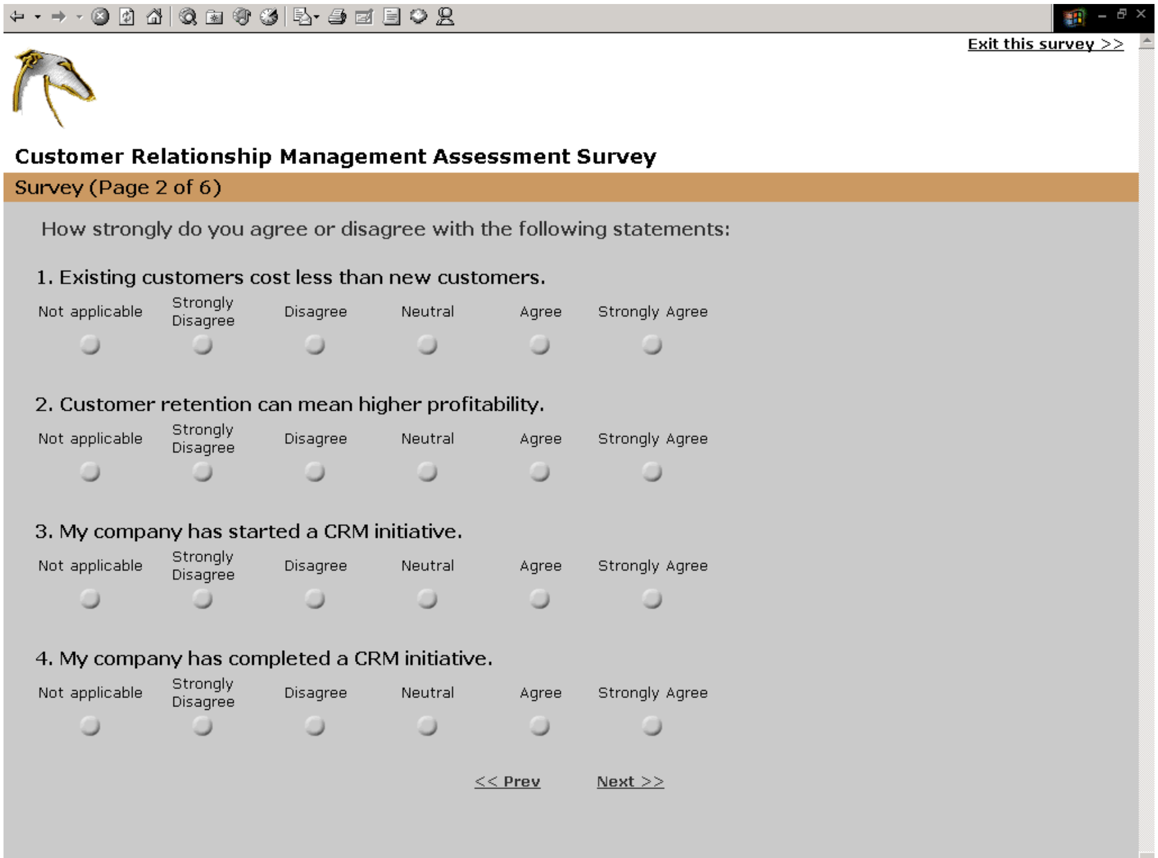
Welcome (Page 1 of 6)

The following is a Customer Relationship Management Assessment survey designed to elicit the opinions of Marketing Executives. The questionnaire consists of 20 questions. You should spend no more than 5 minutes on this survey.

In completing this survey, please select the answer that best describes your opinion. The answers you provide are anonymous and are intended to assess the effectiveness of CRM in the Financial Services Industry. This survey will be combined with the answers from at least 300 individuals that constitute a mix of Financial Services organizations.

If you have any questions or comments, please contact me at: desbrow@pacbell.net

Next >>



Exit this survey >>

Customer Relationship Management Assessment Survey

Survey (Page 2 of 6)

How strongly do you agree or disagree with the following statements:

1. Existing customers cost less than new customers.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
○	○	○	○	○	○

2. Customer retention can mean higher profitability.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
○	○	○	○	○	○

3. My company has started a CRM initiative.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
○	○	○	○	○	○

4. My company has completed a CRM initiative.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
○	○	○	○	○	○

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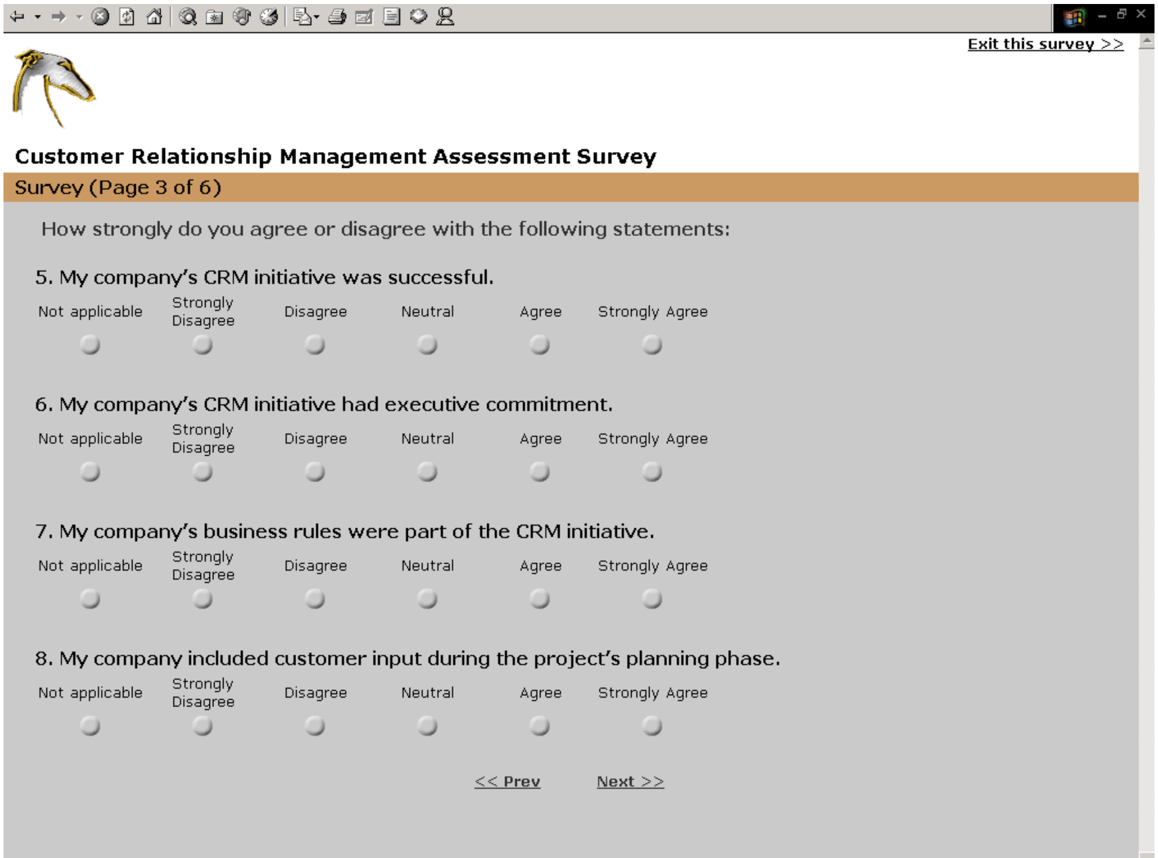


Exit this survey >>

Customer Relationship Management Assessment Survey

Survey (Page 3 of 6)

How strongly do you agree or disagree with the following statements:

5. My company's CRM initiative was successful.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

6. My company's CRM initiative had executive commitment.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

7. My company's business rules were part of the CRM initiative.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

8. My company included customer input during the project's planning phase.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

<< Prev Next >>

Exit this survey >>

Customer Relationship Management Assessment Survey

Survey (Page 4 fo 6)

How strongly do you agree or disagree with the following statements:

9. The CRM initiative was part of the Company's long term strategy.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
○	○	○	○	○	○

10. My company selected the correct software tools for the CRM initiative.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
○	○	○	○	○	○

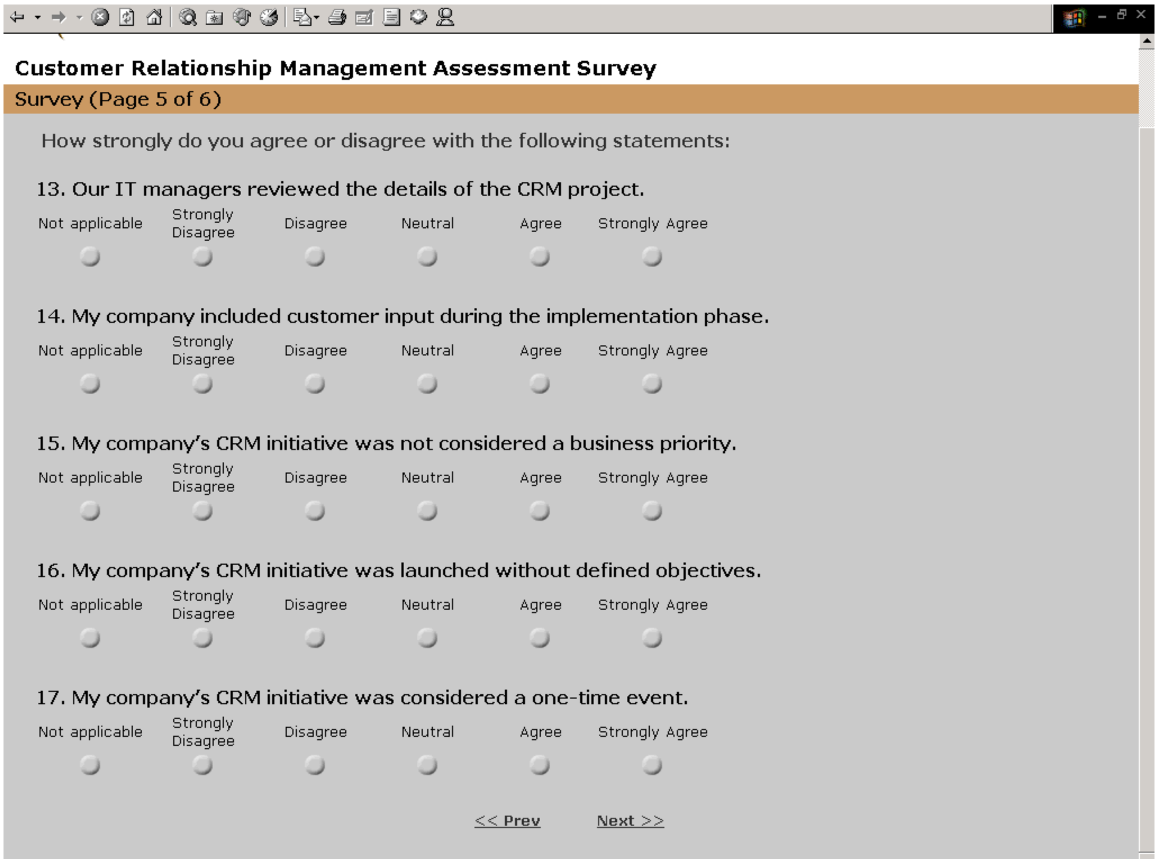
11. My company defined the critical success factors before the CRM initiative started.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
○	○	○	○	○	○

12. My company's CRM initiative was treated only as a technology project.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
○	○	○	○	○	○

<< Prev Next >>



Customer Relationship Management Assessment Survey

Survey (Page 5 of 6)

How strongly do you agree or disagree with the following statements:

13. Our IT managers reviewed the details of the CRM project.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

14. My company included customer input during the implementation phase.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

15. My company's CRM initiative was not considered a business priority.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

16. My company's CRM initiative was launched without defined objectives.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

17. My company's CRM initiative was considered a one-time event.

Not applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

<< Prev   Next >>

Exit this survey >>

Customer Relationship Management Assessment Survey

Survey (6 of 6)

Please complete these last few questions:

18. Annual marketing budget:

Less Than $100,000	$100,001 To $500,000	$501,001 To $1,000,000	$1,000,001 To $5,000,000	$5,000,001 To $10,000,000	Greater Than $10,000,000
○	○	○	○	○	○

19. Years with Company:

< 1 Year	1-5 Years	6-10 Years	11-15 Years	16-20 Years	> 20 Years
○	○	○	○	○	○

20. Industry Segment:

Automotive	Bank	Insurance	Mortgage	Credit Card	Other
○	○	○	○	○	○

Thank you for participating in the CRM Assement Survey.

The results of this research will be available for review at this web site in 4 to 6 Weeks.

<< Prev Done >>

Appendix C

Delphi Survey

CUSTOMER RELATIONSHIP MANAGEMENT DELPHI SURVEY

Name: ___________________________

Thank you for taking the time to participate in the Customer Relationship Management (CRM) Delphi Survey. This survey is designed to elicit the opinions from a panel of experts in the Financial Services Industry. The survey consists of 20 questions. You should spend no more than 10 minutes on this survey. Record your answers to the questionnaire by darkening the corresponding circle of your answer. The possible answers for the survey range from 1 to 3. The scale reflects the degree to which you agree each question is appropriate to the three research questions. A comment section is provided after each question for any additional information you would like to add. The rating scale is as follows:

1. Very Appropriate
2. Not Appropriate
3. Modify As Suggested

The three research questions you will use during this survey are:

1. What are the perceptions of California-based financial services marketing executives with regards to the planning and implementation of CRM initiatives?

2. What characteristics are essential for the successful planning and implementation of CRM initiatives in California-based financial services companies?

3. What are the common mistakes, with respect to planning and implementation, for failed CRM initiatives within California-based financial services companies?

In completing this survey, please be honest and select the answer that best describes your opinion. The answers you provide are intended to develop an accurate survey to determine the perceptions 300 California marketing executives in regards to Customer Relationship Management in the Financial Services Industry. This survey will be combined with the answers from other Delphi committee members.

		Very Appropriate	Not Appropriate	Modify
#	**Survey Questions**	**1**	**2**	**3**
1.	Existing customers cost less than new customers. Comments:	O	O	O
2.	Customer retention can mean higher profitability. Comments:	O	O	O
3.	My company has started a CRM initiative. Comments:	O	O	O
4.	My company has completed a CRM initiative. Comments:	O	O	O
5.	My company's CRM initiative was successful. Comments:	O	O	O

		Very Appropriate	Not Appropriate	Modify
#	**Survey Questions**	**1**	**2**	**3**
6.	There was a solid vision for my company's CRM initiative. Comments:	O	O	O
7.	My company's CRM initiative had executive commitment. Comments:	O	O	O
8.	My company's business rules were part of the CRM initiative. Comments:	O	O	O
9.	My company included customer input during the planning phase. Comments:	O	O	O
10.	The CRM initiative was part of the Company's long-term strategy. Comments:	O	O	O

#	Survey Questions	Very Appropriate 1	Not Appropriate 2	Modify 3
11.	My company selected the wrong tools for the CRM initiative. Comments:	○	○	○
12.	My company defined the critical success factors before the CRM initiative started. Comments:	○	○	○
13.	My company's CRM initiative was treated only as an IT project. Comments:	○	○	○
14.	Our IT managers reviewed the details of the CRM project. Comments:	○	○	○
15.	My company included customer input during the implementation phase. Comments:	○	○	○

#	Survey Questions	Very Appropriate 1	Not Appropriate 2	Modify 3
16.	My company's CRM initiative was not considered a business priority. Comments:	○	○	○
17.	My company's CRM initiative was launched without defined objectives. Comments:	○	○	○
18.	My company's CRM initiative was considered a one-time event. Comments:	○	○	○
19.	My company's CRM initiative lacked top down leadership. Comments:	○	○	○
20.	My company chose the IT vendors for the CRM initiative carefully. Comments:	○	○	○

Appendix D

Reliability Test Interview Questions

The following questions will be asked to a group of 7 marketing executives as part of the reliability phase of the research study.

1. Were the instructions easy to follow? (Yes / No)
2. Was the wording of any question confusing? (Yes / No)
3. Where the responses to all the questions adequate? (Yes / No)
4. Do you have any additional comments? (Comment)