

CURRENT REMARKS REGARDING THE SUCCESS DETERMINANTS OF THE CITIZEN'S RELATIONSHIP MANAGEMENT (CiRM) AS A SPECIFIC FORM OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

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ABSTRACT

Current research increasingly links the success of the organizations, whatever their nature, public or private, by the way how it is managed the customer's satisfaction services and of products provided by them. In this context it was necessary the development, as a distinct and independent branch, of customer relationship management with a decisive role in achieving organizational performance and maintaining strong relations with consumers but in the same time implementing new strategies to approach different categories of public. The public organizations' particularities request a focus on the institution's image, confidence in the services provided for the citizens, the management of the beneficiary's satisfaction creating a new management approach – customer relationship management. The study's purpose is to highlight the particularity of the customer relationship management in the public domain and also tries to answer the pressing question: to what extent can be used customer relationship experience from the private sector as a good practice example? How to avoid the trap of overrated IT solutions in the disadvantage of the philosophy and a customer focused culture? Which are the specific factors that determine the success of CiRM? Lately it was recorded the need to manage the customer satisfaction in the public field.

KEYWORDS: *public communication, customer relationship management (CRM), citizen relationship management (CiRM), public services' customer satisfaction.*

JEL CLASSIFICATION: *M31, M39*

1. INTRODUCTION AND METHODOLOGY

The purpose of our study is to identify and to understand the peculiarities of the public domain and the increasing role of the citizen relationship management (CiRM) as a particular of CRM and provide necessary solutions regarding how public managers and their employees can improve their skills in order to create a proper working climate to increase the organizational performance and citizens' confidence in public institutions.

The complexity of the research subject emphasizes the need to use a research methodology which incorporates a wide range of methods, techniques and tools:

- The study of general and specialized bibliography in order to ground the scientific research and knowledge of the structure and dynamics of studied phenomena and processes;
- The scientific and empirical observation method of the managerial presences in the public domain focusing on the particularities of the public institutions and on their relation with their clients, the citizens;
- Interdisciplinary methods -analyzing the economic, psychological, and legal concepts;

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In order to determine the level of satisfaction and the citizen's confidence as the "clients" of the public organization's services and to identify the main determinants of CiRM's success, during the period 1-st – 30-th of July 2015, we have applied a questionnaire in order to attain the research objectives.

This study is based on a questionnaire applied by direct approach of the respondents, being interested in citizens who have recently contacted the public institutions, with the purpose of collecting the current perspective, needs and expectations of the citizens regarding the products and the services provided by the public institutions.

The study was guided by the following assumptions:

- Quality and reliability in public organizations are strongly determined by the individual perceptions.
- The level of the employees focus toward the client/ citizen it is the main determinant of CiRM's success;
- Communication can determine the CiRM's success;

Target group:

At the research participated 130 citizens who have recently been the beneficiary of the public services offered by the public institutions, from Sibiu area.

2. REMARKS REGARDING THE CONCEPTS OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM) AND MANAGEMENT OF RELATIONS WITH THE CITIZENS (CIRM), A CONCEPTUAL DELIMITATION

The variety of definitions and meanings regarding the concept of customer relationship management demonstrates that this area it is still in an investigation phase and development of its essence. Common to all these definitions is underlining the importance of effective customer relationship management for a sustainable development of the organization.

Becker notes that many specialists and practitioners perceived CRM as a technical solution rather than as a complex and multidimensional issue that requires a holistic approach. This perspective strictly limited on information technology may have the effect of reducing the efficiency of strategies developed due to the high risk of neglecting the major objectives that the organization must fulfil in terms of developing and maintaining customer relationships. In this context, Coltman (2007) argues that insufficient customer relationship management is not completely understood, an integrated new approach is developing (CRM is poorly understood and also considered that a total and integrated CRM is yet to develop).

It is estimated that the success rate of IT projects in the field of CRM, for the implementation of software solutions for customer relationship management, does not exceed 30% (Hoekstra, 2001). The main cause of numerous failures it is considered the fact that appealing to an IT solution it is not able to generate the desired results, as long as the organization has not created a philosophy and a culture focused on customer, focused on a long-term development of the relationships with the clients. Increasing the customers' loyalty it is only possible when all resources and processes have the customer as their center, his needs and expectations.

From another perspective CRM is an essential business strategy that integrates internal processes and functions with external networks to create and deliver customer value target in terms of profit. It is based on customer data that have a high quality and on information technology. (Buttle, 2006)

According to another definition, customer relationship management is a strategic approach that consists in creating superior shareholder value by developing appropriate relationships with key customers and customer segments. CRM unites the potential of information technology and relationship marketing strategies to create profitable relationships on long term. An important aspect is that CRM provides increased opportunities for data use and information, both to

understand customers and to better implement strategies of relationship marketing. This implies that a trans-functional integration of human resources, operations, processes and marketing capabilities, which is enhanced by information, technology and applications (Payne, 2006).

This approach is the most comprehensive and appropriate, emphasizing in the same time on the intrinsic link between the generated value for the customer, the existence of a strategy, and the development of long-term relationships and the use of information technology. In conclusion, CRM should not be confused with specialized computer solutions for managing information about customers that become a support to better understand customer's expectations and needs, their behavior in order to design strategies capable of generating value for the customer.

Therefore, customer relationship management involves the consideration of the following coordinates:

a. **The strategic character**- CRM is a business strategy. Customer relationship management is relevant and profitable for the organization only if it brings its contribution to the objectives of the organization and generates value for the customer and the organization.

b. **The role of IT solutions**- Information technology contributes to the development and implementation of strategies capable of meeting the organization's objectives regarding the development of client relationships and their loyalty. Also, CRM's solutions help measure the performances for implementing the strategies and programs in the field of customer's relationship management.

c. **CRM purposes**- Develop and implement some strategies to develop the customer's loyalty and developing a provider's profile of the organization applying CRM strategies having as main purpose to create value for both partners, supplier and customer. To be recognized and adopted by the client, the amount must be significant and relevant from its perspective.

To create customer satisfaction employees' from the front desk must generate knowledge about customer needs. Moreover, fulfilling the customer's expectations by listening to them will promote the customer-firm relationship. A better knowledge about customers' needs and expectations/wishes helps improve customer service which will eventually help them achieving customer satisfaction and maintenance. Better and durable interaction with the customers, facilitates customer satisfaction, better sales, loyalty and finally CRM success.

3. COMMUNICATION PECULIARITIES IN THE PUBLIC DOMAIN. THE MANAGEMENT OF THE PUBLIC ORGANIZATION'S IMAGE.

A distinctive feature of the public organizations is the specific approach of the relationship with the customers of public services, with citizens. Private sector organizations realize the need in terms of customer focus and stimulating understanding of their needs and act accordingly structuring the products and services according to consumer preferences. Unfortunately the public domain organizations are not primarily oriented towards the production of services at competitive prices and high quality levels, while not sufficiently concerned with the perception of citizen satisfaction. According to Warin (1999), satisfaction of users of public services must become an imperative public performance indicator. This is a novelty for the public sector while measuring customer satisfaction has long been part of practices in the private sector.

At the same time a characteristic of public organization is their responsibility for the citizen as a customer of public services, the most treasured value is now the human being. Furthermore, it is believed that a public service is not just a service provider, but also contributes to the cohesion of society. According to Chevallier (2005), "while private organizations are *"introverted"*, find their purpose in it themselves, public organizations are *"extroverted"*, that serve the interest above them.

In this context public communication as mirroring the organization's values, practices and managerial communication, culture and organizational effectiveness gains special value. Beyond

the purely theoretical assertions on the concept of representation is a fact with profound meanings public relations plan: the image of the organization.

Through the process of communications with the citizens and the image developed, the organization diffuses the data and information organization to gain the trust and goodwill of different categories of public. The organization's image depends by its ability to influence the public in the process of building the image of the public institution, about its products and services by delivering messages according to the expectation horizon, its values and beliefs. To avoid the image erosion and the resulted consequences, the organization must be continuously preoccupied to answer the questions such as: "What exactly dissatisfies?" "Why?" "What elements are negatively perceived?"

Developing the image can be achieved by applying a certain policy related, on the one hand, with the organization's leaders management style and on the other hand, with the activity completed by the "employees".

This policy translates into a series of concerted and public relations activities divided during time, which are meant to shape, change and maintain the organization's image.

The main activities can be briefly presented as follows:

- Development of a high performance management at the organizational level, developing efficient activities is essential in shaping the organization's image;
- Conducting advertising campaigns for the correct information of the customers;
- Use of partnerships as a support for the organization's image, being known the fact that the partnerships properly managed are a way of improving perception;
- Establishing some strict requirements regarding the staff, hiring well-trained people with decent behavior, and replacing those who do not meet the requirements, the image being closely linked to the employees' quality;
- Maintaining a good cooperation with the media, on the basis of an open and transparent relationship.

For an increased efficiency, the public organizations should give due weight to public communication and always identifying ways to improve it.

Table 1: Major differences and similarities between the CRM in the private and the public sector

Crt. no	Private sector	Public sector
1.	Market competition	Lack of market competition / monopoly
2.	Market oriented	District/ area oriented
3.	Relationships with the stakeholders	High number of relationships with the stakeholders
4.	Controllable quantity / Homogeneous product and service range	Uncontrollable quality due to political decision making / Large number of heterogeneous products and services
5.	Personalized products and services for the clients	"One size fits all" approach
6.	Segmentation (Pareto rule 20-80)	Segmentation possible / no termination of unprofitable customers
7.	Budget / sunk costs	Budget / sunk costs
8.	Legacy systems (IT)	Legacy systems (IT)
9.	Medium/ strong image service	Poor service image
10.	Organization culture	Organization culture
11.	Human resources – learning possibility, medium/ high salaries	Human resources - lack of knowledge, salaries not competing with private

		sector
12.	Following the specific set of Laws	Following the specific set of Laws
13.	Accountability	Accountability
14.		Political influence (planning cycle)
15.	Profit orientation / maximizing the shareholder value	Democratic understanding / philosophy

Source: CRM in the Public Sector – Towards a conceptual research framework

4. THE RESPECT FOR PUBLIC SERVICES' CUSTOMERS AND THE SHIFT FROM CRM TO CIRN

While efficient management of the customer's relationship has become a strategic issue for many companies (Becker et al., 2009), identifying and retaining the most lucrative customers from the economic point of view cannot be the CRM's objective in the public sector (Rocheleau 2002), but delivering high quality citizen oriented public services. In fact, the citizen's psychology as a customer of public services is poorly understood in comparison to the consumer.

The concept of public services' *client* it is complex and multidimensional (Laing 2003). Citizens may be the beneficiaries of services, partners for providing services or simply taxpayers. The citizens have challenging expectations and engage in different types of relationships with the public organizations. A CiRM system allows the public services' employees to have access to citizens' profiles due to the contacts which they have with them and creating other databases. In this way, they can provide customized information and specialized services and also identify possible emerging problems. (O'Looney 2002).

Therefore, Citizen Relationship Management (CiRM), can be defined as a strategy, enabled by technology, with broad focus on the citizen in order to maintain, optimize and encourage the relationship with the citizens. Since we are currently in the early stages of CiRM's emerging, this is a working definition. CiRM could be a part of the New Public Management as TQM or as an additional concept to the eGovernment frame.

5. CRM'S GUIDELINES FOR PUBLIC SECTOR

Technology is not needed to improve the citizen orientation in the public sector. Changing office hours, redesign the waiting areas or opening of an one-stop service centre are just some examples that have had an impact on citizen satisfaction/citizen orientation (Bogumil 1997).

Recent empirical studies suggest that CRM technology has only a moderate impact on the overall success of efforts to strengthen the relationship of the public organizations with the citizens. However, introducing the new technology and data processing and in the same time implementing the CiRM can make a difference, opening new opportunities. However, the success rate of CRM in the private sector is limited. If we take into consideration the private sector's experience, the success rate it is not very high, ranging between 30 % and 70%. The organizational challenges for any CRM's initiatives and the diversity of individuals involved are other threats that the public organizations should also take into account. At the same time many projects fail due to a lack of coordination between the strategy and the processes. Public administration should use the experience of CRM from the private sector and minutely analyzed all the processes abolishing those measures meant to fail due to human resource constraints.

Specific activity for the public sector is the interaction with the citizens, which has as an immediate consequence the causal relation between the quality of public service and the citizens' treatment which the institution's employees come into contact. Consequently, the perception of the citizen about the public organization services, its satisfaction and confidence in the institutions depends on

the employee's orientation degree towards the customer, towards the citizen. Despite the importance of this aspect the studies regarding the concept of employee's orientation toward the citizen (customer orientation of service Employees (COSE)) and the impact of determining the success of the organization, are relatively insufficient and not properly put into practice. The New Public Management giving extra attention to performance as a core value in public sector organizations seeks to improve the activity of recruitment, selection and pay packet. It should be emphasized that changing the traditional benchmarks and implementing the new values of NPM is a long process, depending on how successful organizations of the public sector will be able to keep some of the core values of the traditionalist model, namely: professionalism, impartiality, high ethical standards, absence of corruption and harmoniously integrate a part of the NPM's fundamental values.

6. THE RESEARCH

The study aims to collect concrete information regarding the citizen's perception of the public services in their quality of clients and also the citizen's behavior.

The survey consisted of a set of questions meant to emphasize the citizen's level of satisfaction taking into consideration its relationship with the public institutions. We have followed multiple aspects and selected the citizen's level of satisfaction regarding the products/ services provided by the public institutions; the level at which the products/ services provided by the public institutions fulfill the citizen's needs and expectations; how the citizens appreciate the employees' communication skills and the level of implication in solving their requests:

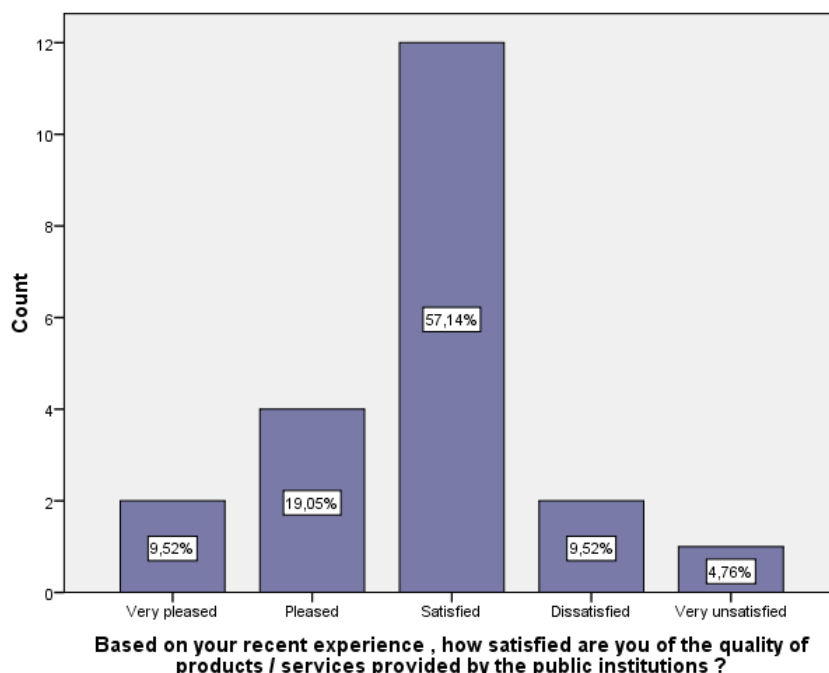


Figure 1.

Source: Study based on research of our own

Based on the collected data we have observed that 57,14% of the respondents mentioned that are satisfied by the products/services provided by the public institutions, 9,52% are very satisfied, and 4,76% are very unsatisfied. In the same time 28,57% of the respondents mentioned that they are satisfied or unsatisfied of the products/services provided by the public institutions.

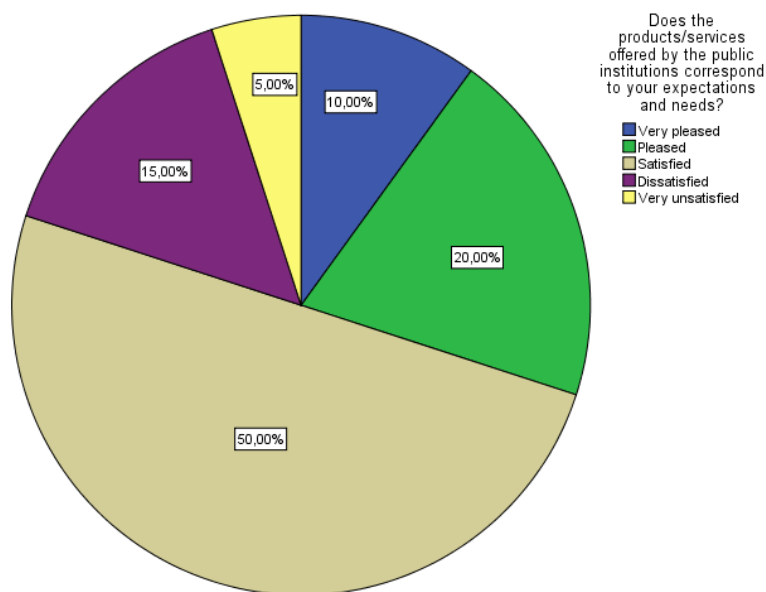


Figure 2.

Source: Study based on research of our own

We consider that the quality of the products/services provided by the public institutions must be reported to the citizen's expectations, that it is why we consider this aspect to be very important and we emphasize the fact that 50% of the respondents are satisfied by the services provided by the public institutions and the services correspond to their needs and expectations; only 5% of the respondents are very unsatisfied of the products and services provided by the public institutions and do not fulfill their needs and expectations.

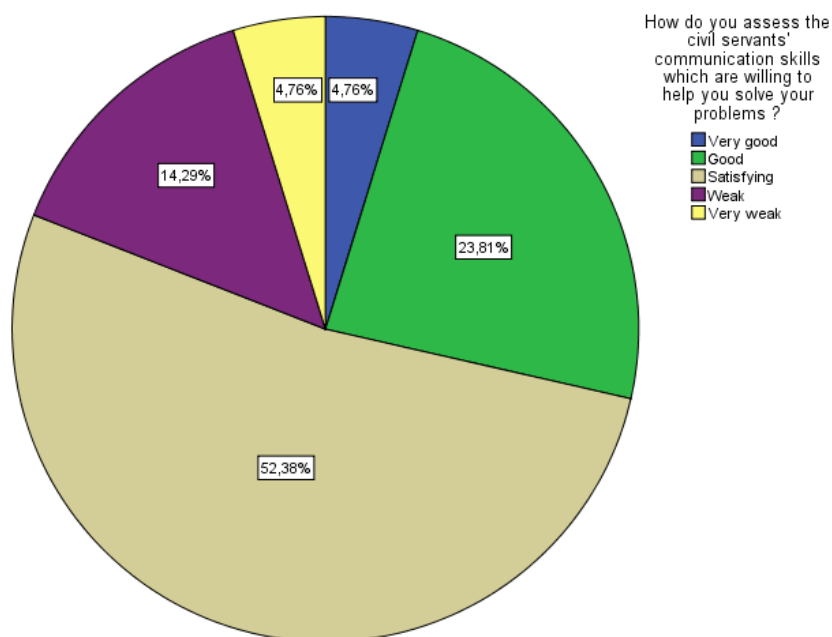


Figure 3

Source: Study based on research of our own

The citizen's perception regarding the public services and its level of satisfaction are strictly related by the employees' communication skills, especially of the employees which directly interact with the citizens, as the beneficiary of the public services. We consider that communication is an indispensable element of CRM therefore analyzing the collected data we noticed that 52,38% of the respondents are satisfied by the employees' communication skills, but only 4,76% consider that the employees communicate very well with the citizen. We also mention that 4,76% of the respondents consider that the employees have very low communication skills.

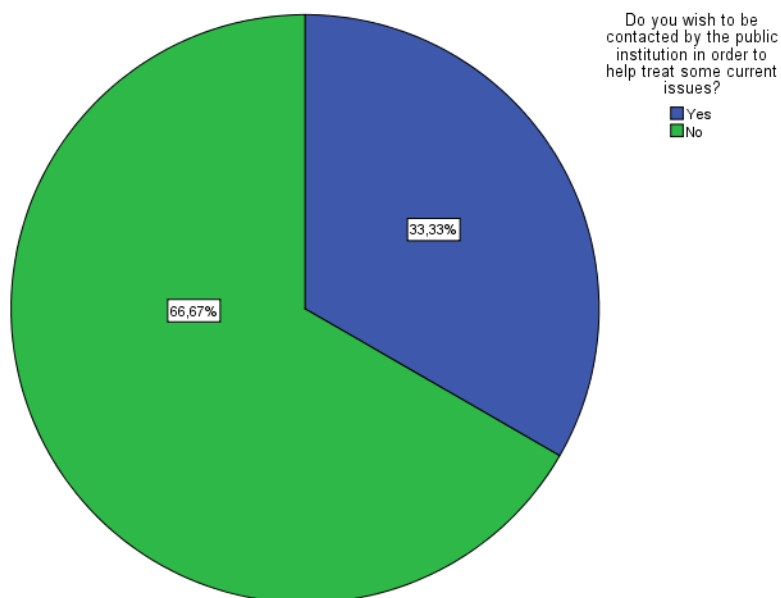


Figure 4

Source: Study based on research of our own

Even if 4,76% of the respondents are very unsatisfied and 9,52% are unsatisfied by the quality of the products/ services provided by the public institution, 5% of the respondents do not consider that the services provided fulfill their expectations and needs being very unsatisfied and 15% are unsatisfied; and 4,76% of the respondents consider that the employees' communication skills are very weak and 14,29% consider that the communication skills are weak only 33,33% agree to be contacted by the public institutions in order to help improving the services and products provided for the citizens. In the same time 66,67% of the respondents do not want to be contacted or to get involved in improving the public services or products.

4. CONCLUSIONS

The holistic management approach namely the Customer Relationship Management is enhanced by technology, being focused on the client, designed to attract and retain consumers, the final goal being the optimization of the organization's profits. CiRM, the management of the relationship with the citizens, should be regarded as a particular approach of the customer's relationship management, an imperative of the public organizations which must be considered to be a strategy, enabled by technology, focused toward the citizen in order to maintain, optimize and strengthen the relations with them.

We consider that the public institutions should take into consideration the citizens' opinions and expectations, should provide more coherent information about their activity and products/ services and also improve the communication with the citizens as the services/ products' beneficiaries; and

the citizens should get involved and help the public institutions improving their services and products expressing their opinion more often.

While there are many arguments that justify the use of CiRM, based on the experience from the private sector, it is very important that the public organizations not to make a simple analogy with the private sector governed by other values such as profit and to conduct a detailed assessment of the concept and its peculiarities. An undeniable advantage of strengthening the concept is bringing new ways of approaching the public services and in general the management – the relationship with the citizens. On the other hand, the risk of failure is very high in the context of a knowledge gap and administration's staff different approaches regarding the services offered and the importance of citizen's perception in its quality of a consumer of public services.

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