Powerful CRM strategy as tool to increase KAM B2B performance
Fast food series applied study
(Suppliers’ Perspective)

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ABSTRACT
Customer Relationship Management (CRM) is a term that includes how it works, and its attributed benefits. It is the term for a business strategy that grants the customer continuous improvement, increasing his internal operations performance, increases the economic value added EVA, satisfaction, loyalty, trust, increases cooperation commitment, continuity, and grabs additional investments throughout integrated parties. CRM is broadly recognized, widely-implemented strategy for managing and development a company’s interactions with customers and sales prospects. It involves using technology to organize, automate, and synchronize business processes, principally sales related activities, but also those for marketing, customer service, and technical support. The overall goals are to find, attract, and win new customers, nurture and retain those the company already has, entice former customers back into the fold, and reduce the costs of marketing and customer service. CRM gives the most value to customers by tightly integrating their sales, marketing and support efforts. CRM's primary objective is to provide the entire organization with a complete, 360-degree view of the customer, no matter where the information resides or where the customer touch-point occurs.

CRM is a business strategy that can be applied to software that works by gathering information concerning potential and targeted customers and analyzing the information starting and/or continuing
closer relationships with customers, adding mutual benefits, giving businesses an interdependable opportunities to overcome “relationship gaps” and strengthen their competitive advantages. Using automated CRM applications to analyze customer complaints, and customize the internal processes accordingly, which will in return increase the business efficacy, mutual benefits, maintaining long term relationships, and intense the competitive advantages. Implementing CRM KPI’s improve customer service, which will subsequently improve customer satisfaction, maximize revenue upgrades the customers core competences thought the right products with the right quality, and quantity to the right people at the right place at the right time. CRM increases the customer’s efficiency of the managerial applications the entire organizational performance and its chain suppliers.

RESEARCH METHODOLOGY AND LIMITATIONS
The research methodology has been conducted on two folds, the first covered a detailed literature review for Business-to-Business (B2B) Customer Relationship Management (CRM), Key performance Indicators KPIs, suppliers’ managerial efficiency activities, Business-to-Business (B2B) Key Accounts Management (KAM) Key performance Indicators KPIs, and the suppliers’ performance activities. On the other fold, the results of the empirical study of the research based on a limited survey that has been distributed to 10 fast food suppliers, throughout Great Cairo, Egypt. The research was targeting 180 managers, and the received surveys are 120 respondents. It was recognized that further research is necessary to establish the exact nature of the causal linkages between proposed applications of CRM and Fast-Food Series suppliers to enhance managerial performance of business-to-business (B2B) key account management (KAM) on Fast-Food Series suppliers, in order to gain insights into practice elsewhere.

KEY WORDS
CRM, CRM Strategy, KAM, B2B, Fast-Food, Loyalty, Satisfaction, Retention, Supply Chain

RESEARCH PROBLEMS
The problems that face most of the fast food chains are how to synchronize enhancing the fast food chains performance and increasing its suppliers’ efficiency in adjacent. This can be
achieved through using B2B CRM techniques within the context of their supply chains.

RESEARCH OBJECTIVES
2. Assessing the impact of Business-to-Business (B2B) Key Accounts Management (KAM) on fast food chain suppliers’ performance in Egypt.

RESEARCH HYPOTHESES
1. Business-to-Business (B2B) Customer Relationship Management (CRM) increases the efficiency of managerial application on fast food Chain suppliers in Egypt.
2. Business-to-Business (B2B) Key Accounts Management (KAM) significantly increases the performance of fast food chain suppliers in Egypt.

LITERATURE REVIEW
1. Customer Relationship Management (CRM)
CRM is a business maxim currently revolutionizing the company’s customer relationship. It is a concept for managing customer relationships across the different points of customer contact. In essence, CRM is about retaining customers, capturing customer lifetime value, maximizing new business opportunities, and sustaining profitability. It is a business philosophy that is success fully implemented by installing and utilizing CRM technology and by developing and executing a customer relationship strategy.

CRM is a business strategy and therefore more than a functional strategy alone. It affects the organization as a whole: marketing, IT, services, logistics, finance, production and development, HR, management, etc. The CRM strategy will have to provide direction to each department or employee that maintains contact with customers.
Gordon, (2002), argued that CRM is the strategy and process that supports the “relationship vision” for companies, but most commentators focus on practicalities. Ling and Yen, (2001), observed that CRM is a process for using information about customers, they conclude that its basic purpose to improve productivity and efficiency. Bull, (2003), argues that CRM must make a contribution to profitability by making customer relationships more efficient and effective.

Customer Relationship Management is an organizational customized strategy that manages its customers and vendors in an efficient approach targeting to accomplish business integration excellence.

2. **Types of Customer Relationship Management (CRM)**

A. **Operational CRM**: It concentrates on three areas of business processes: the computerization, enhancement and improvement of services. These areas are based on offering customer support mostly. There are major automation applications, which support the CRM systems that aid in the computerization of marketing, selling and services process. These automation applications are:

*Marketing automation*: It concentrates on automating the marketing processes. Marketing campaigns management consists of the use of the actual information of a specific customer in determining, evaluating and developing communications aiming at customers in multilevel, multichannel or individual environment. The campaigns are usually simple and use unique and straightforward communications. At multichannel environmental level, the strategies used are a bit hard and pose a challenge to many. The implementation and integration of a communication strategy is tricky. The performance evaluation and campaign quality should be computerized and be clear to each channel.

*Sales force automation*: CRM systems are used in acquiring new customers and dealing with existing customers. The system identifies a customer and maintains all the data. The data can be distributed to various stages, which consist of lead generation for more prospects.

*Service automation*: This application deals with managing. Examples of the operational CRM are the actual interactions with customers like websites, data aggregation
systems, direct sales, call centers and blogs. It enables anyone around the organization to access customer information and gives actual views of customer needs. supports front office processes, e.g. the staff in a call center. Operational integration points exist to human resource systems for user data and ERP systems for transferring order information which was captured e.g. from a call center representative Alt, R., and Puschmann, T. (2004). From an operations perspective, Bose, R. (2002), pointed out that CRM is an integration of technologies and business processes that are adopted to satisfy the needs of a customer during any given interaction.

B. Analytical CRM: Mishra, Alok, and Mishra, Deepti, (2009), concluded that this is the CRM type that maintains the analysis and operations of an organizational back-office. Here, the sales are not done directly to the customers. This type is made in a mode to analyze critically the information, the demographics and anything else relating to the customers. The sole aim of analytical CRM towards the organization is developing, supporting and enhancing the decision-making in the organization. It establishes the powerful patterns and forecasts in the clients ‘information and data collected from different operational CRM systems.

Features of analytical CRM:

- Deploying and implementing the outcome to improve the effectiveness of CRM systems and processes, and enhance relationships and customer interaction.
- Analyzing, determining and developing comprehensive rules and methods to level and optimize the customer relationship.
- Getting the entire important customer ‘s information from different channels and sources.

Alt, R., and Puschmann, T. (2004), argued that analytical CRM builds on operational CRM and establishes information on customer segments, behaviour and value using statistical methods. It is useful for management and evaluation purposes, the operational customer data are integrated with a centralized data warehouse which is consolidated data based on certain criteria (e.g. sales, profits). Here the data mining tool analyses
defined dimensions, e.g. compares the characteristics of one customer with another, leading to the determination of a customer segment and thus providing the basis for a targeted marketing campaigns.

C. Strategic CRM: The role of this CRM type is to focus and improve the knowledge of the customer and utilize it in enhancing and customizing the customers 'interactions in sustaining a strong relationship with them. (Mack, O., et al., 2005).

D. Collaborative CRM: According to Alt, R., and Puschmann, T. (2004), it concentrates on customer integration using a coordinated mix of interaction channels (multi-channel management), e.g. online shops, and call centers. Mishra, Alok, and Mishra, Deepti, (2009), concluded that approximately 60% of the companies surveyed use internet portals in their customer communication for selected or suitable activities.


Business-to-business (B2B) relationships have been the most fruitful context for the application of the principles of customer relationship management that has created a strategic orientation, reflecting the notion of a cross-functional activities bond that is required to create, build, and sustain long term relationships, especially in inter-organizational relationships (Ford, 1990).

"B2B CRM is the strategic process that strengthen relationships with business customers, especially A class customer, beyond transactional relationships to better manage the value of these buyer-supplier relationships." It is commonly recognized as an effective tool the fast moving consumer goods (FMCGs) industry, where B2B CRM is defined as managing relationships with channel partners and helping them reach out to the end consumer. Therefore, it is usually practiced at the retailer or distributor's level. Richard, et al., (2007), found that customers are most interested in suppliers using CRM to manage knowledge, throughout helping them understand their business and communicate better in a customer-oriented approach. It has been suggested by Gibbert, et al., 2002), that Customer Knowledge Management, and Customer Experience Management as cautioned by Kiska, J. (2002), are prominent values added to CRM.
CRM involves gathering a lot of customers’ data to facilitate customer service transactions by making the information needed to resolve the issue or concern readily available to those dealing with the customers, which resulted in more customer satisfaction, profitable business relationships, resources availability and decision support systems that helps management in deciding on the future course of the company as implied by Yim, N. H., et al., (2004).

Supplier CRM Components

I. Continuous Improvement:
The organization must consider CRM as a journey, not merely a destination. When the system goes live, it is a milestone along the way rather than crossing the finish line. To ensure your organization takes advantage of its investments and delivers true business value from its CRM asset, you need to build a continuous improvement model into the overall program and approach. Your original business case justifying the project laid out a set of benefits such as efficiency, competitiveness, customer loyalty, cost to serve, and speed to market. To realize these, you need to manage the deployment and execute customer management strategies effectively, measuring the results and feeding the findings back so you can improve all the time. You need to be able to adapt to changing market conditions and embrace new techniques and technologies along with – and ahead of - your customers and competitors. We recommend a continuous improvement program that consists of a series of progressive, iterative steps within a robust framework that you can apply consistently to all areas of your deployment.

According to Goodhue, D. L., et all., (2002), and Touch Stone CRM (2013), the goals and benefits of continuous improvement in the area of customer satisfaction, especially in gathering a better competitive advantage in the market and building long-term relations with customers. Weber, Christian and Hainz, Corinna, (2006), argued that, the concept of CRM strategy can be improved by considering the fraction of customer oriented goals, which grants objectives alignment with the customer, in addition to change management, needs further training seminars
as drive for organizational change, also they implied that the enhancement of employee motivation through considering KPI, such as number of suggestions per employee, satisfaction index, employees' turnover rate, and Sickness rate enhances employees' satisfaction and retention are key indicators of continuous improvement through changing the employees level. Moreover, a company can change the information level to increase data quality through a high degree of identification and contact history coverage as customers’ data base quality.

Yim, N. H., et al., (2004), implied that Customer data base quality would be considered another added key indicator for continuous improvement in CRM, throughout gathering a lot of data about the customer. The data is then used to facilitate customer service transactions by making the information needed to resolve the issue or concern readily available to those dealing with the customers. This results in more satisfied customers, a more profitable business and more resources available to the support staff. Furthermore, Customer Relationship Management systems are a great help to the management in deciding on the future course of the company. Customer data base includes customer name, address, date of transactions, pending and finished transactions, issues and complaints, status of order, shipping and fulfillment dates, account information, demographic data and many more, as resulted by Ngai, E. W. T, (2008). Information importance constructs a decision support system that providing customers with answers to resolve issue in a short time, the customer service representative will also be able to see the previous concerns of the customer, which has a positive impact on the continuous improvement of customers relations and reduces redundancy, and actions repetitiveness, S. Cavanaugh, (2003).

2. Internal Operations
Eichorn, L, Frank, (2004), stated that there are three critical key dimensions emerge to develop effective CRM: a customer-focused culture established, supported cross-functional relationships, and information flows that allow data sharing and comprehensive customer data access, and added that Internal operations and infrastructure must be congruent to the
implementation of CRM tools and approaches effectively for not appearing as hypocritical to customers. The property behind IntCRM is that a holistic approach that connects internal processes to customer needs and achieves internal integration and congruency with external practices is critical to achieving successful CRM. As Plakoyiannaki and Tzokas, (2002), stated that, inter-functional coordination based on alignment of functional areas, promotion of interdepartmental connectedness, information sharing and strategy integration is imperative for supplying superior value to customers, as a set of connected processes operating synergistically to fulfill customer requirements and expectations. These business units or departments simultaneously require autonomy and interdependence to ensure maximum operational effectiveness. The challenge is to identify and manage the interdependencies successfully. Effective approaches include business process flows that are clearly designed and articulated to eliminate departmental barriers and give personnel at all customer touch points complete visibility of information related to the entire process.

In turn, this can direct to a higher process quality and shorter service process time KPIs: order lead and delivery time, inquiry duration or inquiry costs, as argued by Hippner and Wilde, (2004), targeting increasing the efficiency with processes lower cost from the perspective of business process optimization, which can be supported by IT implementation as an attribute it the realization of higher systems quality which has positive impact on increasing the rate of satisfied employees. Christian and Hainz, Corinna, (2006), added that Acquisition management is the process of obtaining resources needed for a company to produce the products sold to consumers. Other terms for this process include procurement or contract management, they
considered one of the prominent Supplier CRM Components, that enhance brand recognition/image at profitable interested parties that can be measured through the customer number of inquiries. Moreover, New customer reference quote, Call center service level, Average response time for complaints, Problem solving duration at call centers, and giving discounts, presents for complaints are critical ratios to Improve new customer management, contentment management, complains management, and prevention management, which in return enhances customer retention management in the internal operations processes.

customer retention is often easier and cheaper than customer acquisition, especially in stable markets with low growth rates. An organizational emphasis on customer retention also makes sense when discount rates are low as discussed by, Gupta and Lehmann, (2005). In fact, organizations consider the management of customer lifetime value (CLV) as a metric that represents the total net profit a company makes per customer. CLV is an estimating monetary tool equivalent to the management of customer retention. There is an acknowledgement that confirms that consumers with higher satisfaction levels and better price perceptions have longer relationships with firms as argued by, Bolton, (1998). In a B2B context, suppliers who have long-term relationships with customers are able to achieve significant sales growth and higher profitability through differential reductions in discretionary expenses as concluded by, Kalwani and Narayandas, (1995). However, Åkerlund, (2005), resulted in, that customer retention and defection are complex processes. And Customer retention is the strategic objective of striving to maintain long-term relationships with customers. Customer retention is the mirror image of customer defection. A high retention rate is equivalent to a low defection rate. Conventionally, customer retention is defined as: the number of customers doing business with an organization at the end of a financial year expressed as percentage of those who were active customers at the beginning of the year. However, the appropriate interval over which retention rate should be measured is not always 1 year. Rather, it depends on the repurchase cycle found in the industry. Nevertheless, Relation between profitable/unprofitable
discounted customers’ relations, and the rate of profitable customer were recovered, improves the termination and revitalization management and increases the efficacy of the recovery management as a supplier internal operations CRM KPI

3. Economic Value Added (EVA) in CRM
Companies can explore ways to create mutual additional values with KAM customers. The ideal is to add KAM customers’ values for customers without creating additional costs for the company. If costs are incurred, then the value-adds may be expected to recover those costs. As resulted by Hippner and Wilde (2004), the total cost of acquisition, retention, enhancement in value, recovery, grants mutual economic success, and in return decreases cost. Christian and Hainz, Corinna, (2006), mentioned that Sales growth, customer lifetime value, willingness to pay index, and Relative competitive position, as the major KPI’s to enhance competitive position, which will increase in return customer success. And Shareholder value and ROI, to raise shareholder value, for increasing company value. The business rationale for CRM in accordance with many of the claims of the software vendors, CRM does have a business case, although care has to be taken over the time it takes to achieve full returns. It may take up to seven years to realize benefits from full-scale systems (Engle and Barnes, 2000). A focus on small incremental steps seems to keep up the pace of returns (Rogers and Ryals, 2003, and Foss, et al., 2008). SAP Software vendor claims returns varies from 15% and 144% based on 24 predominantly B2B customer case studies, with strategical focus on productivity, lower costs and revenue generation improvement (Anon, 2006); in addition to successful implementations including consultation and training, incentives and project management (Rogers and Ryals, 2003; Corner and Rogers, 2005; Robinson, et al., 2005; Raman, et al., 2006; Foss, et al., 2008). Scenario planning also identifies possible hidden costs such as, an increase in customer enquiries when they first experience the new system, turnover of sales staff unwilling to adopt the new system. The successful results of salesmen use of CRM/ technology that improve return on investment include sales revenue improvement, Hess, (2010), implied that in
recent years, it is not surprising that upselling and cross-selling are frequently expected. Engle and Barnes, (2000), cross-cultural study of the payback for CRM alone concluded that 16.4% of the sales growth observed in the participating companies could be attributed to its use. Sales and marketing professionals have historically associated their success with revenue profitable growth. sales productivity growth, it is assumed to make salespeople more efficient, both in how they allocate and use time to customers. Moutot and Bascoul, (2008), found that call planning functions that are filtered attributed the significant increase in successful sales throughout a sales portal. 

**Customer satisfaction, leading to retention,** the focus on ROI adds internal benefits for the suppliers, but without benefits for the customer, those internal benefits could be wiped out. Landry, et al., (2005), concluded that CRM soft packages investment does enhance the exchange relationship with customers, provided that salespersons can switch to more mutual value-adding activity. It was a single interface designed to address customer pain points. Flexible and customized, it gave customers some control over interactions. It was considered to have an intuitive and user-friendly design. Customers found that they had easy access to the knowledge base and decision processes, including bills, contracts and orders (Massey, et al., 2001). Self-service for routine tasks means that sales calls can focus on more strategic matters. **Better process accuracy,** Regular process efficiency and lower costs is a cognitive outcome of better processes, and in return reduces incident-based hidden costs of rework and complaints, and has a value in its own right improving the quality of working life for process users -company and customers- and the accuracy of data for decision-makers. Process excellence and accuracy is a critical element of CRM (Gordon, 2002). **Customer Knowledge/understanding** Richard, et al., (2007), found B2B customers very interested in dealing at most suppliers who are implementing CRM to manage knowledge, which ease a good understanding for their business and communicate in more customer-oriented approaches. Stone, et al., (2003), argued that, combining descriptive customer characteristics information and events in addition to transaction histories and any behavioral/attitudinal data provides the potential for predictive
prompts to companies. Thus, a fall in orders may indicate risk of customer defection. A customer analytics system can then analyze the customer’s lifetime value information and past behavior such as, complaining about poor service, and suggest a response, such as contacting, diagnosing the situation and making a relevant offer. Lower costs, Collins and Thompson, (2007), Industry analysts reported that CRM systems have helped companies to optimize sales, service and operational costs. Most CRM implementers are looking for cost-savings, which are associated with improved productivity and better processes. McKim and Hughes (2001), identified cost savings arising from better targeting of customers. Enhanced reputation, Gibbert, et al., (2002), resulted to that, although rarely a directly planned benefit uses of CRM that impresses customers can be associated with improving a company's reputation. Better resource allocation, there is surprisingly little exploration of the value of CRM systems’ contribution to better management decision-making, although any system generating managing data and generating analytics should be used for resource allocation. Better sales pipeline accuracy and visibility throughout the company must include better resource allocation. In a discussion of IBM’s implementation of salesperson portals, Lawrence, et al., (2007), explain that sales managers were equipped with linked web-based tools enabling them to steer sales resource to the best opportunities. The active group achieved 5% better results than the control group. This was on top of the productivity gains attributed to salespeople. Although it may not have much glamour as a “lead” objective, the contribution of the CRM system to better sales management should be tracked and evaluated. (see Fig. 1) as a preliminary step to modelling the delivery of benefits.

4. Customer Satisfaction
Customer satisfaction, refers to customers’ evaluation of a service in terms of whether the service has met or exceeded their needs and expectations Zeithaml, et al., (2009), Hoffman, et al., (2005). McDougall and Levesque, (2000), stated that customer satisfaction should be viewed as customers’ overall evaluation of the service provider. This view of customer satisfaction is especially applicable to the airline industry, due to the many
activities involved in the service delivery process. For example, airline passengers would probably rate their satisfaction with an airline by considering the airline’s ground staff and cabin crews on their courteousness, helpfulness and competence; sufficient and efficient check-in services; waiting lounges; keeping to departure and arrival times; quality food and beverages served during the flight; in-flight entertainment and online services offered. Airlines should therefore understand what customer expectations are to ensure that they provide quality service Gilbert & Wong, (2003). Failure to meet customer expectations on any one of the many service delivery processes could lead to a service failure which, in turn, will influence customers’ satisfaction.

It was postulated by Fečiková (2004), that customers who are satisfied with the service are more likely to return to the organization, opposed to dissatisfied customers who would probably switch to an alternative. Zeithaml, et al., (2009), and Ranaweera and Prabhu, (2003), added that increased levels of customer satisfaction have been linked to customer loyalty and will ultimately result in higher rates of customer retention. However, Hui, et al., (2007), Xu, et al., (2009), Hansemark and Albinsson, (2004), and based on, Jones and Sasser, (1995), caution that although there appears to be a positive link between customer satisfaction and loyalty, this relationship is not linear and satisfied customers may defect to competitors. By noting this concern, organizations should rather focus on determining which particular elements of service enhances loyalty in customers – because loyal customers are more easily retained, Reichheld, (1996).

**Customer Loyalty:** To our point of view, it is not enough to impress the customers. Customers experience is not necessarily enhanced by CRM systems (Collins and Thompson, 2007). B2C and B2B customers have criticized CRM technology for focusing too much on standardized practices, such as data entry and improving business practices, instead of the relationship. The customers perceive relationships as dependent on people, not systems or computers. There is a danger of separating the relationship with the customer from day-to-day activities with the on-line service appearing remote and unresponsive to the
needs of the customer’s business (Hughes, et al., 2007). On the other hand, the purchasing profession is extremely interested in achieving cost-savings for commoditized products via e-channels to suppliers, or even e-auctions. B2B Customers want time savings and efficiency (Pujari, 2003), although technology-based service delivery systems must work well, or customer will be dissatisfied. Because e-channels are always an option, visits from sales representatives need to focus on value-adding opportunities (Rackham and de Vincentis, 1998). In an era of increasing customer power and reduced brand differentiation through product or service characteristics, the customer experience can be critical to company success. CRM/ can impress the customer if it helps to turn customer data into relevant business knowledge (Richard, et al., 2007, Gibbert, et al., 2002).

Customer satisfaction index (based on performance and expectations), Enhance Customer trust index, Increase customer recovery, Turnover per employee, cross selling turnover, and number of recommendations, raise customer value, Termination and fluctuation rate, number of received customers, and account cards, Increase customer loyalty. Loyalty refers to customers’ commitment to repeat past purchases of a preferred service over time Peelen, (2009), even if other more convenient or suitable alternatives exist (McMullan & Gilmore, 2003). Although it seems a relatively simplistic concept, Zikmund, McLeod and Gilbert, (2003), assert that loyalty is in fact a complex, multi-faceted issue that involves more than the repetition of certain behaviour. Kumar and Reinartz, (2006), and Buttle, (2004), agree with this view by explaining that customer loyalty should be defined or measured in one of two broad approaches, namely behavioural loyalty and attitudinal loyalty. Behavioural loyalty considers customers’ purchasing behaviour by tracking their continued support in terms of the consistency of their purchase from the organization, (Zikmund, et al., 2003). A major shortcoming of this approach is that it does not indicate why an organization was selected because repeat purchases are not made by virtue of true loyalty, but might be based on factors such as price, convenience, availability or habit (Zikmund, et al., 2003). It was also
suggested by Zikmund, et al., (2003), and Buttle, (2004), that loyalty involves more than just repeat purchases and can include an attitudinal dimension which includes customers’ feelings, commitment and intentions to purchase over time. Customers who are more involved in or committed to an organization would therefore be considered to be more loyal in attitudinal terms. The behavioural definition of customer loyalty is, however, often the preferred method to define and measure customer loyalty as sales and profits flow from customers’ actions when buying from the organization, (Buttle, 2004). Organizations should, rather than focusing on customer satisfaction, focus on customer loyalty as an indicator of customer retention. This becomes evident when considering the benefits of customer loyalty to the organization. Loyal customers cannot easily be persuaded to defect to competitors, because of the fear that their needs and expectations will not be understood or met by another organization, Murphy, (2001). Organizations could furthermore compile more accurate forecasts because loyal customers are more predictable and consistent in their purchasing behaviour. Also, loyal customers are more likely to buy across product and service lines, thereby increasing the organization’s profitability, Ang & Buttle, (2006); Faulkner, (2003), buy more of the product, advocate the product to others, and share knowledge and experiences with family and friends (Zikmund, et al., 2003). By considering the benefits of customer loyalty it becomes evident that organizations should endeavour to build customer loyalty in an effort to retain customers. Reichheld, (1996), supports this view by suggesting that loyal customers can more easily be retained by organizations.

**Customer Value:** Addressing CRM and IntCRM first requires an understanding of the value proposition sought by the intended market. Red carpet treatment is cost prohibitive and inappropriate for highly competitive, price conscious markets. Also, many companies arrogantly assume they know what satisfies their target customers without ever attempting to listen to them. They often simply provide window dressing for customer service. For example, telephone scripts often include statements about providing the highest quality service, but personnel fail to actually deliver it because They have no real
motivation, no access to the necessary information, or no authority to solve the customers' problems. Unfortunately, these customer service gaps exist externally and internally. To really understand customer needs and desires, organizations should use third-party organizations to conduct surveys and focus groups for external customers and employ reflexive practices, Langer, (2001), to improve internal understanding and communication.

Creating Value for Customers: A common trait of many studies is a focus on measuring CRM’s impact on the end results, such as profits and shareholder value, without studying the relations among processes and connections among variables, Boulding, et al., (2005). Return on investment is certainly a measure of success, but without a profound understanding of how relational processes can operate effectively success from CRM initiatives is elusive. Although the specifics will be unique to each firm, prior research provides a conceptual framework for understanding how relational processes create value for customers. Specifically, research on the antecedents of service quality, customer satisfaction, trust, and commitment provide insights for managers, Berger, et al., (2002); Rust, et al., (2004).

Satisfied Employees Provide Better Customer Service: In service organizations, employee satisfaction directly correlates with customer satisfaction and organizational performance. Neglecting employee needs and satisfaction never yields sustained high performance. In addition to satisfying their employees, organizations need to have the right resources in the right places. In particular, personnel who interact with customers’ function as direct representatives of the company. These people should be carefully selected, highly trained, and well compensated. They need to be intelligent, resourceful, and enthusiastic about the company, the products, and delighting customers. Technology Can Only Facilitate Improved Customer Service. In service industries, technology components, such as telephony and the Internet, must be leveraged to improve the customer experience, not used as an attempt to replace all human interaction. Internally, technology must improve business processes and cross-functional collaboration.

Trust and commitment: Are two major constructs in understanding inter-organizational as implied by Morgan and Hunt, (1994), Anderson and Weitz, (1992), who considered how
commitment depends on self-reported and perceived idiosyncratic investments and contractual terms, communication, and relationship characteristics. Recent research has extended knowledge of inter-organizational relationships through studies of organizational norms, contracting, and opportunism. Heide and Weiss, (1995); Kalwani and Narayandas, (1995); Kumar and Corsten, (2005); and Narayandas and Rangan, (2004), argued that B2B decisions are complex because multiple people and functions participate and coordinate their efforts in the purchase decision, such as, purchasing manager, end user, decision maker, and interactions occur deeply at multiple levels, such as, contract level, organizational units’ level, firm level. Our research is very helpful in building theory-based model of inter-organizational buying behavior and the portfolios of relationships.

*Long-term Customer Policy and the role of Trust:* Another benefit is explained by Rust, Zahorik and Keiningham (1995): service quality improvement results in increased perceived quality and customer satisfaction and possibly also can result in reduced costs. Increased customer satisfaction in turn leads to higher levels of customer retention and positive word-of-mouth. As a consequence, revenues and market share go up, driven by higher customer retention levels and new customers attracted by the positive word-of-mouth. The increased revenues, combined with the decreased costs, finally lead to greater profitability. Rust, *et al.*, (1995), caution that continuous improvement is policy based on the long run. Reichheld & Sasser, (1990), argued that continuous improvement in service quality should not be seen as a cost, but as an (long-term) investment in customers that generates more profit than the margin on a one-time sale. By consistently providing goods and services that satisfy customers, profitability should increase by reducing failure costs, Anderson, *et al.*, (1994). Thus, quality has to be defined in the same way customers do. Otherwise the wrong actions may be taken and money and time may be poorly invested. Grönroos, (2000), The role of trust is related to long-term policy and building customer relationships. Montoya, *et al.*, (2010), explain that for a service organization, performance is ultimately about customer satisfaction and quality of service delivery. Montoya, *et al.*, (2010), found in their literature review
that the importance of building relationships with customers and trust is well documented in the marketing literature. Customer satisfaction research empowers the relationship with customers and is in a sense a marketing tool. Providers should not ask for feedback from the same customers too often. This can be experienced as annoying by the customer. The aim is just giving customers a signal indicating that their wants/needs are taken seriously and that the organization uses their feedback to implement improvements. Showing the customer that their feedback is seriously taken into account will strengthen the relationship and is important for trust. The end of a project does not always mean the end of a business relationship. This remark is essential because loyal customers generate increasingly more profits each year they stay with the business.

**Customer recovery management:** According to Bolton, R.N., (1998), in his dynamic model of the duration of the Customer's Relationship with a continuous service provider: The Role of satisfaction, who argued that customer recovery management, entails the measures taken by the organizations to satisfy the unsatisfied customers. Although the quality of services delivery is doing it right the first time, but often due to deficiency of study of roles by customers and service providers such emerging unexpected circumstances where service delivery fails in the first time.

Deshmukh, Monal, (2012), added that service recovery is critical in customer retention and relationship sustainability. Error rectification can be accomplished through measures of marketing mix as well as supporting personally related actions. The termination of a customer relationship may lead to a possible switch to another bank. Hence, the bank should take proactive efforts to re-acquire the customer by consequent service recovery measures. If the banks lose a profitable customer, recovery offers could be made (e.g. cancellation in the initiation fee; taking care of formality caused by the switching). Therefore, three instruments of recovery management are studied: error rectification, service-recovery offers and added values via the Organizational philosophy and customized services.
Customers are often dissatisfied with the recovery effort because managers over-emphasize the distributive justice but underestimate the importance of process and interactional justice. As a result, staff are often trained to deal with complaints in a formalistic way, but not trained in what the whole experience means for the customer. This leaves the customer still feeling frustrated, uncared for, distrustful, or otherwise unhappy despite receiving a refund or a replacement product. Service failure isn’t necessarily a disaster for a company. If the service recovery – the actions taken in response to the failure – is handled well, then customer satisfaction, trust and loyalty can actually increase. In this article, Stefan Michel explains this apparent paradox and how companies can avoid service recovery failure.

Service failures are always occurring – but what matters more are the actions taken to recover from the failure, which have multi-dimensional impacts on the company. Indeed, service recovery is the acid test for customer orientation: if a company does not excel in this, then it is not customer oriented. Good service recovery can build commitment and trust between the company and the customer, which increases customer satisfaction and loyalty. Customers are likely to talk positively about the company, which enhances its image. Even though it may seem like a paradox, the whole experience can generate more goodwill for the company than if nothing had gone wrong in the first place.

In practice and research, customer recovery is often confused with complaint handling. Companies need to understand that service recovery is not simply complaints management, but instead is much broader and more proactive. Ideally, service recovery will address service failures before any complaints are made. Michel, Stefan, (2008). To the researchers’ point of view, if the organization missed the first opportunity to recover and just reacted with the customers complain, so it is losing proactive opportunity in customers’ recovery. Recovery management in addressing lost customers who are profitable was underestimated by organizations, hence implementation was not effectively initiated. One of the most important goals of CRM implementation is to obtain and maintain a stable
customer base, which leads to efficient allocation of resources. As the bank lacks a stable customer base, one can expect it to practice forced alignment. This result seems to reflect that an unstable customer base exists.

Table 1: Supplier CRM Components

<table>
<thead>
<tr>
<th>Supplier CRM Components</th>
<th>Objectives</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Continuous Improvement KPI's</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concept of CRM</td>
<td>Objective aligned with the customer</td>
<td>Fraction of customer oriented goals</td>
</tr>
<tr>
<td>Change Management</td>
<td>Drive of organizational change</td>
<td>Number of further training seminar</td>
</tr>
<tr>
<td>Change of Employees level</td>
<td>Enhancement of employees' motivation and satisfaction retention</td>
<td>Number of suggestions per employee, employees' satisfaction index, turnover rate, and sickness rate.</td>
</tr>
<tr>
<td>Change in information level</td>
<td>Increase data quality</td>
<td>Customer database quality (degree of identification and contact history coverage).</td>
</tr>
<tr>
<td>2 Internal Operations KPI's</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase efficiency and cost</td>
<td>Order lead and delivery time, inquiry duration and cost.</td>
</tr>
<tr>
<td>Business process optimization</td>
<td>Lower cost</td>
<td></td>
</tr>
<tr>
<td>IT Implementation</td>
<td>Realization of higher systems quality</td>
<td>Rate of satisfied employees.</td>
</tr>
<tr>
<td>Acquisition Management</td>
<td>Enhance brand recognition at profitable interested parties</td>
<td>Number of inquiries and brand recognition/image.</td>
</tr>
<tr>
<td>Customer Retention Management</td>
<td>Improvement of new customer, contentment, Improvement of complaints, and Prevention Management</td>
<td>New customer reference quote, call center service level, average response time for complaints, problem solving duration at call centers, giving discounts, and presents for complaints.</td>
</tr>
<tr>
<td>Recovery Management</td>
<td>Improvement of termination, and revitalization management</td>
<td>Relation between profitable/unprofitable discounted customers' relations and rate of profitable customer were recovered</td>
</tr>
<tr>
<td>3 Financial Management and economic value added (EVA) KPI's</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Success</td>
<td>Decrease cost</td>
<td>Total cost of customer processing (Acquisition, retention, enhancement in value, recovery).</td>
</tr>
<tr>
<td>Customer Success</td>
<td>Enhance competitive position</td>
<td>Sales growth, customer lifetime value, willingness to pay index, and Relative competitive position.</td>
</tr>
<tr>
<td>Company Value</td>
<td>Raise shareholder value</td>
<td>Shareholder value ROI</td>
</tr>
<tr>
<td>4 Customer Satisfaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Trust</td>
<td>Enhance customer trust</td>
<td>Customer satisfaction index (based on performance and expectations).</td>
</tr>
<tr>
<td>Customer Recovery</td>
<td>Increase customer recovery</td>
<td>Customer trust index.</td>
</tr>
<tr>
<td>Customer Value</td>
<td>Raise customer value</td>
<td>Turnover per employee, cross selling turnover, and number of recommendations</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>Increase customer loyalty</td>
<td>Termination and fluctuation rate, number of received customers, and account cards</td>
</tr>
</tbody>
</table>

Source: Following Hipner/Wilde (2004), p.167
KAM Customers Perspective KPIs
1. Financial Perspective:
To begin with the Financial Perspective and the Key Performance Indicators, which provide information about the strengths and weaknesses of this essential sector in a company, will be examined. This is illustrated in table 2. The Financial Perspective aims predominantly on the turnover and cost domain. When improving one of these two you must take into consideration that big turnovers are in favor of the company's growth but that profitability might suffer. At the same time this Trade-Off relation also exists for the couple costs and quality. This means that cost savings might as well be realized at the expense of quality.

The financial objectives operate as the focus for the objectives and measures in all other scorecard perspectives. It represents the long-term goal of a business organization; it is related to profitability. Any company's manager need to identify what the business needs to achieve to meet the requirements of his major stakeholders now and in the future. Even if it seems clear that owners are interested in return on their investments, it is always useful to ask them in a formal consultation what their requirements are at the moment. Assumptions about needs can be misleading. Examining the needs of stakeholders is a useful exercise because it brings to the surface some of contradictions and conflicts, it gives the possibility to be understood as well and open door for some compromises as argued by Mike & Pippa Bourne, (2007). For most organizations the financial themes of increasing revenues, improving cost-reduction and productivity, enhancing asset utilization and reducing risk can provide the nece;3ssary linkages across all four perspectives. Kamalo, K, Roger, (2012), reserved that these financial objectives also differ depending at which stage of business life cycle the organization is. At the Growth stage organizations usually operate with negative cash flow because they may have to commit considerable resources to develop and enhance new products and services; construct and expand production facilities; build operating capabilities; invest in systems, infrastructure, and distribution networks that will support global relationships, and develop customer relationships. So the purpose is to try emphasizing sales growth-in new markets as
well as to new customers and from new products and services too. At the sustain stage most businesses still attract investments and reinvestments, but are required to earn excellent returns on investment. These businesses expect to grow their market share or at least maintain it. At the harvest stage companies try to maximize their cash flow. These business no longer warrant significant investment, only enough to maintain equipment and capabilities. After understanding what our owners' requirements are then the next step is to look how to fulfil them without putting the all business in danger, in other words find out how to reconcile stakeholders' and customers' needs.

2. **Internal Process Perspective:**
Details about the Key Performance Indicators that are crucial from the process approach will be explored. The process perspective focuses on internal process and production goals. Some possible objectives and ratios in Key Account Management are shown in table 2. Optimizing processes means essentially improving process quality as well as reducing processing time. The former could have a negative effect on an effective and efficient production process, while the latter implements low capital lockup and little stock keeping.

The Internal Business Process as Kaplan & Norton opinions, (1996), tackles the problematic of which processes are most critical for satisfying customers and then shareholders. This perspective identifies the key processes the organization must excel at in order to create value in the future. To do so the organization must try to identify and develop internal new practice rather than just focusing their efforts on improving existing activities. For instance, because most of the companies rely on third party to serve effectively their customers, they will then need to create measures that will help them representing the critical elements of such a relationship. This perspective will then respectively find the process in which the organization must be the best at in order to win customers and what internal activities are needed to sustain competencies. Fortunately, most organizations today have moved well beyond using variance analysis of financial results as their primary method for evaluation and control. They are supplementing financial
measurements with measures of quality, yield throughput, and cycle Nanni, A., et al., (1990). The operations process is important and organizations should identify the cost, quality, time, and performance characteristics that will enable it to deliver superior products and services to its targeted customers.

3. Learning and Growth Perspective:
Subsequently the learning and growth perspective will be taken into consideration. The goal of this part of the Balanced Scorecard is to figure out the long term ratios and the potential of the company to make it more competitive and thus able to survive the competition on the markets. In this context for example the percentage of new and established products needs to be scrutinized to be able to identify chances to improve the company’s market position. Thus, the company can quickly enhance existing products or verify the necessity for new innovations. Another important point in this connection is to minimize the fluctuation of key players. Keeping them in the company might improve motivation which could lead to a more differentiated, complex and sophisticated output.

The most important of all are "soft" assets such as skills, capabilities, expertise, cultures, loyalties and so on. These are the knowledge assets-intelectual capital-and they determine success or failures as has been identified by the 11th Annual Worldwide Luminary Series; "Leading to Greatness", (2005). The business environment is always changing, competition is tougher than ever before, employees want challenging and rewarding job aptitude as well as experience and technology is providing unprecedented opportunities to explode forward so that workers have to be in a continuous learning mode. If an organization want to succeed in the today's business world it must be prepared to face new realities and be ready to focus on using new ideas, new capabilities as weapon to deliver world-class performance. This perspective includes specially employee training and corporate cultural attitudes related to both individual and corporate self-improvements. In an organization, human resources are the only repository of knowledge that represents the main source of future value creation. Developing people, promoting strong communication, building good
systems, and so on are things that companies of today must do to drive process success as Ralph F. Smith, (2007), concluded. The "human capital" seems to be the new enabler in the new economy, it is the cornerstone of innovation and growth. Itami, H., (1987), stated that companies need physical assets on a hand and intangible assets on the other hand. Kaplan & Norton, (1996), added that the ability of a company to mobilize and exploit its tangible or invisible assets has become far more decisive than investing and managing physical, tangible assets. Because intangible assets enable an organization to, develop customer relationships that retain the loyalty of existing customers and enable new customer segments and market areas to be served effectively and efficiently, introduce innovative products and services desired by targeted customer segments, produce customized high-quality products and services at low cost and with short lead times, mobilize employee skills and motivation for continuous improvements in process capabilities, quality, and response times, and deploy information technology, data bases; and systems.

4. Customer Perspective:
Finally, the customer perspective will be focused on. It concentrates on how the customer perceives the company. To understand this all the customer data gathered in surveys or data warehousing needs to be analyzed. A very important aspect is to measure customer satisfaction which can cause major problems. In order to achieve a customer orientated performance it is compulsory to find a reliable way to determine how satisfied customers are. One way might be to analyze the time delay between a customer’s request and its reply. However, the company will probably not be able to realize great gains in the short run, but the increase of customer satisfaction will without doubt allow the company to boost long run returns.

In this perspective companies identify the customer and market segments in which they have chosen to compete. Obviously, if business units are to achieve long-run superior financial performance, they must create and deliver products and services that are valued by customers. The customer perspective then addresses the question of how the organization is viewed by its
customers and how well the organization is serving its targeted customers in order to meet its financial objectives. Further than aspiring to satisfy and delight customers in the customer perspective, business unit managers must translate their mission and strategy statements into specific market- and customer-based objectives because companies that try to be everything to everybody end up being nothing to anyone. It refers to the preoccupation of which product through which characteristic should we bring to our market to answer our customers' wishes. That can be answered regarding: the price: It does not matter if a business unit is following a low-cost or a differentiated strategy, customers will always be concerned with the price they pay for the product or service, quality: Due to the improvement of the quality during the past decades, it may offer limited opportunities for competitive advantage, and the availability of the organization's products: Time has become a major competitive weapon in today's competition. Being able to respond rapidly and reliably to a customers' request is often the critical skill for obtaining and retaining valuable customers' business.

This also include the image transmitted by the organization, eco-friendly, fair-trade or good relationship with employees. This perspective normally includes following measures: customer satisfaction, customer loyalty, market share, and customer acquisition. It also deals with following questions: Who are the customers, how do we delight them, what segments do we wish to address, what goals do we wish to achieve with partners, and what are our goals for the distribution channel?
Table 2: KAM Customers Perspective KPIs

<table>
<thead>
<tr>
<th>KAM Customers Perspective KPIs</th>
<th>Objectives</th>
<th>Ratios</th>
</tr>
</thead>
</table>
| **1** KAM Financial Perspective KPIs | Enhance growth with key accounts  
Reduction of processing costs  
Opening up of cost synergy  
Increase in efficiency  
Tap the full customer potential | . Cumulated turnover worldwide  
. Cumulated transaction costs  
. Cost reduction due to rearrangement of KAM-Team.  
. Cumulated project worldwide and customer profit margins.  
. Worldwide share of wallet of Key Accounts. |
| **2** KAM process perspective KPIs | Enhancement of the order realization quality  
Optimising logistical Processes  
Optimising external collaboration  
Increased transparency of key customer relations | . Time, quality, flexibility. Complains, and first pass yield  
. Qualitative surveys of customers, Time, quality, flexibility. Complains.  
. Documentation of shared projects milestones and results in data bank |
| **3** KAM learning & growth perspective KPIs | Satisfaction of team members  
Reinforce information spread  
Initiate shared learning processes  
Improvement of product innovation | . Qualitative surveys.  
. Use of internal knowledge system KAM workshops.  
. Employee exchange, Integration of technical personnel within the customer production and development processes, shared training.  
. Number of shared innovations.  
. Number of shared generated ideas. |
| **4** KAM customer perspective KPIs | Increase customer satisfaction  
Reduction of complains  
Status of preferred supplier  
Improvement of relationship quality | . Customer satisfaction index (based on performance and expectations), Qualitative surveys.  
. Number of complaints, Degree of causality.  
. Evaluation of suppliers.  
. Number of external customers, Number of customer events. |

Source: Following Müller/Zupancic (2002), p.50
The Empirical Study:
Hypothesis one:
The Canonical Correlations procedure is designed to help identify associations between two sets of variables. It does so by finding linear combinations of the variables in the two sets that exhibit strong correlations. The pair of linear combinations with the strongest correlation forms the first set of canonical variables. The second set of canonical variables is the pair of linear combinations that show the next strongest correlation amongst all combinations that are uncorrelated with the first set. Often, a small number of pairs can be used to quantify the relationships that exist between the two sets.

Canonical Correlations

<table>
<thead>
<tr>
<th>Number</th>
<th>Eigenvalue</th>
<th>Canonical Correlation</th>
<th>Wilks Lambda</th>
<th>Chi-Square</th>
<th>D.F.</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.553089</td>
<td>0.743699</td>
<td>0.395998</td>
<td>97.7296</td>
<td>25</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

This procedure finds the linear combinations of two sets of variables which have the highest correlation between them. In this case, 5 sets of linear combinations have been formed. The first set of linear combinations is

0.155227*q1.1_7 + 0.103285*q2.1_14 + 0.185031*q3.1_11 + 0.228281*q4.1_1_11 + 0.532329*q4.2_1_15

And the second is 0.0695536*x1_1_3 + 0.140885*x2_1_3 + 0.199241*x3_1_3 + 0.162272*x4_1_4 + 0.675826*x5_1_15

where the variables have first been standardized by subtracting their means and dividing by their standard deviations. The table shows the estimated correlation between each set of canonical variables. Since one of the P-values is less than 0.05, that set has a statistically significant correlation at the 95.0% confidence level. Note the very strong correlation for the first canonical variables.
Conorganizationatory analysis:

Conorganizationatory factor analysis (CFA) was first conducted to test how well the measured variables represent the constructs. The key advantage is that the researchers can analytically test a conceptually grounded theory explaining how different measured items represent important business measures. When CFA results are combined with construct validity tests, the researchers can obtain a better understanding of the quality of their measures. The construct validity is the extent to which a set of measured items actually measures the construct. The model fit is assessed in terms of ten indices: Normed Chi-Square with cut-off values less than (5), goodness-of-fit index (GFI), Adjusted Goodness of Fit Index (AGFI), Normed Fit Index (NFI), Relative Fit Index (RFI), Incremental Fit Index (IFI), Tucker Lewis Index (TLI), Comparative Fit Index (CFI), Root Mean Square Residual Approximation (RMSEA), Root Mean Square Residual (RMR), and The average variance extracted with cut-off values greater than (0.5). A model is considered to be satisfactory if CFI > 0.90, GFI > 0.90 and RMSEA < 0.10 (Hair, et al., 2010).

The researchers conducted both initial Conorganizationatory factor analysis and final Conorganizationatory factor analysis with the fit measured variables represents the constructs, as the following
Figure (3): The initial Conorganizationatory factor analysis for the model

<table>
<thead>
<tr>
<th>Path</th>
<th>Standardized estimate</th>
<th>Unstandardized estimate</th>
<th>S.E.</th>
<th>t-test</th>
<th>Significant level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency ← CRM</td>
<td>.799</td>
<td>.870</td>
<td>.121</td>
<td>6.588</td>
<td>0.001***</td>
</tr>
<tr>
<td>q1.1.7 ← CRM</td>
<td>1.000</td>
<td>.677</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q2.1.14 ← CRM</td>
<td>.837</td>
<td>.661</td>
<td>.134</td>
<td>6.236</td>
<td>0.001***</td>
</tr>
<tr>
<td>q3.1.11 ← CRM</td>
<td>.888</td>
<td>.722</td>
<td>.132</td>
<td>6.744</td>
<td>0.001***</td>
</tr>
<tr>
<td>q4.1.11 ← CRM</td>
<td>.937</td>
<td>.784</td>
<td>.130</td>
<td>7.235</td>
<td>0.001***</td>
</tr>
<tr>
<td>q5.1.15 ← CRM</td>
<td>.956</td>
<td>.829</td>
<td>.126</td>
<td>7.562</td>
<td>0.001***</td>
</tr>
<tr>
<td>x5.1.15 ← Efficiency</td>
<td>1.000</td>
<td>.800</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>x4.1.4 ← Efficiency</td>
<td>1.105</td>
<td>.708</td>
<td>.149</td>
<td>7.423</td>
<td>0.001***</td>
</tr>
<tr>
<td>x3.1.3 ← Efficiency</td>
<td>.982</td>
<td>.624</td>
<td>.152</td>
<td>6.449</td>
<td>0.001***</td>
</tr>
<tr>
<td>x2.1.3 ← Efficiency</td>
<td>.745</td>
<td>.529</td>
<td>.138</td>
<td>5.383</td>
<td>0.001***</td>
</tr>
<tr>
<td>x1.1.3 ← Efficiency</td>
<td>.766</td>
<td>.539</td>
<td>.139</td>
<td>5.497</td>
<td>0.001***</td>
</tr>
</tbody>
</table>

According to Table (3), the researchers can conclude the following:

a. All standardized regression weights (factor loading) are greater than 0.50, which means that all measured variables, are statistically significant, i.e., the measured variables represent the constructs.

b. t- Test for all measured variables is significant at a level of significance less than (0.001), which shows the importance of the observed variables in measuring the impact of corporate social responsibility on the employees’ organizational affective commitment.

c. The Model included (B2B) CRM independent variable constructs:
Q1 - Continuous Improvement throughout its sub-constructs; Customer oriented goals, Further training seminar, Suggestions per employee, employees’ satisfaction index, employees’ turnover rate, sickness rate, and customer database quality (degree of identification and contact history coverage)
Q2 - Internal Operations throughout its sub-constructs; order lead and delivery time, Inquiry duration, Inquiry cost, rate of satisfied employees, number of inquiries, brand Recognition/image, new customer reference quote, call center service level, average response time for complaints, giving presents for complaints, problem-solving duration at call centers, giving discounts, relation between profitable/unprofitable discounted customers relations, and the rate of profitable customer were recovered.

Q3 - Economic Value Added (EVA) Management throughout its sub-constructs; total cost of customer Processing, total cost of customer processing Acquisition, total cost of customer processing Retention, total cost of customer processing Enhancement in value, total cost of customer processing Recovery, Sales growth, customer lifetime value, willingness to pay index., relative competitive position, shareholder value, and the return on Investment (ROI).

Q4.1 - Customer Loyalty throughout its sub-constructs; customer satisfaction index, based Experience, competence, organizational characteristics, individual characteristics, shared values, cooperation, communication, opportunistic behavior, positive use of power, duration, expectations matching, and based Experience.

Q4.2 - Customer trust index. throughout its sub-constructs; integrity, competence, consistency, openness, credibility, and miscellaneous throughout its sub-constructs; turnover per employee, cross-selling, turnover, Number of recommendations, termination and fluctuation rate, number of received customers, account cards, increased cooperation, increased commitment, increased acquiescence, increased continuity, and additional investment.

d. The model included the efficiency of managerial application on fast food chains suppliers’ dependent variable constructs:

X5 - Coordination throughout its sub-constructs; reduction of internal and external complexities and uncertainties in the organization, productivity increase in the organization, integration of micro and macro levels dynamics in an organization, connection of roles among inter and intra organizational groups, bridging of performance and trust among
competing organizational groups, definition of organizational tasks and ways of their accomplishment, enhancement of organizational reputation, utilization of external, organizational elements in congruence with internal organizational elements, establishment of long term foundation for organizational performance and trust, securing of sustainable organizational relationships among unequal parties in unclear situation, which is often characterized by uncertainty, institutionalization of actions that help in realizing organizational vision, generation of high profit through the creation of organizational focus, creation of organizational expertise along with strategic contents, establishment of competitive advantage for organization, and the establishment of result oriented structures in an organization.

**X4 - Controlling throughout its sub-constructs;** impose external controls, allow employees to control their own action, employee performance evaluations with specific criteria, and exceeding one’s budget has specific repercussions.

**X3 - Leading throughout its sub-constructs;** the degree to which managers are concerned with increasing employee job satisfaction, influencing others through working with and through them, and disagreements—even constructive ones—should be eliminated.

**X2 - Organizing throughout its sub-constructs;** how much autonomy (Independence) should be designed into employees’ jobs, whether tasks should be done by individuals or in teams, and the degree to which department managers interact with each other.

**X1 - Planning throughout its sub-constructs;** the degree of risk that plans should contain, whether plans should be developed by individuals or teams, and the degree of environmental scanning in which management will engage (Omnipotent view or Symbolic view of Management)
Measuring the Goodness of Fit of the (CFA) model:

Table (4): The Goodness of Fit Indices in the Conorganizationatory Factor Analysis

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>42.095</td>
</tr>
<tr>
<td>Degree of Freedom</td>
<td>34</td>
</tr>
<tr>
<td>Level of Significance</td>
<td>0.000</td>
</tr>
<tr>
<td>Normed Chi-Square</td>
<td>1.238</td>
</tr>
<tr>
<td>Root Mean Square Residual (RMR)</td>
<td>0.013</td>
</tr>
<tr>
<td>Goodness of Fit Index (GFI)</td>
<td>0.928</td>
</tr>
<tr>
<td>Adjusted Goodness of Fit Index (AGFI)</td>
<td>0.883</td>
</tr>
<tr>
<td>Normed Fit Index (NFI)</td>
<td>0.914</td>
</tr>
<tr>
<td>Relative Fit Index (RFI)</td>
<td>0.886</td>
</tr>
<tr>
<td>Incremental Fit Index (IFI)</td>
<td>0.982</td>
</tr>
<tr>
<td>Tucker Lewis Index (TLI)</td>
<td>0.976</td>
</tr>
<tr>
<td>Comparative Fit Index (CFI)</td>
<td>0.982</td>
</tr>
<tr>
<td>Root Mean Square Residual Approximation (RMSEA)</td>
<td>0.046</td>
</tr>
<tr>
<td>The average variance extracted</td>
<td>0.506727</td>
</tr>
<tr>
<td>R2</td>
<td>75.6%</td>
</tr>
</tbody>
</table>

From table (4), the researchers revealed that: All the goodness of fit tests of the model showed significant results or i.e., the majority of indicators at acceptable limits or near to cut-off values, and then the possibility of matching the actual form of the model estimated. The values of Root Mean Square Residual (RMR) and Root Mean Square Residual Approximation (RMSEA) less than (0.10), which indicates a close fit of the model in relation to the degrees of freedom. The mean variance extracted for all latent constructs is 0.506727, i.e., there is adequate convergent validity. The average variance extracted for the constructs of CRM is 0.506727, i.e., there is a highly internal consistency based on the average inter-item correlation. AVEs of all scales turned out to be more than the cut-off values.

The $R^2$ value which is 75.6% is representing variation in the dependent variable which is the impact of CRM components, which encompasses (Continuous improvement, internal operations, EVA, and customer loyalty) with their sub-constructs, on the organizational efficiency which encompasses (Planning, organizing, leading, controlling, and coordination). Overall, the evidence of a good model fit, reliability, and convergent validity, indicates that the measurement model should be improved for testing the regression model of the initial CFA.
Hypothesis Two:

The **Canonical Correlations** procedure is designed to help identify associations between two sets of variables. It does so by finding linear combinations of the variables in the two sets that exhibit strong correlations. The pair of linear combinations with the strongest correlation forms the first set of *canonical variables*. The second set of canonical variables is the pair of linear combinations that show the next strongest correlation amongst all combinations that are uncorrelated with the first set. Often, a small number of pairs can be used to quantify the relationships that exist between the two sets.

**Canonical Correlations**

<table>
<thead>
<tr>
<th>Number</th>
<th>Eigenvalue</th>
<th>Canonical Correlation</th>
<th>Wilks Lambda</th>
<th>Chi-Square</th>
<th>D.F.</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.480874</td>
<td>0.693451</td>
<td>0.447553</td>
<td>85.2199</td>
<td>20</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

**The Stat Advisor**

This procedure finds the linear combinations of two sets of variables which have the highest correlation between them. In this case, 4 sets of linear combinations have been formed. The first set of linear combinations is

\[0.289601*y_1 \_ 1 \_ 3 \ - \ 0.0585594*y_2 \_ 1 \_ 3 \ + \ 0.322*y_3 \_ 1 \_ 7 \ + \ 0.191096*y_4 \_ 1 \_ 7 \ + \ 0.506067*y_5 \_ 1 \_ 5\]

And the second is

\[0.364345*a_1 \_ 1 \_ 6 \ + \ 0.457543*a_2 \_ 1 \_ 8 \ + \ 0.0454403*a_3 \_ 1 \_ 3 \ + \ 0.323774*a_4 \_ 1 \_ 3\]

where the variables have first been standardized by subtracting their means and dividing by their standard deviations. The table shows the estimated correlation between each set of canonical variables. Since one of the P-values is less than 0.05, that set has a statistically significant correlation at the 95.0% confidence level. Note the very strong correlation for the first canonical variables.
Conorganizationatory analysis:
Conorganizationatory factor analysis (CFA) was first conducted to test how well the measured variables represent the constructs. The key advantage is that the researchers can analytically test a conceptually grounded theory explaining how different measured items represent important business measures. When CFA results are combined with construct validity tests, the researchers can obtain a better understanding of the quality of their measures. The construct validity is the extent to which a set of measured items actually measures the construct. The model fit is assessed in terms of ten indices: Normed Chi-Square with cut-off values less than (5), goodness-of-fit index (GFI), Adjusted Goodness of Fit Index (AGFI), Normed Fit Index (NFI), Relative Fit Index (RFI), Incremental Fit Index (IFI), Tucker Lewis Index (TLI), Comparative Fit Index (CFI), Root Mean Square Residual Approximation (RMSEA), Root Mean Square Residual (RMR), and The average variance extracted with cut-off values greater than (0.5). A model is considered to be satisfactory if CFI > 0.90, GFI > 0.90 and RMSEA < 0.10 (Hair, et al., 2010).

The researchers conducted both initial Conorganizationatory factor analysis and final Conorganizationatory factor analysis with the fit measured variables represents the constructs, as the following

![Figure (3): The initial Conorganizationatory factor analysis for a measurement model](image-url)
Table (5): Conorganizationatory Factor Analysis by standardized and unstandardized regression weights

<table>
<thead>
<tr>
<th>Path</th>
<th>Standardized estimate</th>
<th>Unstandardized estimate</th>
<th>S.E.</th>
<th>t_test</th>
<th>Significant Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance</td>
<td>KAM</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>y1_1_3</td>
<td>KAM</td>
<td>1.000</td>
<td>.639</td>
<td></td>
<td></td>
</tr>
<tr>
<td>y2_1_3</td>
<td>KAM</td>
<td>1.133</td>
<td>.562</td>
<td>.226</td>
<td>5.005</td>
</tr>
<tr>
<td>y3_1_7</td>
<td>KAM</td>
<td>1.133</td>
<td>.723</td>
<td>.186</td>
<td>6.101</td>
</tr>
<tr>
<td>y4_1_7</td>
<td>KAM</td>
<td>1.192</td>
<td>.735</td>
<td>.193</td>
<td>6.169</td>
</tr>
<tr>
<td>y5_1_5</td>
<td>KAM</td>
<td>1.283</td>
<td>.701</td>
<td>.215</td>
<td>5.962</td>
</tr>
<tr>
<td>a4_1_3</td>
<td>Performance</td>
<td>1.460</td>
<td>.794</td>
<td>.215</td>
<td>6.788</td>
</tr>
<tr>
<td>a3_1_3</td>
<td>Performance</td>
<td>1.720</td>
<td>.824</td>
<td>.247</td>
<td>6.961</td>
</tr>
<tr>
<td>a2_1_8</td>
<td>Performance</td>
<td>1.364</td>
<td>.843</td>
<td>.193</td>
<td>7.061</td>
</tr>
<tr>
<td>a1_1_6</td>
<td>Performance</td>
<td>1.000</td>
<td>.636</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to Table (5), the researchers can conclude the following:

a. All standardized regression weights (factor loading) are greater than 0.50, which means that all measured variables, are statistically significant, i.e., the measured variables represent the constructs.

b. t- Test for all measured variables is significant at a level of significance less than (0.001), which shows the importance of the observed variables in measuring the impact of corporate social responsibility on the employees’ organizational affective commitment.

c. The Model included (B2B) KAM Independent variable constructs:

Y1 - KAM Financial Perspective KPIs: Cumulated transaction costs, Cost reduction due to rearrangement of KAM-Team, and Customer profit margins.

Y2 - KAM process perspective KPIs: Cumulated turnover worldwide, Cumulated project worldwide, and worldwide share of wallet of Key Accounts.

Y3 - KAM learning & growth perspective KPIs: Time, quality, flexibility, complains handling, first pass yield, qualitative surveys of customers, and documentation of shared projects milestones and results in data bank.

Y4 - KAM Internal customer perspective KPIs: Qualitative surveys, Use of internal, knowledge system KAM workshops, employee exchange, integration of technical personnel within the customer production and development processes, shared training, number of shared innovations, number of shared generated ideas.

Y5 - KAM External customer perspective KPIs: Customer satisfaction index (based on performance and expectations), qualitative surveys, number of complaints, degree of causality, evaluation of suppliers, and the number of external customers.
The Model included Performance of fast food suppliers’ dependent variable constructs:

**A4** - Design customer-service jobs to satisfy customers throughout its sub-constructs; Socialize new service-contact people to the organization’s goals and values, empower service-contact employees on job-related activities, and convey a customer-focused vision through commitment to customers.

**A3** - Train customer service people continuously by focusing on improving product knowledge throughout its sub-constructs; Active listening, showing patience, and displaying emotions.

**A2** - Internal Legalizations throughout its sub-constructs; Having few rigid rules, procedures, and regulations, using widespread empowerment of employees, having good listening skills in relating to customers’ messages, providing role clarity to employees, reduce ambiguity, reducing conflict and increase job satisfaction, having conscientious employees, and having caring employees willing to take initiative.

**A1** - Hire service-contact people with the personality and attitudes consistent with customer service, throughout its sub-construct; Friendliness, Enthusiasm, Attentiveness, Patience, Concern about others, and Listening skills.

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**Measuring the Goodness of Fit of the (CFA) model:**

Table (6): The Goodness of Fit Indices in the Conorganizationary Factor Analysis

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>45.426</td>
</tr>
<tr>
<td>Degree of Freedom</td>
<td>26</td>
</tr>
<tr>
<td>Level of Significance</td>
<td>0.000</td>
</tr>
<tr>
<td>Normed Chi-Square</td>
<td>1.747</td>
</tr>
<tr>
<td>Root Mean Square Residual (RMR)</td>
<td>.022</td>
</tr>
<tr>
<td>Goodness of Fit Index (GFI)</td>
<td>.917</td>
</tr>
<tr>
<td>Adjusted Goodness of Fit Index (AGFI)</td>
<td>.856</td>
</tr>
<tr>
<td>Normed Fit Index (NFI)</td>
<td>.903</td>
</tr>
<tr>
<td>Relative Fit Index (RFI)</td>
<td>.865</td>
</tr>
<tr>
<td>Incremental Fit Index (IFI)</td>
<td>.956</td>
</tr>
<tr>
<td>Tucker Lewis Index (TLI)</td>
<td>.938</td>
</tr>
<tr>
<td>Comparative Fit Index (CFI)</td>
<td>.955</td>
</tr>
<tr>
<td>Root Mean Square Residual Approximation (RMSEA)</td>
<td>.082</td>
</tr>
<tr>
<td>The average variance extracted</td>
<td>0.522667</td>
</tr>
<tr>
<td>R2</td>
<td>61%</td>
</tr>
</tbody>
</table>

From table (6), the researchers revealed that: All the goodness of fit tests of the model showed significant results or i.e., the majority of indicators at acceptable limits or near to cut-off values, and then the possibility of matching the actual form of the model estimated. The values of Root Mean Square Residual (RMR) and Root Mean Square Residual Approximation (RMSEA) are below the acceptable limits.
Approximation (RMSEA) less than (0.10), which indicates a close fit of the model in relation to the degrees of freedom. The mean variance extracted for all latent constructs is 0.522667, i.e., there is adequate convergent validity. The average variance extracted for the constructs of KAM, i.e., there is a highly internal consistency based on the average inter-item correlation. AVEs of all scales turned out to be more than the cut-off values.

The $R^2$ value which is 61% is representing variation in the dependent variable which is the impact of KAM components, which encompasses (KAM Financial Perspective KPIs, KAM process perspective KPIs, KAM learning & growth perspective KPIs, KAM Internal customer perspective KPIs, and KAM External customer perspective KPIs) with their sub-constructs, on the organizational performance which encompasses (Hire service-contact people with the personality and attitudes consistent with customer service, Internal Legalizations, Train customer service people continuously by focusing on improving product knowledge, and Design customer-service jobs to satisfy customers.). Overall, the evidence of a good model fit, reliability, and convergent validity, indicates that the measurement model is valid from the initial CFA.

References:


