

# Quantitative Investigation on the Influence of Social Customer Relationship Management on the Profitability of Companies

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## Abstract

*The epistemological positioning of scientific approach involves the diversity of the viewpoints of academics and specialists, exclusiveness not being considered. This paper aims to reflect own contributions to the development of management theory and management practice in Romania. First of all, the proposed scientific approach is a positivist approach, because it envisages the interposition of own reflections, an observation of what is happening in the market, an authentic presentation as it is.*

*The main objective of this scientific research is to highlight the importance of social media as a mean of business development by creating new opportunities through promotion and a better brand visibility in the market.*

*Quantitative investigation of this paper was conducted based on assessment questionnaire, addressed to the employees of some Romanian companies.*

**Keywords:** customer relationship management, companies, economic performance

**J.E.L. classification:** M1

## 1. Introduction

The data obtained through the questionnaire allowed the evaluation of the respondents perceptions about the three elements analyzed: management position to the implementation of a CRM system, the transition of CRM to SCRM and the usage of the new SM technologies in applying a CRM system, and the implementation of a SCRM system using social platforms (Verde A., 2012).

The results made it possible to outline the essential aspects of the three variables investigated in large, small and medium enterprises in Romanian economy, and to identify possible causes of the manifestation of certain situations (Wells Emma K., 2011).

## 2. Profile of respondents

The questionnaire was designed so as to provide information concerning the subjects investigated, as well as employing thereof. Therefore, as the first part of the questionnaire aimed the data completion on the employee's age, gender, legal status of employing company, enterprise

capital type, activity sector, we present below a summary of such information, outlining the profile of respondents.

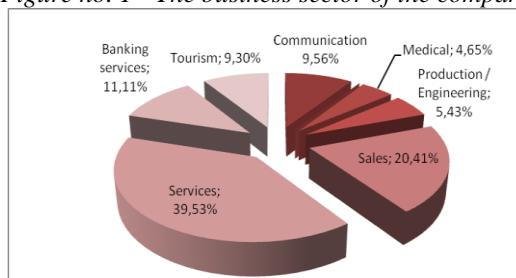
Analyzing the sample of respondents in terms of gender, most of them - 65.37% - are women, while males were represented in proportion of 34.63%.

Most of the subjects participating in research are dealing within the organization functions at the operational level - 48.84%. This is a positive situation because, by analyzing the responses of employees at this level, the research captures specific phenomena to customer relationships even among employees forming work teams and which are directly affected by the company's policies and practices on those relations. Also, the employees of the medium and executive management level provide valuable information on how they perceive the customer relationships. It is needed, in the research, a thorough analysis of the dynamics of the respondents answers according to the level of management that is.

Structuring the sample in terms of the type of company the respondents operates, it can be observed the fact that most of them are employees in small and medium companies - 61.76%, a significant percentage still representing the large local companies or multinationals.

Figure no. 1 shows the share of the companies based on the surveyed sectors. The largest share, after considering this criterion, lies to services, in the proportion of 39.53%. The next sector is sales, with 20.41%. There were investigated organizations in banking, manufacturing / engineering, medical, communication, tourism, etc.

*Figure no. 1 - The business sector of the company*



*Source: Personal interpretation of the data*

In conclusion, the average respondent of this study is female, aged about 30 years and fits the lower category of management.

Also, following the results on the companies included in the study, we can achieve also the company profile represented in the category of respondents: on average, the company investigated is organized as SME, it has local capital and it fits the "Services" field of activity.

### **3. Quantitative results on the perception SM**

An important aspect influencing the ability of companies to perform is the perceptions of their employees on implementing the necessary strategies. In this study, the use of new SM technologies in applying a CRM system was evaluated through 14 questions that measured employee perceptions of the companies participating in this study on the use of new SM platforms and of technology in general, in order to implement a CRM system in a company.

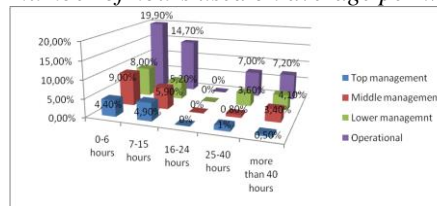
The results reflect the following:

- 60% of respondents mentioned the fact that the company has not implemented at all rules or policies regarding the use of MS.
- keeping the links with customers resents the main reason for which the company uses SM tools (about 31% of respondents).
- only about a half of the companies appreciate that SM platforms are very important to professional activity (51% of respondents).
- SM instruments are somewhat unimportant to obtain performance in professional activity.
- the respondents are average satisfied with the results of the activities of SM professionally, the satisfied ones about these results represent only about 39% of the responding companies.

- just a small part of businesses in Romania (approx. 38%) are adopting well-established rules on the use of SM.
- the use at a very low level of the SM platforms is caused by the employees trend to use these platforms for personal purposes.
- if the respondents would use SM platforms in an organized framework, governed by rules and policies imposed by the company in this respect, the results obtained by companies would be considerably improved.

This potential that SM has for developing of Romanian companies is shaped by Fig. no. 2, which notes that there is a percentage of 15.2%, represented by all categories of employees which actually use various online applications for more than 40 hours per week, while the opposite regarding the use of online applications stands the employees of top management.

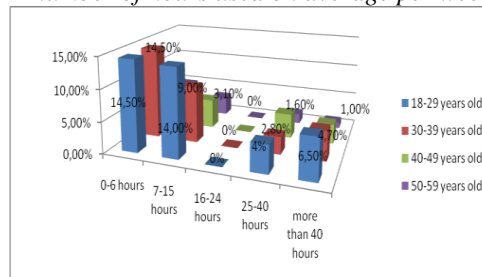
Figure no. 2 - Number of hours used on average per week on SM sites



Source: Personal interpretation of the data

In terms of age categories, as expected, young people aged between 18 and 29 years have currently the largest online presence, SM activity decreasing, as shown in Fig. no 3. which correlates the questions 25 and 3, with age.

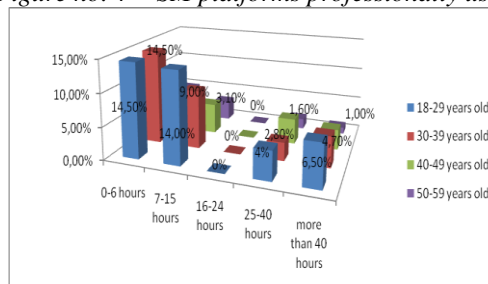
Figure no.3 - Number of hours used on average per week on SM sites



Source: Personal interpretation of the data

However, there is a SM platform used by the respondents, just in proportion of 10.85%, it's true, but they are using it just for professional reasons, otherwise the only one used only professionally, and this is LinkedIn, the most used platform worldwide in terms of business.

Figure no. 4 - SM platforms professionally used

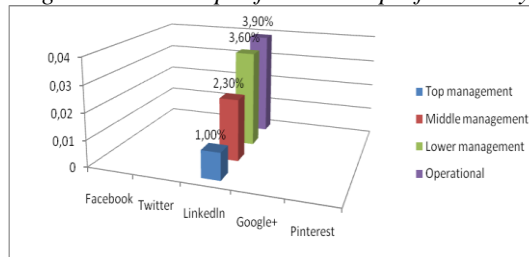


Source: Personal interpretation of the data

From the point of view of the employees, users of these online business platforms, the most numerous users stands in operational departments (3.90%), followed by those in lower management departments (3.60%), then the middle management (2.30%), the least numerous LinkedIn users standing in the top management (1%). Percentages are calculated from the

mentioned total of 10.85% of LinkedIn users. These categories are highlighted by Fig. no.5 .

Figure no. 5 - SM platforms used professionally



Source: Personal interpretation of the data

But totally lacking both rules and policies on the use of SM, and the knowledge on the regulation on posting information in the virtual environment in many Romanian companies, we can say that they are missing the premises of the accomplishment of transition to a SCRM system, which by definition represents a philosophy and a business strategy, supported by technology and online systems, designed to improve communication in business. This lack has an explanation, namely the very small importance the company's management grant to SM platforms, as a way to increase performance. The degree of importance that SM receives, depending on the category of employees is clear from Fig. no.5.

It can be seen very clear in this graph that as the employees category decreases from management to operational, increase the importance they attach to SM.

#### 4. Quantitative results on the perception of SCRM

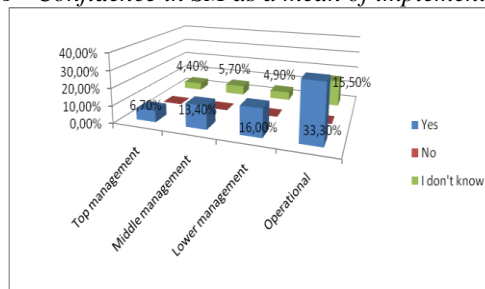
To analyze in what extent the companies are using SM platforms in communication with customers, we used in the questionnaire a number of 6 questions, relating to the most used six SM platforms in the world: Facebook, Twitter, LinkedIn, Forsquare, Google plus and Pinterest.

The results of analysis of the replies received confirms again the weak opening of Romanian companies for using new media technologies in order to increase the performance:

- 21% of respondents consider that SM is less effective than other methods of CRM relating to communication of companies with customers in marketing sector (Research Questions 28), while only 9% of those surveyed felt the SM tools more effective than other methods of CRM in the same field.
- Only 2.84% of respondents believe that, in order to increase the sales, communication with customers using SM is much more effective.
- There are companies that never keep in touch with collaborators (partners, customers, suppliers) via social networks.
- 20.41% of the respondents generally thought that CRM can improve to a great extent using SM, while 17.31% have a contrary opinion, namely that the Facebook can improve CRM process in a very small extent.

But to note is that the confidence in SM decreases with the level of management. Fig. no. 6 highlights this negative aspect, employees in top management trusting approximately five times lower the SM instruments, than those from the operational departments.

Figure no. 6 - Confidence in SM as a mean of implementation a CRM



Source: Personal interpretation of the data

## **5. Conclusions**

We can say that the media is one of the main trainers of public opinion, if not the main, controlling the public sphere. It is careful to convey information, but also to control and steer the public opinion. Thus, SM can form media crisis quickly enough to lower the public favorability for certain companies or politicians.

Thus, by using the specific SM instruments, such as boxes for comments, forums, online surveys, providing ratings, etc., companies can obtain crucial information for evaluating consumer satisfaction, information that would be more difficult to obtain traditionally. They can be observed and collected through SM platforms such as Facebook, Twitter, LinkedIn, Forsquare, etc. (which are among the most used by companies) and used to assess customer satisfaction.

At a time when millions of people benefit from an Internet connection, it would be incomprehensible for companies to ignore such an opportunity to build lasting relationships and increase brand loyalty.

## **6. References**

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