



## A Comparative Study of Customer Relationship Management Systems in the Market of Iran



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### Abstract

Customer Relationship Management (CRM) has become the main interest of researchers in the domains of marketing and information systems (IS). Contemporary information and communication technologies (ICT) have helped the development of CRM greatly. Various CRM systems have been developed to support the processes in the areas of marketing, sales and services. However, not all CRM softwares are suitable for every company. This paper aims to shed light on the use of information technology (IT) in CRM and the available CRM solutions to Iranian companies. First, the paper provides an overview of the use and benefits of IT in CRM systems. Then some of the most popular and currently available CRM systems are selected, reviewed and compared. Finally, according to the results, some of the barriers of CRM implementation are discussed. The results of this paper can help companies improve their knowledge about CRM and CRM implementation. By the information provided in this research, companies can choose a suitable CRM solution according to their company's business and functions.

**Key words:** Customer relationship management, Information technology.

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### 1 Introduction

Globalization, increasing competition, and advances in information and communication technologies (ICT) has forced companies to focus on their customer relationship management (CRM) processes and strategies in order to efficiently maximize their revenues (Fazlzadeh et al., 2011). CRM systems can be seen as technological enablers (Ngai et al., 2009) that have led to a significant economic revival of CRM (Trogger, 2009). Previous empirical studies on available CRM solutions confirmed the diversity of functions of the offered CRM softwares (Trogger, 2009). For example, over 100 different CRM systems and providers can be found on the German software market (Trogger, 2009). In addition, due to the high competition of CRM softwares, many standard software

products offer specialized functionality for specific CRM processes or industries. For example, Mahan Corporation in Iran produces customized CRM softwares for banks and financial businesses. Due to this diversity, companies have a variety of choices for selecting a CRM system.

Most available studies in CRM context in Iran are focused on identifying the critical success factors (CSFs) or barriers of CRM implementation. To the best of our knowledge, there has not been a research in CRM context, which reviews the available CRM solutions and their characteristics. Furthermore, most available studies focus on the supply side of CRM, i.e. they only describe the software functionality of CRM systems. According to Troggler (2009), detailed studies discussing the actual use of CRM systems in businesses examining and comparing their software features are quite scarce. In order to fill this gap, the present paper examines and compares the functionality and features of some famous Iranian and non-Iranian CRM solutions. The result of the comparison can help Iranian managers to increase their knowledge about CRM systems and select a proper CRM solution for their company, which allies with the enterprise strategies.

## **2 Literature review**

### **2.1 CRM**

CRM researchers have derived many different but related definitions of CRM (Board et al., 2006). Some Previous researches have defined CRM as a process. According to Chang and Popovich (2003), CRM is an interactive process to achieve the optimum between corporate investment and gains, and satisfaction of customer needs. On the other hand, some studies describe CRM as a business strategy. CRM can be seen as the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value targeted customers at a profit (Buttle, 2003). Nevertheless, CRM is neither only strategy nor a process. Instead, CRM is an integrated approach of managing customer relationships through the combination of three important components: people, process and strategy (Chang and Popovich, 2003). According to Greenberg (2002) and (Neckel et al, 2005), CRM is divided into three categories: Operational, Analytical and Collaborative CRM.

Implementing CRM has many benefits for companies such as increasing customer satisfaction (Greenberg, 2002) and trust (Moorman et al, 1992), offering high quality services to customers (Boulding et al., 1993) and increasing customer's commitment to continue his/her relationship with the company (Pritchard et al., 1999). In a research conducted on 500 companies in various industries, researchers have concluded that a modest improvement of 10 percent across all important CRM capabilities can add up to a \$35 million benefit to a typical \$1 billion business unit (Renner, 2000).

### **2.2 CRM and Information Technology (IT)**

Traditional marketing does not need interacting and building relationships with customers and therefore, it does not need to use information technology (IT). However, effective marketing is not possible without the use of technology (Al Khaffafet al., 2011). IT plays an important role in achieving CRM objectives. Peppers et al (1999) has introduced four basic tasks to achieve the basic goals of CRM. These tasks are identification, differentiation, interaction and customization. These processes provide distinctive benefits to the organization and depend heavily on IT. In the past decade, technology vendors had their own specialties. For example, Siebel was in sales force automation, Remedy was in helpdesk systems, Davox was in call center systems and BroadVision was in the front-end

application area(Grey and Byun, 2001). Today, CRM software suppliers are trying to expand their products over the entire CRM area.

### 3 Research Process

In order to determine the CRM functionality and solutions currently available on the software market and to investigate the actual advantages of using these software-packages in enterprises, this study follows a three tiered research design. First, a survey is conducted on the CRM systems and some of the most popular CRM systems are selected. In the second step, the selected softwares and their features and functionalities are carefully reviewed and compared. Finally, based on the survey on CRM softwares and previous research, some of the shortcomings and weaknesses of CRM systems and barriers of CRM implementation in Iran are reviewed.

### 4 Empirical results

#### 4.1 CRM Softwares

Most of the CRM softwares, developed in Iran are designed to meet the specific requirements of a special type of Iranian companies. For example, there are CRM solutions, which are only designed to use in insurance industries. On the other hand, the non-Iranian CRM softwares are developed by international companies using the best technologies and have the ability to adapt to any environment. Hence, to have an effective comparison of CRM solutions the authors of this research have tried to conclude both Iranian and international CRM softwares in the comparison.

International CRM systems have different characteristics and market share. In addition, they are capable to be implemented in companies with various sizes. Five popular international softwares are selected to participate in the research. These softwares are Oracle siebel, SAP, Microsoft Dynamics CRM, Netsuite and Sugar CRM. Oracle and SAP softwares are popular CRM softwares. Currently, SAP has a good market share in Europe and Oracle has a high market share in the United States. Sugar CRM is also a popular CRM software because it is an open source software and can be customized to match the requirements of any company. The authors believe that these CRM softwares represent the whole CRM software market appropriately.

CRM software production is new in Iran; therefore, there were some limitations to studying these softwares. Among the most important of these limitations is the lack of articles and analytical researches in the field of Iranian softwares. In addition, lack of sufficient information about the softwares and poor website design are other limitations of reviewing Iranian CRM softwares. Hence, by using the experts' attitudes and reviewing a large number of softwares, five Iranian CRM software are selected. These softwares are introduced in Table 1.

Vendor		Description
Oracle Siebel CRM		Oracle entered the CRM market by releasing the Siebel Enterprise Marketing Suite in September 2005. At the time, Siebel had 45% of the CRM softwares market share. Some of its major customers are IBM, LG and Zebra.
SAP		This company is the biggest enterprise software provider, its CRM software is provided for Large and mid-size companies. Some of its customers are NetApp, Toyota and Newcastle University.
Microsoft Dynamics CRM		The first Microsoft CRM software launched in 2001 and so far Microsoft has released four versions of this software. Some of its customers are HP, Nikon and Dubai government.
NetSuite		This company is developing both desktop and SaaS softwares for SME companies. Its customer's number is already above 6600 companies. Some of its customers are Eset,

	Digital check and Wireless Matrix.
SugarCRM	SugarCRM is a CRM solution that is available in both open source and commercial open source applications. Some of its customers are CTI group, Roxtec and Axa.
Ratin	Ratin company was founded in 2007 and since then, it has worked specifically on CRM application production.
DiarIT	DiarIT was founded in 2004. CRM and ERP software production are the professional activities of this company.
Tolou	Tolou was founded in 1996 and its proficiency is in customer relationship's field. It also exported its CRM softwares to some other countries such as UAE and Egypt. Some of its customers are Melli Bank, Petrochemical Complex and Maskan Bank.
Pegah System	Pegah System company was founded in 1996 and has developed more than 45 softwares in different fields. PegahCRM software is popular between Iranian companies. Some of its major customers are Kavian Alloy Company, Pastoreno hospital, Badr Electric company, Belaros oil company, Golbar, PouyaPart company and Mercuri hotel.
Ravesh CRM	Ravesh company was founded in 2000 and its proficiency is in CRM field. Furthermore, it got an award for software exporting in 2006. Some of its customers are IRIB, PNU and Mega Motor.

Table 1: Selected CRM systems' description

#### 4.2 Results and Discussion of Comparing Softwares

In order to compare the softwares, some features and capabilities are introduced. The ten softwares are reviewed carefully to determine what features they support. Therefore, it is not appropriate to compare Iranian CRM systems to international systems. In order to compare the softwares, they are divided into Iranian and international softwares. The results are shown in Table 2 and Table 4 and are described below.

The international CRM softwares have many more advanced features than Iranian softwares. Furthermore, the Iranian CRM softwares producers are usually small to medium sized enterprises with a limited budget, which produce CRM software for a special process or industry. Table 2 shows the results of comparing non- Iranian CRM softwares. The results are compatible with previous researches on these softwares. For example, the Oracle software is a user-friendly software, which is able to be implemented in many different organizations. Siebel is often said to be very extensive in functionality, laborious to implement, and comes at a premium price (Verberne, 2010). According to the Gartner company currently Oracle Siebel is the Leader in the Magic Quadrant for CRM Multichannel Campaign Management. The SAP software has a holistic view of economic issues of enterprises and has integrated its CRM software with enterprise resource planning (ERP) system. Therefore, Sap usually sells its CRM software to medium and large companies. Microsoft CRM is usually implemented in small and medium sized enterprises and is not appropriate for large companies. In fact, Microsoft CRM's popularity is due to the integration of this software with Microsoft office softwares, which are useful and simple softwares used in most companies around the world. Netsuite software is a small software, which can be used in SMEs. This software mostly functions in sales automation. The open source Sugar CRM has its own attractiveness because company's programmers can easily customize and extend the software's functions. It is appropriate for SMEs, which want to have their own CRM software.

Features	Oracle	Sap	Microsoft	Netsuite	Sugar
Sales Automation	✓	✓	✓	✓	✓
Customer management	Integrated with customer account management	✓	✓	✓	Integrated with customer account management
Customer	✓	✓	✓	✓	Integrated with

account management					customer management
Order management	✓	✓	Integrated with customer management	✓	Integrated with customer management
Sales opportunity management	✓	✓	✓	✓	✓
Price management	✓	Integrated with order management	✓	Integrated with order management	Integrated with contract management
Sales contract management	✓	✓	Integrated with customer account management	Integrated with customer account management	✓
Region management	✗	✓	✗	✗	✗
Sales analytics	✓	✓	✓	✓	✓
Marketing automation	✓	✓	✓	✓	✓
Campaign management	✓	✓	✗	✓	✓
Offer management	✓	✓	✓	Integrated with order management	Integrated with account management
E-Marketing	✓	✓	✓	✓	✓
Customer segmentation management	✓	✓	✓	Integrated with campaign management	✗
Marketing analytics	✓	✓	✓	✓	✓
Lead management	✓	✓	✓	✓	✓
Customer services	✓	✓	✓	✓	✓
Services contract management	✓	✓	✓	✓	✓
Warranty management	✓	✓	✓	✓	✓
Reparation management	✓	✓	✗	✗	✗
Services analytics	✓	✓	✓	✓	✓
Call center	✓	✓	✗	Integrated with customer management	✓
Partnership management	✓	✓	✗	Integrated with campaign management	Integrated with campaign management

Table 2. The comparison of non-Iranian CRM softwares

Companies are usually divided into large, medium and small enterprises based on their level of revenue, largeness of business and the cost of implementing CRM. Table 3 shows the suitability of implementing each international software in the three categories.

Software	Large enterprises	Medium enterprises	Small enterprises
Oracle Siebel CRM	✓	✓	✗

SAP	✓	✓	✗
Microsoft Dynamics CRM	✗	✓	✓
NetSuite	✓	✓	✓
Sugar CRM	✗	✓	✓

Table 3: Suitability of CRM softwares for companies with different sizes

Table 4 shows the results of comparing Iranian CRM softwares. Each of these softwares are focused on a certain part of CRM. Most of them are focused on sales automation and marketing activities. They have not paid enough attention to analytical CRM, which tries to analyze the customer's data and unwrap or disclose the essential convention of behavior of customers. The service feature is limited to get the information of services and repairs required by the customers. Furthermore, none of the mentioned softwares has the campaign management, the sales opportunities management, the strategic management or the regional management features. On the other hand, these softwares have many good qualities in implementing collaborative CRM because they use many communication media such as Fax, telephone, email, SMS, etc to interact with customers.

Features	Ratin	Diar	Tolou	Pegah System	Ravesh
Sales Automation	✓	✓	✓	✓	✓
Customer management	✓	✓	✓	✓	✓
Customer account management	Integrated with customer management	Integrated with customer management	Integrated with customer management	Integrated with customer management	Integrated with customer management
Order management	✗	Price Enquiry	✗	✗	✓
Sales opportunity management	✗	✓	✗	✗	✗
Price management	✓	✗	✓	✓	✗
Sales contract management	✓	✗	✓	✓	✓
Region management	✗	✗	✗	✗	✗
Sales analytics	Detailed reports	Detailed reports	Detailed reports	Detailed reports	Detailed reports
Marketing automation	✓	✓	✓	✓	✓
Campaign management	✗	✓	✗	✗	✗
Offer management	✗	✓	✗	✗	✗
E-Marketing	✓	✓	✓	✓	✓
Customer segmentation management	✗	Integrated with customer management	Integrated with customer management	Integrated with customer management	Integrated with customer management
Marketing analytics	✗	Reports	Reports	✓	Reports
Lead management	✗	✗	✗	✗	✗
Customer services	✓	✓	✓	✓	✓
Services contract	✗	✗	✓	✗	✓



management					
Warranty management	✗	✓	✓	✗	✗
Reparation management	✗	✓	✓	✗	✓
Services analytics	✗	Reports	Reports	✗	✗
Call center	✓	✓	✓	✓	✓
Partnership management	✗	✗	✓	✗	✗

Table 4: Results of comparing Iranian CRM solutions

### 4.3 Barriers of CRM Implementation in Iran

Although many useful CRM softwares have been produced in Iran, many Iranian companies do not still use CRM softwares. Far from the limited budget of organizations, there are many barriers to CRM implementation in Iran. The most important barriers to CRM implementation in organizations are:

- CRM rejection by the employees is another barrier to CRM implementation in enterprise. Failure to convince employees of the benefits of CRM often results in passive resistance and low employee CRM adoption rate (Myron, 2003). Since employers play an integral role in implementing CRM technology, if they do not cooperate, the desired results will not be achieved software (Kavosh et al., 2011).
- Since most companies are not able to produce their own CRM software, CRM software development process should be outsourced. This issue causes misfits between the company business process and the CRM software (Kavosh et al., 2011)
- Unwillingness of customers to give their information to companies is another problem of CRM implementation. Effective CRM needs large amounts of data. If customers do not feel secure, they will not supply their personal information (Lewis, 2005; Kavosh et al., 2011) and therefore CRM will not achieve its goals.
- Lack of cultural readiness is another barrier to CRM implementation. The ability of the organizations to transform into customer-oriented environment and to consider CRM as an organizational philosophy is an important issue in CRM implementation (Almotairi, 2009).
- CRM softwares are not properly introduced to the marketing industry and there are many companies that are not aware of their existing.

## 5 Conclusion

The study on the CRM systems sheds new light onto the market for information systems supporting sales, marketing and customer relations. According to the results, CRM systems support a wide range of features and functionalities, which are continuously improved by the developers to support customer-related processes. The study provides a review and comparison on the available CRM systems and can be used for further studies on CRM systems.

In this paper, we present and analyze the results of the survey regarding the comparison of the features of Iranian and international CRM systems. Results show that Iranian CRM softwares are mostly designed for SMEs and are focused more on sales automation and operational CRM rather than analytical CRM. In addition, Iranian softwares have a good performance in collaborative CRM and take advantage of most of the available

communication channels to interact with customer. Furthermore, the reporting services of Iranian CRM softwares are detailed and therefore are perfect for small Iranian companies.

Although many CRM software solutions with different capabilities and functionalities exist in the software market of Iran, CRM has not properly penetrated into Iranian companies. Some of the barriers of CRM implementation are lack of management support, lack of cultural readiness, lack of knowledge about CRM systems, etc. The results of this paper, helps Iranian companies to increase their knowledge about CRM technologies. Companies can take advantage of the current research to select the right CRM solution for their company. It will be interesting for future researchers to conduct a deeper study on CRM softwares, the impact of these softwares on companies and determining some criteria to help choosing from the available software solutions.

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