

Customer preference for a Romanian Software Company over local competitors on the basis of the economic crisis

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Abstract: The paper intends to identify the attributes that conduct customers to choose our software company's products and services over other major players in the ERP market such as Oracle, Microsoft, IBM and others. The software company is the current year's leading ERP software producer having a high standard client portfolio. For the purpose of the research a customer satisfaction survey was used; also several interviews with customers and key employees or persons were conducted in order to obtain relevant information for the topic. Moreover, internal materials of the company were used and analyzed. The research paper concluded that The software company's experience in the field, its employees knowledge and commitment to answer promptly customers' requests were some of the attributes that helped The software company to become no.1 in the preferences of customers. Also, the company's customer satisfaction survey showed that most customers feel satisfied with it and they will surely further recommend the company to other clients. My personal experience within the company has provided me with the possibility to notice a very close relationship between the company and its customers, based on which they can provide such good references. However, the company still needs to improve its communication skills, intervention response time and conduct more surveys in the future in order to find out possible reasons for the dissatisfaction of some of its clients.

Key words: Software Company, customer preferences, ERP systems

Introduction

The software company is a Romanian software producer of integrated information systems, which are developed for organizations that run their activity within a slight unstable economic environment and marked by continuous changes in legislation and a high inflation rate. It addresses companies from all activity fields that need an IT tool for the optimization and streamlining of their internal businesses processes.¹

The main business solution provided by the company, a Tier 1 information system has managed to place it on top of the Romanian ERP providers, exceeding reputable brands such as Microsoft, SAP, Oracle and others.

The company's client portfolio consisting of over 400 domestic companies and 60 multinational groups, together with the KPMG recommendation² and numerous positive references from clients, prove the company's competences in business quality management, thus delivering high standard solutions in terms of implementation, post implementation support and services. However, there are several marketing research companies and clients that argue about the company's ability to deliver such high quality and flexible solutions – the basic features of a Tier 1 solution, which is the highest position in the ERPs classification.

The purpose of this paper is to provide a closer overview of the actual product quality delivered by the software company and the related customer satisfaction level, thus helping prospect companies or stakeholders understand the company's quality and performance. Moreover, by interviewing both old and new customers, relevant conclusions can be drawn with regards to customers' decision to choose this company over competitors on the basis of the current economic crisis. Also, the evaluation of satisfaction and dissatisfaction factors was performed in order to draw a plan of actions for the customer satisfaction improvement and creation of opportunities for solving customer current problems.

Research methodology

For the purpose of this research, several previous findings were evaluated. Thus, the secondary research activities took place in regular know-how exchanges with associations, journalists / the press (Ziarul Financiar, online press), as well as by evaluating and analyzing other reports and statistics regarding the economy as a whole. Also, apart from the research activities in direct relationship with this report, I with the approval of the company's marketing manager have interviewed throughout two weeks several old and new customers and key employees that were previously hired by some of the software company's competitors. Many of these interviews carry relevant information about the topic, which has been integrated in the estimation process and result of the research paper.

The data collection was conducted by means of an emailing campaign and completion of an online questionnaire by 100 customers. The questionnaire was short but contained relevant questions that were sent to different management levels ranging from project managers, system administrators up to direct users. The respondents had 15 days at their disposal for the questionnaire's completion. Out of the 100 customers, almost 50% provided the company with accurately completed questionnaires.

Research findings

As mentioned earlier, the interviews with key employees brought relevant information with regards to customers preference and satisfaction for The software company products, over competitors like Oracle or Microsoft. For instance according to a careful analysis of the activity conducted during the last year, it can be concluded that Oracle managed to hold its position (no. 3) but not to exceed other companies due to the fact that the company tried to gain more market share on the mid size companies market, which was not at all its competitive advantage. As a result of a bad strategy and orientation, Oracle only managed to lower its market positioning on the segment, but managed to gain some customers in the public sector. With respect to Microsoft the information also provided the reasons for the company's low position. Although it plans for the near future to focus on extending the provision ERP solutions, the company hasn't succeeded to increase too much its brand awareness. Microsoft managed to float under these economic crisis with the help of their partnerships with other regional players. Considering the above information, it is easy to realize that our software company together with its achievement, experience and positive references in the field was much more appealing for customers. Moreover, Eugen Schwab Chesaru, Managing Director, PAC Romania states: "The economic crisis that began in late 2008 led the company to rethink its entire business strategy in order to adapt their internal processes and solutions to new economic conditions, focusing in particular on

solutions able to reduce and control costs of its customers³. As a result, it is clear that the software company focused on adding new solutions to the existent ERP product that it delivers so that the improved one could provide its clients with real time and complete information that is necessary for costs reduction and operational efficiency increase. This strategy has obviously brought the software company much more clients interested in saving their companies from damages induced by the economic context.

Another important aspect that contributed to the large number of clients throughout 2009-2010 for the software company is represented by the numerous positive feedbacks received and made public by the old company's customers. References have a special importance in the qualitative evaluation of a software solution. The success of the implementation is the guarantee of a complex implementation methodology, maturity of the development processes, but also the experience of the people behind the products. As a result, the appraisals of the company comprised the accordance with regulations imposed by state institutions, easy to use and friendly interface, access restrictions, accurate reporting activity, easy human resources and personnel management, fast response delivery, reduction of operational costs and a better time management.

The customer satisfaction survey also provided relevant information that helped me conclude the reasons why the software company was the top preference of the customers. Three major questions of the questionnaire will be presented in this research paper with the purpose to highlight consumers' preference for the software company over other local players. When asked to appreciate the software company's ability to understand the activity field particularities and specifications, most customers felt that the company provides a satisfying capability (56%). However, there were a few customers (11%) that felt the company's ability to identify future needs and propose fast and efficient solutions for the possible problems, was very low.⁵

When customers were asked to appreciate the time needed to solve their problems or requests, most of them concluded that comparing it with their priorities and needs, the overall time was satisfying also. This time, customers who felt dissatisfied with the intervention response time of the company had the same percentage as in the case presented above. Again, there were no clients completely dissatisfied.⁶

The last major question proves again that the software company has a vast expertise in the field, a reputable name and sufficient resources in order to provide high standard products and services – attributes that constitute the main reasons for clients to choose it as their software supplier. The question required the customers to tell if they will recommend the company as an ERP system provider to other potential clients. Considering that almost 75% of the interviewed clients stated they will very probably or probably recommend their ERP system provider to acquaintances or other prospects, it can be concluded that most of the company's customers do feel satisfied with the benefits brought by the system.⁷

Conclusion: Considering all the above instruments used for the purpose of this research paper, we can conclude that the software company benefits from a vast expertise and know-how in the ERP systems market. Moreover, the company has also the advantage of having successfully implemented and supported projects for its clients, thus these are willing to further recommend the software company to other potential clients. In addition to all of these, the company's new

strategy and adaption to the current economic crisis requirements have helped it to enlarge its client portfolio and thus become no.1 in customers' preference over other major market players such as Oracle or Microsoft.

However, the company still needs to improve several aspects in order to maintain its position and further enlarge the number of clients. Following the survey answers, it is clear that few customers are not satisfied with the company's ability to depict needs related to their businesses and thus, develop specific, appropriate adjustments or upgrades for the system implemented. Also, there are customers who feel that the software company should invest in a much efficient intervention (response) time management so that customer needs get prioritized.

References:

¹. www.zf.ro, 29.10.2010.

². KPMG Survey, 30.03.2010.

³. Pierre Audoin Consultants, September 2010, ERP Romania 2010 – Analysis and trends of the ERP software products and related services, page 22.

⁴. References from internal documents of the company

⁵, ⁶, ⁷. Customer satisfaction survey, March 2010.

⁸. Personal experience as a full time employee of the company. I am currently holding a Marketing and PR Assistant position.