Customer Relationship Management (CRM)

A multiple case study: analysing the critical factors of CRM implementation

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“No business can survive without understanding its customers and having a positive relationship with them” (Motiwalla and Tompson, 2009, p. 309)
Acknowledgement

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Abstract

Nowadays a company’s focus has shifted from a product-centric view to a more customer-centric view. Customers play a major role for doing business with companies. That leads to the purpose of this research, which is to identify critical factors of CRM implementation and to gain a deeper understanding of how companies deal with those critical factors. This was done with the help of a qualitative method, where six case companies were taken under the research. These six case companies are operating in different industries (1) laundry system industry, (2) printing industry and (3) heavy industry. In addition, the aim of this thesis was to find out how CRM implementation is influenced by critical factors in terms of CRM process and CRM system, interaction of sales force, information / communication flow and organizational structure / culture. The main points which influence the critical factors of CRM implementation were (1) customer-focused, (2) create trust, (3) sharing information and knowledge and (4) decision-making. To overcome these points at first companies need to be customer-focused their sales force need to be able to create trust with customers. Also it is important that companies have a well-implemented information / communication flow to optimise the decision-making process. Within the research more points for how an international organization can manage these critical factors are described.

The collected data was analysed with the help of the theoretical framework. The conclusion could be drawn that, a well implemented CRM would help companies to build a better customer relationship and to be able to know as much about customers as possible.

**Key words: CRM, CRM implementation, CRM process and CRM system, interaction of sales force, information / communication flow, organizational structure / culture**
<table>
<thead>
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<th>Abbreviations</th>
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<td>B2B</td>
<td>Business to Business</td>
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<td>CRM</td>
<td>Customer Relationship Management</td>
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<td>CSS</td>
<td>Customer Satisfaction Survey</td>
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<td>GCRM</td>
<td>Global Customer Relationship</td>
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<td>Management</td>
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<td>Key Performance Indicator</td>
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<td>SAP</td>
<td>System Application Programming</td>
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1. Introduction

The economic marketing environment of B2B has shifted from a product-centric view to a customer-centric view. Companies have realized that their customers have become the first priority for doing business. To establish and maintain a long-term buyer-seller relationship, companies are required to have a well-implemented CRM. CRM, being “one of the basic and most crucial elements of the marketing philosophy” (Mandic, 2011, p. 347) will help companies deliver better performance and higher value to their customers. In other words, CRM is all about collaborating with each customer (Mandic, 2011), which is also reflected in a definition by Parvatiyar and Sheth (2001) that “Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value” (p. 5). Therefore, CRM can be used as a business strategy in order to manage relationship marketing, and create a win-win situation (Krasnikov et al., 2009 and Kumar et al., 2011), between companies, who add value to each customer and customers being loyal in return (Mandic, 2011).

1.1. Background

It is not possible for a business to survive in the current economic environment without understanding its customers and having a positive relationship with them. CRM as a concept is as old as business itself (Motiwalla and Tompson, 2009). Along with economic growth, the need for CRM is also growing rapidly. Companies need CRM because they have to improve their performance. The performance delivered to their customers will help them to meet customer’s needs and expectations. Also, Parvatiyar and Sheth (2001) stress that customer expectations have been and still are changing rapidly over the last two decades due to the growing of product features and services, in this case, the cooperation and collaboration relationships with customers seems to become even more important to keep the pace and adapt to those expectations that change constantly.

Looking back at the history of CRM, CRM was initially focusing on responding to a changing market, at first it was mass marketing, which gave way to focused segment marketing and target marketing and finally individual (Motiwalla and Tompson, 2009).
Later, companies realized that maintaining customers loyalty and retaining customers/existing customers were more profitable than acquiring new customers, which is shown in the research done by Battor and Battor (2010), attracting new customers costs five times as much as keeping or managing existing customers (Battor and Battor, 2010 and David and Aaker, 2011). The importance of retaining current customers and building long-term customer relationships has become a higher priority.

Other researchers point out that one of the most critical factor of superior performance that fits into today’s competitive business environment is to create and manage close customer relationships (Battor and Battor, 2010 and Mandic, 2011). Nowadays, globalization creates more opportunities for large and small companies to deliver similar products with low cost for customers (Motiwalla and Tompson, 2009), which means that customers have more alternative choices for their suppliers. It is not enough for companies to only deliver quality products, additionally unique and dynamic services can attract customers because the customer’s special needs are met (Motiwalla and Tompson, 2009 and Krasnikov et al., 2009). Therefore, companies need to identify a proper way of CRM implementation in relation to different levels, such as localized, globalized or socialized. Furthermore, companies need to focus on creating all activities directed towards customers in order to achieve customer satisfaction, gain retention and loyalty.

The reasons for implementing CRM are to identify potential customers, to get to know customers, keep information concerning customers, improve communication with customers, offer diverse level of support and customized solutions, and deliver higher added value (Mandic, 2011 and Valentim et al., 2011). In other words, CRM is a process to select profitable customers, which require a proper mix of skilled sales force, business strategies, and information technology.

However, CRM is not only a simple tool or a product, it is “a strategic approach designed to improve shareholder value through developing appropriate with key customers and customers segments. CRM unites the potential of IT and relationship marketing strategies to deliver profitable, long-term relationships,” (Knox et al., 2003, p. 19). Therefore, to get an expected and positive outcome by implementing CRM approach, there are many challenges and difficulties that companies need to face and overcome, which are discussed in the following chapter.
1.2. Problem discussion

A well-established CRM can bring a lot of benefits to organizations. Though there are still a lot of research that shows a high failure rate of CRM implementation. The results of a research report by Mandic (2010) shows that about 55-77% of CRM implementations are not successful. The reasons behind this phenomenon can be very diverse.

Some researchers suggest that most companies treat CRM as a technical solution more than a strategic business solution. Usually, CRM implementation contains an IT component, which has the function of installing CRM software solutions. Unfortunately, many companies do not realize the true value of CRM implementation. Instead they hand over the responsibility of developing CRM to the IT department. Therefore, the usability and effectiveness of CRM implementation is limited (Motiwalla and Tompson, 2009 and Parvatiyar and Sheth, 2001).

The value a CRM implementation brings to an organization is to identify and differentiate customers to generate offers and fulfil customers’ requirements. Sales force, as the most important direct interface and communication channel with customer can be restricted when they have no access to customer information or any knowledge in relation to their jobs due to the lack of CRM strategy. That is why the front-line force carry out interactions individually or in teams. Although, all sales force can operate independently, they still need to share information about customers’ needs and expectations with companies. Without a quick and constant flow of information, the lines of communication will be slow, the decision-making process will be more complex and the performance delivered will be reduced by inefficient information activity. Otherwise, companies might have difficulties making a quick and correct decision in resolving customer problems and issues (Albaum, 1964, Battor and Battor, 2010 and Parvatiyar and Sheth, 2001).

CRM is meant to support a company’s strategy to build an effective customer relationship. To achieve a successful CRM implementation, an appropriate mix of people, business processes and information technology is needed. Although, companies recognize the importance of each element, the integration of all of them in order to improve CRM implementation might not be enough. There is another issue that has an impact on CRM implementation. The back-office employees consider the front-line
force to be fully in charge of CRM implementation. The lack of communication between the front-line and the back-office will cause problems of information flow. Without support from each other, all activities are futile and will not make any sense (Knox et al., 2003 and Mandic, 2011).

Mandic (2011) stresses that companies need to involve all departments in order to efficiently direct all business processes towards customers, and achieve to satisfy the customer’s needs and wishes. Each organization has its own structure that deals with daily business, and each organization has different policies and regulations, which shape the organizational culture and offer the working instruction to all employees. With an unsuitable organization structure and company culture, the performance of CRM implementation will decrease (Knox et al., 2003 and Mandic, 2011).

Face-to-face interaction brings required information into an organization. This information will provide a foundation for decision-making. The information will be passed among various members of companies with different organizational roles (Brown, 1966). It is not easy to turn the wheel in the direction of a positive customer relationship that all companies wish and expect, especially in a complex and an international organization.

For companies, how to think is more important than what to do when it comes to managing relationships with their customers. A customer-focused attitude needs to be installed in all parts of an organization in order to make them more prepared, more proactive, and more attractive (Grönroos, 2007). In other words, companies need to find out the critical factors of managing customer relationships from their own perspective first. After this, companies need to see the impact critical factors have on their CRM implementation.

1.3. Purpose

The purpose of this thesis is to identify critical factors of CRM implementation and to gain a deeper understanding of how companies deal with those critical factors.
2. Theoretical framework

In this section existing literature by different authors is analyzed, which are relevant to the purpose. At first the insight of CRM is given to create a base of a common understanding of the notion. Afterwards the section is divided into four parts, which are the following CRM process and CRM system, interaction of sales force, information / communication flow and organizational structure / culture. In addition, a theory framework discussion will lead to the research question of this thesis. After this a summary will highlight the structure of this chapter (figure 1).

![Theoretical framework overview](image)

2.1. Customer Relationship Management

CRM is a broad topic, for that reason the definitions among authors differ. CRM plays a role that integrates corporate strategy, business methodology, and technology to achieve an immense number of goals for companies, which want their operation to be customer-driven (Motiwalla and Thompson, 2009). CRM has also provide a position to customers and to the company itself, which combines sales, marketing and customer service to create and add value to the company and its customers (Su, 2010). Both of these definitions suggest that CRM is integrated within companies and brings value to it as well as for their customers. CRM is claimed to be a technology management tool to gain customer knowledge and maintain and increase lucrative relationships, which gives companies a better understanding of their customers and how to create more value for them (Raman et al., 2006). Based on the understanding of what CRM is, it reflects that CRM put the focus on customers and their satisfaction therefore all company’s activities are customer-driven (Mandic, 2011 and Motiwalla and Thompson, 2009).

Furthermore, the centrepiece of CRM is the companies’ capability to collect customer data, in order to design and implement customer-focused strategies that enhance the breath, depth and length of their relationship with companies (Kumar et al., 2011).
The aim of CRM has been explained by researchers is to get to know customers as well as possible. It can help companies to deliver better, more appropriate and higher added value to customers. In addition, companies need to be able to create a win-win situation, which means that companies add value to customers and in return they will be loyal (Mandic, 2011).

More comment about the aim of CRM is to identify potential customers, to establish the profile of customers, to keep information of customers, to develop a partnership with customers, to know the business and the life of customers, to improve the communication with customers, to offer the right products to customers in order to help with the decision-making process. This proposes that CRM is an important tool in order to get to know customers, to store information concerning them, and to deliver value to them (Valentim et al., 2011).

2.2. Critical factors of CRM implementation

CRM is one of the basic and most crucial elements of the marketing philosophy (Mandic, 2011). From the perspective of a business strategy, CRM is to gain a long-term competitive advantage by delivering value and satisfaction to customers and extracting business value from the exchange. To accomplish the exchange and also build up a good relationship, there are various factors, which need to be considered. In the following parts four critical factors of CRM implementation are described for this research, and a research questions is conducted afterwards.

2.2.1. CRM process and CRM system

CRM process

Companies need to understand that CRM implementation need to be customer driven more than technology driven. Therefore CRM implementation should involve people, processes, and systems (Motiwalla and Thompson, 2009).

Implementation of CRM is troubled with risk and high failure rates. Research has shown a result that 55%-77% of CRM implementation is failures, and that more than 50% of the companies investing in CRM consider it as a disappointment (Mandic, 2011 and Shanks et al., 2009). Companies are sceptical to realize the financial performance gains from CRM strategies, with an implementation success rate as low as 20% explains that “these failures reflect that CRM is too often implemented with a focus on a software
package without an in-depth understanding of the issues of integrating culture, process, people and technology within and across organizational context” (Ahearne et al., 2010, p. 153).

As mentioned before CRM is a broad topic, therefore authors have different definitions, these apply also to the implementation of CRM. According to Segal (2009) there are seven steps when considering CRM implementation.

1. Business objectives - Need to be clear and measureable.

2. Impact on the process - Companies need to analyse the customer process. How they handle customer contact information. How they prepare for customer meetings. How they communicate with their customers. This can help companies to identify areas, which need to be adjusted, changed or kept once the CRM is implemented.

3. Anticipated gains - Identify expectations from the CRM.

4. Critical functions - Define what the CRM needs to accomplish in order to reach the business objectives.

5. Incentives and measurements - Companies need to be aware of the fact that employees need to be motivated. Employees need to understand how the CRM will benefit the company and themselves in the long run.

6. Improving business process - Identify people who will evaluate the CRM and any increases (or decreases) companies will receive by using CRM on a daily basis.

7. Which CRM - Evaluate various CRM options, which are out on the market.

Companies considering these steps will ultimately be better equipped to choose and use a CRM that will bring value to the company (Segal, 2009).

The following points defined by Jobber and Lancaster (2009) need to be considered during the implementation process.

- The organization should be customer driven and the CRM system should be organised around customers.

- Sharing customer information across different departments in order that all customer-facing employees can access information from a common database.
- Handle cultural change issues, which could arise out of system development and implementation.
- Involving users in the CRM design process.
- System design should be easy to change in order to meet future requirements.
- Holistic view of the CRM project.
- Positive feedback on the project programmes.
- Face-to-face contact between IT employees and marketing employees.
- Make a pilot-phase to test the new system before it will be launched.

The research has shown that the points mentioned above are connected with a successful implementation (Jobber and Lancaster, 2009). After the CRM is implemented companies may experience benefits. A CRM benefit framework made by Shanks et al., (2009) is divided in operational, tactical and strategic level of management (table 1), which is described below.

<table>
<thead>
<tr>
<th>Benefits for Operational Level of Management</th>
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<tr>
<td>1. Improved customer data management</td>
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<td>2. Improved process management</td>
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<td>3. Improved customer service</td>
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<td>4. Empowerment of staff</td>
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<td>5. Improved productivity</td>
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<td>6. Enables real-time- responsiveness to trends</td>
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<tr>
<th>Benefits for Tactical Level of Management</th>
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<tr>
<td>7. Facilitates market segmentation</td>
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<td>8. Facilitates key account management</td>
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<tr>
<td>9. Improved channel management</td>
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<tr>
<td>10. Improved analysis, reporting and forecasting</td>
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<table>
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<tr>
<th>Benefits for Strategic Level of Management</th>
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<tr>
<td>11. Improved customer satisfaction</td>
</tr>
<tr>
<td>12. Improved business performance</td>
</tr>
<tr>
<td>13. Improved value-added partnerships</td>
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<td>14. Improved innovative use of CRM systems</td>
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Table 1: CRM benefits framework

Source: Shanks et al., (2009, p. 268)
Benefits for the operational level of management

These benefits are relevant for the day-to-day actions of companies. Some of these benefits can activate related benefits at the same level or higher level of management. The six different benefits are described below.

1. To make the CRM valuable it requires a high quality of customer data. In order to manage customer data, companies need a holistic view of the customer. It is important for companies to have high quality information of their customers because the framework is connected to each other and depending on the data.

2. Companies should pay attention as much on process management as they do on customer data management. Because this fact could be one key reason why CRM might fail. Additionally, related business processes need to be designed and managed to ensure that information technology and business process are linked together.

3. Companies need to provide a consistent and personalized customer service by bringing people, technology and processes together. If the customer service satisfies the customers’ needs business will be repeated.

4. Sales force should have more access to customer data in order to satisfy their customers. The involvement of employee’s goals is a crucial key of the CRM implementation, and the empowerment of employees will be beneficial.

5. The biggest gain has been seen in the area of productivity improvements and not in the increase of revenues.

6. For customers it is important to get information in real time, for example about their order. With CRM a company can offer this service and therefore will satisfy customers’ needs.

Benefits for the tactical level of management

These benefits are relevant for the middle level of management, which are responsible for medium term planning and the development of tactical strategies.

1. With the help of CRM companies can address their customers with special products, which are suitable for them. Markets can be divided into segments on
2. Companies are able to manage their key account customers with a well-implemented CRM. Companies need to figure out which customers are profitable and which are not. Customers who provide a higher portion of returns, which means that this customer is a key account.

3. By ensuring that the most efficient channel is used for specific products and customers, companies increase profitability because CRM optimizes to manage the channels.

4. Companies using CRM can create more accurate forecasts using high quality and can improve analysis, by integrating customer data. This helps in order to make faster decisions.

- Benefits for the strategic level of management

These benefits are relevant for the top management level, which are responsible for the long-term vision and goals of companies.

1. Companies can increase the satisfaction of customers by providing more value to them. Most of the operational and tactical benefits have a positive impact on the value creation to customers.

2. Companies can improve their business performance with help of CRM in the fields of reducing customer losses and increase customer retention, profits and profitability. Additionally it can help to maintain / increase competitive edge by promoting a favourable image among their customers.

3. The sharing of information through different departments increase and the working interactions will be improved. Also, companies can increase the value to their dealers by implementing them into their CRM system.

4. The use of customer data from the CRM in other areas of the company is normally in the areas marketing, sales and customer service. Recently, companies start using their knowledge about their customers also in the areas of product innovation.
Shanks et al., (2009) conclude that with a CRM is well implemented the benefits mentioned above will bring additional value to the whole company.

CRM core cycle

Figure (2) shows the CRM core cycle of activities, which can drive all CRM initiatives. This cycle includes the following elements, (1) acquire and retaining customers, (2) understanding and differentiating customers, and (3) development and customisation of products and services, and (4) interaction and delivery of increased value to customers in order to meet customers’ needs. All the stages of this CRM core cycle are interdependent and continuous (Su et al., 2010). They indicate that CRM involves a set of business processes and policies, as well activities of cross-functional processes, continuous dialogue with customers, and increasing customers’ retention.

Negative outcome of CRM process

As mentioned above CRM implementation has a high failure rate and more than half of the organizations investing in CRM see it as a disappointment. Therefore the reasons for failure and unsatisfactory are listed below (Kale, 2004).

- Viewing CRM as a technology tool.
- Lack of customer centric view.
Lack of customer lifetime value appreciation.

Lack from top management support.

Misjudge the importance of change management.

Failing to re-create the business processes.

Misjudge the difficulties involved in data mining / integration.

Croteau and Li (2003) and Kros et al. (2004) agree to two points of this list; the lacking support from the top management and the lack of customer centric view have a major impact on the CRM failure or success. From another researchers perspective the key reason for CRM projects to fail is the lack of strategic planning previous to the implementation of CRM (Foss et al. 2008).

**CRM system**

A CRM system should have four technological components (Maleki et al., 2008), which are stated below.

- A data warehouse with customer, contract, transaction information.
- A function to analyse the database and identify customer behaviour.
- A tool for allowing the marketing division to define communication and be able to create automatic repetition of these communications.
- Be able to keep the communication channels in order to deliver messages.

The implementation of a CRM system will affect the whole company and will make changes in process, technology and people. With a CRM system information concerning customers can be collected, this data is not only important for current customers but also for future potential customers. By analysing customer behaviour through those customer data, companies will have a higher possibility to win potential customers (Maleki et al., 2008).

Another essential point of a CRM system is that the sales force is able to check customer related information before attending a meeting or making a sales call. With this possibility of accessing customer data the sales force can offer more value to their customers (Foss et al., 2008).
2.2.2. Interaction of sales force

The greater attraction between the buyer and the seller, the more successfully transaction will be completed (Henthorne et al., 1992). CRM implementation is not simply as just copy the steps and the noted points theoretically. Practically, CRM activities are ought to be performed by all the people who are involved in CRM. Upstream of CRM, it is about the interaction between buyer and seller. If the communication between two parties is not good as expected, then the negative consequences will arrive. Therefore, defining the importance and the critical questions are necessary to identify the critical factors of CRM implementation in terms of interaction from the company’s perspective. Once the objectives of interaction are reached, companies will be treated as partners instead of just a supplier in the later stage with a good starting point.

The following parts present the importance of interaction, critical questions, the relations between communication and interaction and the extension of interaction, which shows a deeper insight why interaction has been treated as one of the hinge of CRM implementation.

The importance of interaction

Direct sales interactions have the highest rate (60%) on how customer information is gathered and compared with other tools as shown in Table (2) (Dyche, 2001). The interaction is similar with the terms of co-operate, co-act, engage and commune, which is applied in reciprocal action as a relational concept. It also needs to be manipulated between the person and some purposive activities. Thus, a shared meaning and learned value will be produced instead of misunderstanding, discomfort, and conflict (Varey, 2008).
The sales force plays a significant role in interaction with the company’s customers. Both Kransnikov et al., (2009) and Varey (2008) enhance that sales force facilitate efficient information flow between a company and its customers through reciprocal communications and by enabling the routing of information, which provide usability for other employees that needed in other departments, such as sales, marketing, and service. In other words, customer knowledge will be transformed into an organization by sales force and in support of improving the quality of decision-making (Krasnikov et al., 2009).

A positive interaction is a good starting point, which leads to companies’ performance toward the right direction, reduce the gap between customer expectation and value delivery, and also create a well-behaved loop between companies and customers. Therefore, CRM can be well implemented in attracting, keeping and retaining customers through interactions (Grönroos, 2007).

Between different interactional parties, there are different approaches to be applied with different types of customers and in different environment. To utilize those approaches and reach the objectives of interactions, companies need to be aware of those varieties and explore the right approaches with higher commitment but less dissolution (Miles et al., 1990).

**The critical questions of interaction**

To obtain an expected interaction, there are a few questions that need to be addressed:

<table>
<thead>
<tr>
<th>Interaction Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct sales interactions</td>
<td>60%</td>
</tr>
<tr>
<td>E-mail</td>
<td>50%</td>
</tr>
<tr>
<td>Call centre interactions</td>
<td>43%</td>
</tr>
<tr>
<td>Web site visits</td>
<td>40%</td>
</tr>
<tr>
<td>Surveys</td>
<td>28%</td>
</tr>
<tr>
<td>Focus groups</td>
<td>28%</td>
</tr>
<tr>
<td>Events/trade shows</td>
<td>27%</td>
</tr>
</tbody>
</table>

Table 2: How customer information is gathered
Source: Dyche (2001, p. 122)
Questions 1: Are you trustworthy?

A positive relationship between customers and their suppliers should be based on mutual dependency and trust, and in a place where both parties are committed to cooperate along with a constant and series of buying – selling transactions (Ploetner and Ehret, 2005). The primary importance of an interaction is how a buyer will perceive in the level of trust, which is judged by him/her, and therefore the sales messages will be able to be accepted with higher credibility (Henthorne et al., 1992).

One definition of trust is defined by Hawes et al., (1989) being “a reliance upon information received from another person about uncertain environmental states and their accompanying outcomes in a risky situation” (p. 1). This perspective reflects a critical effect where trust is needed during personal communication. It also points out that trust is very much a concept of perception in relation to the degree of the risk and uncertainty that are perceived by buyers. They moreover explain that between seller and buyer they need to trust each other in order to establish an effective exchange, and enhance that retain the trust of potential and current customers will become a key of a successful exchange.

From other perspective, trust has been defined as the “willingness of a party to be vulnerable to the actions of another party, based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party” (Sarker et al., 2011, p. 282). This perspective explains that trust is built up on the base of the assumption that others will behave as expected. Furthermore, they indicate that trust can be seen in relationships between two or more people for ensuring a successful collaboration. From the different definitions, and as well in sight of Hawes et al., (1989), trust has been treated as a reciprocal relationship, and from companies perspective they need be able to understand their customers, and act in ways that facilitate gaining trust.

Trust as the binding force of most productive buyer/seller relationships can provide more opportunities and higher possibility for accomplishing business exchanges (Hawes et al., 1989). To achieve this positive outcome of an interaction, there are four considerations that need to be taken into account by sales force, which include: “1) attribution base on verbal accounts of motives; 2) first impressions and reliability of the person to be granted trust; 3) self-disclosure; and 4) feedbacks received from others”
As result of managing these considerations, a long-term customer relationship can be established and the sales force can be perceived as trustworthy.

As mention above, the trust is about the relationship that built on personal interaction between seller and buyer. By building up the trust, the distance between buyer and seller can be reduced, and buyer’s commitment to seller can be gained. The seller therefore can reduce the buyer’s intention to seek more availability of alternative choices. The company makes themselves to a preferable supplier, that “a buyer’s trust in a sales force is the buyer’s belief that his or her needs will be fulfilled by the actions undertaken by the salesperson” (Friend et al., 2011, p. 385). This determines that trust has been threatened as a central role in conducting a long-term relationship with customers (Friend et al., 2011) and it is impossible to collaborate with customers without trust (Ploetner and Ehret, 2005).

Questions 2: Does your company have the ability and capacity to offer customized solutions?

If the company can approve their ability in offering customized solutions, then the company has a good beginning in “...gaining and holding the customers’ attention and interest in the item for sales” (Henthorne et al., 1992, p. 62).

As stated in the previous parts, understanding customer’s requirements is enhanced as the base of implementing CRM. A better understanding can assist the selling company in designing approaches, which present the competence of making customized solutions to achieve customer’s expectation. Varey (2008) especially indicate that the company needs to avoid a situation where treating the wrong problems with the wrong solutions due to the wrong understanding. Tadepalli (1992) and Friend et al., (2011) expatiate that the customer’s satisfaction will be reached in a place where the company can help their customers in making right purchase decisions by offering tailor-made solutions.

Questions 3: Does your company response quickly enough?

Research shows that any kinds of interaction that take place between the buyer and seller should be executed effectively, efficiently, and as well as ought to win a positive outcome, which is satisfaction (Sekhon and Kennington, 2001).
To keep the customer coming back, the company needs to show the capability of prompt responsiveness. Waiting will cause negative influences, which might result in the customer's decision-making process. As Miles et al., (1990) indicate that the level of feedback has become the pivotal factor in the interaction, which also directly bring the effect on the task achievement. In accordance with Dominguez and Zinn (1994) through a quick response, the company can prove that they can establish a good communication and show the willingness of establishing an upstanding relationship.

The relation between communication and interaction

Interaction is held between buyer and seller, and it is a term of processes, which take ideas as objects and in touch with produce, maintain, repair and transform information with words, language, messages and actions. It is a promise about what the company could offer in the future (Grönroos, 2007).

Communication is a significant variable in the relationship management, and how deeper the relational communication can be established on interaction between buyer and seller, how successful selling performance will be reached (Miles et al., 1990).

There are two communication variables decide how much outcome will be delivered. The first one is communication content, which refers to the gap between the seller’s and buyer’s expectations (Miles et al., 1990). The reason why there is a gap is due to inaccurate information from market research and inaccurately interpreted information about expectations. Therefore, companies need to set up actions to improve information channels, develop their observation of marketing research, and also show the commitment of promises (Grönroos, 2007). The second variable is communication style, which includes task oriented style, interaction oriented style and self-oriented style.

- Task oriented style – it is related to “…a high level of goal directed behaviour by the communicator” (Miles et al., 1990, p. 23). It has the intention to “minimize time, cost and effort in achieving desired outcomes” (Miles et al., 1990, p. 223). Task oriented communication is less interested in establishing a relationship but more in objectives fulfilment.

- Interaction oriented style – in comparison with task oriented communication, interaction oriented communication is more in building social and interpersonal relationship, but not goal directed (Miles et al., 1990).
Self-oriented style – Williams and Spiro (1985) note that self-oriented communication is more concerned on the sales force owns welfare and also less interest on building relationship as task oriented communication style, but either on reaching the company's objectives.

The communication is a dynamic interactive process, and it will be adapted in different situations, and the different stage of the relationship (Miles et al., 1990). Grönroos (2007) presents a communication cycle, which could explain simply how the communication will work (figure 3).

There are four stages included in the communication cycle, which are expectation/purchase, interactions, experiences and word of mouth/references (Grönroos, 2007).

- **Expectation/purchase** – a customer will create expectation based on his/her own experience in order to make the purchase decisions.

- **Interactions** – after the purchase decision is made the customer will perceive the technical and functional quality of the product or service.

- **Experiences** – follow with purchase decision and the product or service delivered, the experiences are built up. The experiences gathered in this stage will decide either negative or positive word of mouth the company will get.
- Word of mouth/references – if the experiences are positive, customers expectations will be developed favourably, and customers will continue to place purchase orders, also new potential customer get interested through the positive reflection. On the other hand, of course, negative word of mouth has the opposite effect.

From above, it can be concluded, that “communication is a mode of interaction, rather than the means for (individual) action. Communication isn’t for interaction, it is interaction” (Varey, 2008, p. 81).

**The extension of interaction**

It is not enough to only put effort in establishing an ordinary customer relationship. There are more activities, which need to be carried out in order to have a long-term relationship. The ordinary relationship works as vertical line, which creates limitation for companies to be more proactive, because companies have to make actions after their customers move forward. Through a well-executed interaction companies can upgrade vertical customer relationship to a higher level, which is partnership. Both companies and their customers move together on the same pace (Ploetner and Ehret, 2005).

As suppliers, companies need to realize the need to be more productive between themselves and their customers. To ensure customer’s satisfaction and remain a long-term relationship, companies need to know what customers want and also show the capability of analysis and reporting in terms of facilitating customers’ business processes as a business partner (Ploertner and Ehret, 2005, and Dyche, 2001).

**2.2.3. Information / communication flow**

Following the step of interaction, the continued action is how sales force transfers information into a company. As mentioned in the earlier part, CRM is all about collaboration and cooperation, and should be implemented strategically. After the information is gathered from the customer by sales force, companies need to share and analysis this information. By establishing proper communication channels/flow for sharing information with customers, companies can enhance their relationship with them. Companies firstly need to become more information intensive when facing a more competitive world due to higher customer demands, and all levels of an organization need to increase resource in order to handle the flow of information (Ben-Arieh and Pollatscheck, 2002). The function of a well-established information flow will facilitate the decision-making for purposes of planning and development, control and problem
solving for an organization. With proper information activities, companies can reduce uncertainty, and increase the number of known alternative courses of action relating to any decisions (Albaum, 1964 and Albaum, 1967).

In the attempts to make the concepts about how information-flow influences CRM more scientific, more explanations about the types of information, the relation between information and decision-making and the problems of information flow are presented.

**Types of information**

Information can be stored in multiple styles as an essential component of all markets and transactions activities (Petersen, 2004). In this paragraph, two types of information are present, which contain external vs. internal information and hard vs. soft information. By explaining the different types of information, the importance of information is relation to CRM is enhanced.

Information can be classified into external or internal based on the marketing forces. Such information, for example, customers, suppliers and competitors would be *external* information. Oppositely, production, advertising and cost structure would be internal information. In other words, the information, which is provided from external resources or located outside of an organization, is considered as external information. Contrariwise, the information, which is obtained from resources that is inside of an organization, includes departments or individuals, can be treated as internal information (Albaum, 1964 and Albaum, 1967).

According to Simard and Rice (2006) from the problem solving perspective, information can be divided into eight continuums (table 3):
<table>
<thead>
<tr>
<th>Quantitative Continuum</th>
<th>Quantitative information</th>
<th>Qualitative information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Continuum</td>
<td>Hard information</td>
<td>Soft information</td>
</tr>
<tr>
<td>Temporal Continuum</td>
<td>Historical information</td>
<td>Future-oriented information</td>
</tr>
<tr>
<td>Solution Continuum</td>
<td>Single solution</td>
<td>Multiple options</td>
</tr>
<tr>
<td>Focus Continuum</td>
<td>Factual information on well-defined problems</td>
<td>Diffuse, equivocal information</td>
</tr>
<tr>
<td>Specificity of use continuum</td>
<td>Applied or substantive information</td>
<td>Theoretical information</td>
</tr>
<tr>
<td>Aggregation Continuum</td>
<td>Clinical information</td>
<td>Aggregated information</td>
</tr>
<tr>
<td>Description Continuum</td>
<td>Causal information</td>
<td>Diagnostic information</td>
</tr>
</tbody>
</table>

Table 3: Continuums of information

Source: Adapted from Simard and Rice (2006, p. 86)

For this research, hard and soft information are elevated further.

Hard information is more numerical, standardized, gathered in an impersonal way, and it is valued the same way by different users. During the interaction between the buyer and the seller, the sender (buyer) might send out messages by verbal or/and non-verbal reaction, the receiver (seller) will try to identify the points behind those messages. The hard information will have the function that enables any receiver to identify the points with certainty (Kiritz, 1997, Petersen, 2004 and Goetzmann et al., 2004).

In contrast, soft information is defined as non-numeric data and usually gathered in informal communications, including feelings, perceptions, opinions and values. Soft information is often used for a decision-making process as the key to project success or failure, and also can be considered as the “data for which human cognition is required to convert it into decision relevant information” (Goetzmann et al., 2004, p. 2). It reflects “opinions, ideas, rumours, economic projections, statement of management’s future plans, and market commentary” (Petersen, 2004, p. 6). Upon that, people will recall the collected information when they need to make decisions, for example, experiences, and only at that moment the meaning of why the soft information gathered is useful.
Before the time when the information will be used for, or which parts of the information are relevant or useful, it is difficult to code and extract for future use.

It does not matter the existence of information, what matters is how it is used. Companies need to find a proper way to manage both hard and soft information, which lead them to exceed a higher level of, knowledge management. Refer to Hlupic et al., (2002) and Grönroos (2007), knowledge can be the information that is easy to understand and tangible, and also the information is difficult to document or categorize and intangible. Companies need to learn how to manage tangible and intangible information in order to design dynamics operational processes and make effective use of their human resources. As a consequence, customer expectations will be exceeded with higher possibility by providing the right information, to the right people at the right time (Hlupic et al., 2002).

The relation between information and decision-making

The information can be classified into different categories depending on the level of decision-making for the decision-maker. According to Brown (1966), there are three levels and kinds of information, which consist of strategic information, managerial information and technical information.

- Strategic information – it refers to “such knowledge as environmental trends concerning political, economic and social factors, and the impact of the organization on its environment” (Brown, 1966, p. 325). Strategic information are used in response to corporate business imitative, and intend to help the organization to gain competitive advantage, for example, deliver a product or service with a lower cost, or focuses on a particular market segment, and be innovative. Strategic information needs to support operations to be more efficient, controlled and effective. The management will be able to keep the business running smoothly by sufficient dependable strategic information provided, and also be able to do the analysis in order to plan new directions. The strategic information has become a part of decision-making, and will have the functionality of increasing profitability (Porter, 1998). By this token, Brown (1966) and Wong et al., (2011) conclude that the strategic information is related to the institutional level for strategic planning, which is needed to solve broad problems in order to achieve company’s objectives.
Managerial information – “managerial information is typically used to focus on an evaluation of the organization’s activities, assessing the effectiveness of the institutions’ past performance, and programs against other similar – possibly competing – organizations” (Brown 1966, p.325). The managerial information can be the information, which is in relation to process efficiency, improvements, customer satisfaction, and quality messages to the organization’s customers (Simard and Rice, 2006).

In an organization, there are different levels of managers, which operate in different information environments. They have different backgrounds, organization, hierarchical positions, which play in different managerial roles. Therefore, they need to access all possibilities about resources and courses of actions in order to make right decisions and that could be provided by the managerial information (Brown, 1993, March, 1994, Feldaman & March, 1981, Simard and Rice, 2006). Therefore, Brown (1966) emphasizes that the managerial information is linked to the managerial decision-making level, which mainly is “…gathering, coordinating, and allocating of resources for the organization, planning budgets, formulating personnel practices, and deciding on routine capital expenditures” (p. 322). The managerial information can support the managers maximize the functionality as “leader” in the organization, who should be able to ensure the performance of the employees, the tasks fulfilments results with specified criteria. As a consequence, the positive outcome will be delivered to their customers (Simard and Rice, 2006).

Technical information – also called as “operational information”, which is “primarily obtained for use with organizational control functions, and consequently it becomes the critical feedback needed for small closed-loop sub-system within the total organization” (Brown, 1966, p. 325). The technical information works as a tool to help employees to adopt to the changing condition, achieve greater efficiency and avoid making mistakes, and as well as for the sales force to reach better customer interactions, catch new business opportunities, execute the right decisions and deliver as the customers expected.

In line with strategic and managerial information, Brown (1966) summarizes that the technical information works as reinforcement in an organization that makes the technical level decisions, which involves operational control, production planning, inventory management and employees working efficiency measurement.
The problems of information-flow

A freely moved information flow can help companies take advantage of how the information flows across within an organization. A very common problem is that some information never reaches decision makers who could put it to good use, either too late or in a form that cannot be used practically. This problem is in a situation that communications between different divisions or operating systems is lacking, and the information is un-integrated.

When the information lacking occurs in an organization, the negative influence will arrive on determining, implementing and controlling what the decision makers need in order to accomplish their major tasks. Un-integrated information situation will cause employees to spend more time and energy to find out what they need and where they can get it. In this case, the company cannot fully achieve the goals due to the time issue and the shortage of information sources (Albaum, 1964 and Albaum, 1967).

On the other side, there is a situation that receives too much information, which is so called information overload (Albaum, 1967 and Ben-arieh and Pollatscheck, 2002). Petersen (2004) points out that information overload can be prevented once the company knows how information need to be concentrated down to what is important. Simply to say, it is important to know the difference between trash and treasure. Information overload can occur in a place where employees receive more than they need or want, and this will prevent employees do their jobs properly and efficiently. Overload information will affect the decision-making process in certain ways. First, employees will not be able to locate what they need, as a result of this they also have to spend more time and energy to overlook and sort out what they need, in order to avoid missing any criteria that need to be considered. Second, working stress will come along with information overload due to the extra time and energy employees need to spend. Both of the two working conditions will lead to the inefficient of decision-making time, and cause a poor performance (Farhoomand and Drury, 2002). To overcome those two situations companies need to extract information and knowledge from users mind and pay more attention to the transmitting process of information and knowledge. Moreover, the distortion or bias needs to be reduced during the information transmission, the time involved from the sender to receiver also need to be reduced as necessarily. Internal integration needs to be continually improved and maintained, combine with the training
in handling information and a formal search procedure, the information flow will be more direct and effective (Albaum, 1964 and Albaum, 1967).

2.2.4. Organization structure / culture

Interactions need to be executed in an attractive way in the beginning of CRM process as explained in the earlier chapter. Following with the interaction, information / communication flow as the middle stage of CRM implementation need to be transformed and shared in order to make a right decision in a right time with a right person. Combined with people and information these two elements of CRM implementation, more related aspects about organizational structure and culture are presented in the following part, which leads the research to find out how the organizational structure influences the decision-making process and why, as well as how the company culture trends effect the attitude of their employees.

Organizational structure

An organization is an economy system and has an adaptive social structure at the same time. The structure of an organization is important to define the decision-making process and to see how the information flows through the company (Gowthrope, 2008).

Hierarchy organization – top down

A top-down structure decides actions down to the smallest business unit. This strategy has three main disadvantages, first if strategic changes are supposed to be imposed from the highest level of the organization, it can be difficult for minor levels to accept them, which is correct regardless of the type of change involved. Second this structure does not contain the perspective of sales force. This removes valuable input and feedback of the sales force that manage customer relationships. Thirdly, companies demand their sales force to visit customers more often and companies provide rules how the sales force should handle their customers. This hinders the ability to control their individual skills and abilities. On the other hand, the advantage of the top-down structure is that the decision-making process is faster due to quick information-flow between different departments (Ahearne et al., 2010).

Matrix organization – bottom-up

A matrix organization is a complex style of a company’s structure. This style is easy to understand but difficult to manage. This structure involves people and roles of an
organization, not only the reporting relationship is important as seen in a functional organisation but also the horizontal relationship plays an important role. Reporting relationship means that the information flows from middle management level to top management level. On the other hand horizontal relationship means that top management share information with each other (Atkinson, 2003).

There is an explanation that says matrix organization raises capacity for information handling and decision-making within companies by establishing formal, lateral channels of communications that complement and supplement existing hierarchical channels. Additionally, the matrix structure provides chances for advanced work in interaction with a big amount of colleagues (Joyce, 1986). The disadvantages are that the communication takes longer time and companies are not able to make quick decisions (Peters, 1979). Furthermore, the top management spend more time in meetings and communicating with other managers. If the matrix structure should work in companies, they need to create a culture that supports this structure. Matrix organization can work if teams are overlapping at a high degree, but this also requires a high degree of trust (Atkinson, 2003).

**Organizational Culture**

Organizational culture is “…a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way you perceive, think, and feel in relation to those problems” (Scheffknecht, 2011, p. 76). There are five dimensions which, are used to measure an organization culture that include power distance, uncertainty avoidance, collectivism, time orientation and gender orientation, which are different from culture to culture (Scheffknecht, 2011).

Organizational culture plays an important role during the implementation process of CRM. Companies need to analyse how their company culture reacts to changes and how easily they adapt.

Companies that are operating in several countries around the world have a universal company culture. This culture is where all employees have similar views and beliefs that guide their behaviours. These views and beliefs should be used when communicating with customers and as well when communicating with colleagues. On the other hand company culture may change over time or through specific actions. If this change is
necessary companies need to consider that the reactions will differ from countries to countries (Scheffknecht, 2011).

Culture consists in patterned ways of idea and emotion. The centrepiece of culture consists of traditions ideas and especially their attached values. It is reacting, acquired and transmitted mainly by signs, constituting the distinctive achievements of human groups, including their personifications in work of art (Jennex, 2007).

As a part of a companies’ culture, motivation should not be forgotten during the process of implementing CRM. Employees play an important part if the CRM will become a success or a failure (Mandic, 2011).

There are six strategies, which are described by Healthcare Financial Management (Anon., 2010) for motivating employees that are described below.

1. Communication - Do not be too busy to communicate. Take time to talk to your employees in order to be up to date.

2. Lead with optimism - Managers need to spread their optimism and vision to employees, this will motivate them to think and act in ways that will drive success.

3. Shared vision - Companies should share their vision with employees and tell them what the company want to achieve. Regularly, companies should remind their employees about their vision and discuss the steps the company need to make in order to fulfil their goals.

4. Develop relationships - Manager should put the relationship with employees on priority number one because this will lead to a winning team.

5. Purpose driven goals - Employees are more motivated if they see a goal in the end.

6. Nourish the team - Employees who feel cared for and honoured are likely to be more concentrated in their work and will try their best to perform.

Motivation is considered as an important factor in companies to maintain good working outcome. Moral as a key factor in motivation can create a foundation for increasing the productivity and by offering training opportunities employees can be able to make correct decisions (Weiss, 2011).
Humans are motivated by internal goals, like personal goals, and they are motivated to perform a task without reward for the performance, except the activity itself and the feeling of satisfaction, which is derived from doing the activity, which is so called intrinsic motivation (Broedling, 1977 and Lilienfeld et al., 2009). In contrast, there is an extrinsic motivation, which means that humans are motivated by external goals, for example money. Employees are motivated extrinsically to perform a task if he/she does it mainly for external reward. Additionally, intrinsic motivation is the main source of satisfaction and motivation, while extrinsic motivation is the main source of dissatisfaction (Broedling, 1977).

To sum up, companies will gain more benefits from a motivated employee than from an unmotivated one. Due to the reason, that motivated employees are willing to accept changes.

2.3. Theory framework discussion

The following theory discussion is entirely focused on the critical factors of CRM, which emerge during the implementation of CRM.

High failure rates and risks go hand in hand with the implementation (Shanks et al., 2009). A great deal of CRM implementations are failures (55%-77%), therefore more than 50% of companies consider CRM as a disappointment. These failures occur because CRM is often implemented with a focus on a software package without understanding process, system, interaction of sales force, information / communication flow, organizational structure / culture and technology within and across the organizational environment (Ahearne et al., 2010). Moreover, companies are doubtful about the financial performance gains from CRM strategies, with an implementation success rates as low as 20% (Ahearne et al., 2010). From this result a major weakness considering that collecting customer knowledge, maintaining and increasing beneficial customer relationships and adding more value to the customers (Raman et al., 2006). However, within the academic world, uncertainty is high. Various researchers have studied CRM (Ahearne et al., 2010, Mandic, 2011, Shanks et al., 2009 and Segal, 2009), but not all researchers have the same opinion about how to decrease the high failure rate and how to make CRM successful. Nevertheless, there is a mutual concept that critical factors are linked to:
- CRM process and CRM system – CRM process implementation should involve people, process and system (Motiwalla and Thompson, 2009). In addition, the CRM system implementation will have an impact on the whole organization and will create changes in process, technology and people (Maleki et al., 2008).

- Interaction of sales force - interaction with customers is an important aspect of relationship management (Miles et al., 1990 and Parvatiyar, 2001).

- Information / communication flow - to share relevant customer information through the whole organization is essential in order to make decisions, solve problems and provide customers with real-time response. A critical factor within the information flow is that some information cannot reach decision makers because of people and technological problems (Albaum, 1964, Albaum 1967, Battor and Battor, 2010 and Parvatiyar, 2001).

- Organizational structure / culture - organizations need to be able to make changes, this has to be explored in beforehand. Organizational culture is an aspect, which should be looked deeply into, because different cultures react differently to changes. From time to time, organizations need to consider people, process and technology when they are facing necessary changes (Jobber and Lancaster, 2009, Scheffknecht, 2011 and Woodcock et al., 2011).

To sum up, according to the authors mentioned above critical factors are well-established research topics, we believe these are dominating theories connected to CRM implementation. On this account we carry out an investigation in how CRM implementation is influenced by critical factors in terms of CRM process and CRM system, interaction of sales force, information / communication flow and organizational structure / culture. Additionally, the sources used above are valid as they are published in key journals for literature reviews as for example, Academy of Management Journal, International Journal of Management, Journal of Marketing Management and so on.

2.4. Summary of the theoretical framework

This section has dealt with relevant theoretical information. At first a main overview of the notion CRM is given and the critical factors of CRM implementation were separated into four parts. The first one is CRM process and CRM system, second is interaction of sales force, third is information / communication flow and fourth is organizational
structure / culture. After the four Critical factors were presented a discussion about the theory leads us to the research question of this thesis (figure 4).

2.5. Research questions

- How does CRM process and CRM system influence CRM implementation?
- How does the interaction of sales force influence CRM implementation?
- How does information / communication flow influence CRM implementation?
- How does organizational structure / culture influence CRM implementation?
3. Methodology

This section will explain the methodological issues connected with the carried out thesis. This part was separated into nine sections (figure 5), which are the following (1) research approach, (2) research design, (3) data source, (4) research strategy, (5) data collection method, (6) data collection instrument, (7) sampling, (8) data analysis method and (9) quality criteria. In the end, a summary will be made to recapture the used methods of the methodological structure.

![Methodological overview diagram]

3.1. Research approach

In this section the reasons how the study was approached will be explained. Firstly, it will be discussed if an inductive or a deductive research should be used, and secondly, it will be argued if a qualitative or a quantitative research should be applied.

3.1.1. Inductive vs. deductive research

Inductive and deductive researches represent two different research methods, from both research approaches useful and valid conclusions can be drawn. At first the notion inductive research shows the relationship between findings and theory. This means that empirical data will be observed from the researcher and afterwards the theory related will be used to draw a conclusion (Bryman and Bell, 2011). For that reason this method is a theory building approach, which starts with observing specific cases, and looks for a generalization about the phenomenon investigated (Kenneth, 2000).
On the opposite deductive research shows the relationship between theory and research. If researchers are using already existing theories, then they are using a deductive approach (Bryman and Bell, 2011). That is why this deductive research is a theory testing approach, which starts with an existing theory and looks if this theory applies to a specific case (Kenneth, 2000).

For this thesis, the deductive research approach was used. The studies were based on existing theories and models, which were applied on a specific case.

### 3.1.2. Qualitative vs. quantitative research

Researchers argued if there should be a distinction between qualitative and quantitative research. In the following table (4) the main differences are described (Bryman and Bell, 2011).

<table>
<thead>
<tr>
<th>Quantitative</th>
<th>Qualitative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numbers</td>
<td>Words</td>
</tr>
<tr>
<td>Static</td>
<td>Process</td>
</tr>
<tr>
<td>Structured</td>
<td>Unstructured</td>
</tr>
<tr>
<td>Generalization</td>
<td>Contextual understanding</td>
</tr>
<tr>
<td>Hard, reliable data</td>
<td>Rich, deep data</td>
</tr>
<tr>
<td>Behaviour</td>
<td>Meaning</td>
</tr>
</tbody>
</table>

Table 4: Common contrast between quantitative and qualitative research

Source: Adapted from Bryman and Bell (2011, p. 410)

Quantitative research can be seen as the collection and analysis of data. In a wide perspective, quantitative research deals with the collection of numerical data, its fondness of a natural approach and a view of social reality (Bryman and Bell, 2011). To conclude, the function of quantitative research is to make a generalization and to pay no attention to the particular (Kenneth, 2000).

On the other hand qualitative research puts more effort into words rather than quantification in the collection and analysis of data (Bryman and Bell, 2011). In a
qualitative research the findings are grounded in the data. In addition, qualitative studies look to identify concepts and the associations between them. This method allows researchers to study subjects in depth and explain a particular phenomenon (Kenneth, 2000).

Based on the discussion above, qualitative research was used for this thesis. The reason for this was that we wanted to gain a deeper insight and understanding of the critical factors, which were connected to CRM implementation. In addition, detailed and specific information, was essential for this research. This means that we studied a small sample size that was beneficial for us to understand the research topic.

3.2. Research Design

A research design is a logic and methodical plan designed for leading a research study. It specifies the purposes of the study, the methodology and procedures to be approved for the achievements of the goals. The research design represents the blueprint for the collection and analysis of data. Additionally, research design is a plan, structure and strategy of analyzing thoughts to get answers to research questions (Krishnaswami and Satyaprasad (2010).

Figure (6) shows different approaches of research designs, which can be used for studies. For our thesis we used a descriptive approach followed by a cross-sectional design and a multiple cross-sectional design.

![Research Design Diagram]

Figure 6: Research design

Source: Adapted from Krishnaswami and Satyaprasad (2010, p. 41)
Firstly, exploratory research studies unfamiliar problems where the researcher has little or no knowledge about. The main goal of this research is to get ideas within a certain research area. Usually it takes the shape of a pilot study. Exploratory research is a separate type of research, but it is correct to consider it as the primary stage of a three stages process of exploration, description and experimentation (Krishnaswami and Satyaprasad, 2010).

Secondly, Experimental research is planned to measure the effects of certain variables on an event by keeping the other variables steady or controlled. This research method finds out how variables are related to each other. The variable, which is influenced by other variables, is called a dependent variable and the other variables, which influence it, are known as independent variables (Krishnaswami and Satyaprasad, 2010).

Thirdly, Descriptive research is a fact-finding method with sufficient interpretation. This research is described as the simplest type of research. Descriptive research is more precise than exploratory research, as it focuses on a certain aspect or dimension of the studied problem. The main aim of this research is to get descriptive information in order to provide information for formulating more sophisticated researches. The data collection is done by for example, observation, an interviewing and mail questionnaire (Krishnaswami and Satyaprasad, 2010).

Moreover, descriptive research can lead into two forms, which are (1) longitudinal design and (2) cross-sectional design. Longitudinal research is when a sample is surveyed and when it is surveyed again on at least one further point in time. The goal of a longitudinal research is to observe if changes will occur. Second, cross-sectional design collects data on more than one case and at a specific time in order to gather an amount of quantitative or quantifiable data in association with two or more variables. These variables are then analysed to notice patterns of association (Bryman and Bell, 2011).

For this research a descriptive research design was used, since we wanted to describe a certain research problem, which are how the critical factors influence the CRM implementation. In addition, we used a cross-sectional research for our thesis, due to the fact that cross-sectional research provides data from different cases.
3.3. Data sources

The sources of data can be classified into two sections (1) primary sources and (2) secondary sources, which can be used for data collection (Krishnaswami and Satyaprasad, 2010).

Secondary data is data, which has been collected from other researchers in beforehand. It is the analysis of data by researchers who were not involved in the collection of those data, for reasons that were not foreseen by those researchers for the data collection (Bryman and Bell, 2011). Table (5), which is explained, by Bryman and Bell (2011) shows the advantages and disadvantages of using secondary data.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost and time</td>
<td>Lack of familiarity with data</td>
</tr>
<tr>
<td>Opportunity for longitudinal analysis</td>
<td>Complexity of the data</td>
</tr>
<tr>
<td>Subgroup or subset analysis</td>
<td>No control over quality</td>
</tr>
<tr>
<td>Opportunities for cross-cultural analysis</td>
<td>Absence of key variables</td>
</tr>
<tr>
<td>More time for data analysis</td>
<td></td>
</tr>
<tr>
<td>Reanalysis may offer new interpretations</td>
<td></td>
</tr>
<tr>
<td>The wider obligations of the business researcher</td>
<td></td>
</tr>
</tbody>
</table>

Table 5: Advantages / disadvantages of secondary data

Source: Adapted from Bryman and Bell (2011, p. 314)

The negative part of secondary data is that the data are collected from other researchers. Therefore the collected data will not match 100% with the research objectives. In general the collection of secondary data requires lesser resources than those involved in other methodologies. On the contrary, secondary data exists in a greater amount. The advantage of the great amount of secondary data is that researchers are able to carry out analysis with higher levels of statistical power (Rabinovich and Cheon, 2011).

On the contrary, Primary data is data, which is collected for a specific purpose. Primary data are first hand data collected with different methods like, observation, interviews,
mailing and so on, which are considered as original sources. The positive facts about this are, that researchers can collect the required data according to their research needs, and they can collect the data when they want at any time (Krishnaswami and Satyaprasad, 2010). Researchers need to make sure that the data will be relevant, accurate, current and unbiased (Armstrong et al., 2009). Malhotra (2004) explains that “Primary data … are originated by the researcher for the specific purpose of addressing the research problem” (p. 37). The negative part with primary data is that the collection of data is connected with high costs and it is time consuming (Krishnaswami and Satyaprasad, 2010 and Saunders et al., 2009).

For this thesis, the data collection was done mainly with primary sources, due to the reason that data was collected for our specific research. In addition, secondary sources, which were provided from the companies, were used.

3.4. Research strategy

Five research strategies are described by Yin (2009), which are experiment, survey, archival analysis, history and case study. In order to know which research strategy should be used, researchers need to look at three conditions:

1. The type of research question posted

2. The extent of control an investigator has over actual behavioural events

3. The degree of focus on contemporary as opposed to historical events

Table (6) illustrates these three conditions plus the relationship to the five research strategies mentioned before (Yin, 2009).
The “what” questions are either exploratory (all methods could be used) or prevalence (surveys and archival analysis could be used). The “how” and “why” questions are used for case studies and experiments or histories (Yin, 2009).

The research question of our thesis was constructed with a “how” question, which implies that all methods mentioned above could be used. Therefore we had to dismiss methods in order to find the right method to use.

In order to give the reader a better understanding, the different research strategies are explained.

- Experiment - experiment is very strong in terms of internal validity. In business and management areas experiments are unusual because of the problems of getting the basic level of control when dealing with organizational behaviour. Experiment is seen as yardsticks because it creates confidence in the toughness and trustworthiness of fundamental findings. Additionally, this research strategy needs to have two groups (1) an experimental group, which is exposed to an action and (2) a control group,
which is not exposed to an action. Both of the groups will be exposed to a random assignment (Bryman and Bell, 2011).

- **Survey** - with a survey mainly data are collected by questionnaires or by interviews on more than one case and at one point in time. Thereby, quantitative or quantifiable data is collected with connection with two or more variables, which are used to find out samples of relationship (Bryman and Bell, 2011).

- **Archival analysis** - offers a wide array of empirical materials created by researchers for their own purposes or behalf of organizations. Archival data has been used to understand the research context, rather than to inform the concepts and theories (Fischer and Parmentier, 2010).

- **History** - deals with the past, when no person is alive to describe what has happened. History is also what has happened, secondary documents, and cultural and physical artefacts’ as the main sources of proof (Yin, 2009).

- **Case study** - deals with the analysis of a single case. The notion case is sometimes extended to the study of two or more cases in order to compare them to each other. Case study is a popular used research design in business research and some of the best-known studies in business and management are based on this design (Bryman and Bell, 2011). In addition, a case study can be divided into two sections (1) single case study and (2) a multiple case study. At first the single case study investigates a single case more in depth than a multiple case study, which focus on two or more cases. A multiple case study allows the researcher to compare and contrast the results obtained from each of the cases. This supports the researcher to consider what is unique and what is similar between cases, and it also encourages theoretical reflections on the results. To sum up, multiple cross-sectional design puts the focus on individual cases to see their unique contexts (Bryman and Bell, 2011).

After the explanation of the research strategies we needed to eliminate four strategies in order to find our research method used in this thesis. Firstly, this thesis did not require behavioural events observation “experiment”, which is why experiment was eliminated. Secondly, this thesis focused on case study with current issues, for that reason history was also dismissed. Thirdly, survey method could have been used for this thesis, but because we needed to get a deeper insight of our research area, survey was rejected. Fourthly, for this thesis we wanted to have accurate and current data, therefore archival
analysis was not useful for our research. This led to our research strategy, which is “case study”.

To sum up, our research strategy of this thesis became a multiple case study. This is the most appropriate strategy to use for this thesis because the aim was to get deep and detailed information. Additionally, different cases were compared with each other in this thesis, which lead to the detection of similarities and differences between the cases. In the next section the data collection for case study will be described.

3.5. Data collection method

Data collection is about asking, watching and reviewing (Merriam, 1998). All the information that gathered should be kept in mind. There are many ways to get information, which could be observation, interviewing, mail survey, experimentation, simulation, and projective technique (Krishnaswami and Satyaprasad, 2010). Yin (2009) further states more data collection methods from the source of evidence perspective when it comes to case study. Table (7) presents all methods and also shows the strengths and weaknesses of each method.

<table>
<thead>
<tr>
<th>Source of evidence</th>
<th>Strengths</th>
<th>Weakness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documentation</td>
<td>• Stable-can be reviewed repeatedly</td>
<td>• Retrievability-can be difficult to find</td>
</tr>
<tr>
<td></td>
<td>• Unobtrusive-not created as a result of the case study</td>
<td>• Biased selectivity, if collection is incomplete</td>
</tr>
<tr>
<td></td>
<td>• Exact-contains exact names, references, and details of an event</td>
<td>• Reporting bias-reflects(unknown)</td>
</tr>
<tr>
<td></td>
<td>• Broad coverage-long span of time, many events, and many setting</td>
<td>• Access – may be deliberately withheld</td>
</tr>
<tr>
<td>Archival records</td>
<td>• [same as those for documentation]</td>
<td>• [same as those for documentation]</td>
</tr>
<tr>
<td></td>
<td>• Precise and usually quantitative</td>
<td>• Accessibility due to</td>
</tr>
<tr>
<td>Source of evidence</td>
<td>Strengths</td>
<td>Weakness</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------</td>
<td>----------</td>
</tr>
</tbody>
</table>
| Interviews        | • Targeted – focuses directly on case study topics  
• Insightful – provides perceived causal inferences and explanations  
• Bias due to poorly articulated questions  
• Response bias  
• Inaccuracies due to poor recall  
• Reflexivity – interviewee gives what interviewer wants to hear |
| Direct observations | • Reality – covers events in real time  
• Contextual – covers context of “case”  
• Time-consuming  
• Selectivity – broad coverage difficult without a team of observers  
• Reflexivity – event may proceed differently because it is being observed  
• Cost – hours needed by human observers |
| Participant observations | • [same as above for direct observations]  
• Insightful into interpersonal behaviour and motives  
• [same as above for direct observations]  
• Bias due to participant observer’s manipulation of events |
| Physical artifacts | • Insightful into cultural features  
• Insightful into technical operations  
• Selectivity  
• Availability |
Interview has been considered as the most common approach for collecting data in qualitative studies (Merriam, 1998 and Yin, 2009), which was selected for this research to obtain information about CRM implementation in different companies with different interviewees. Interview is also defined as a “conversation with a purpose” (Merriam, 1998, p. 71). The aim of interviews is to find out what is “in and on someone else’s mind” (Merriam, 1998, p. 71).

Based on the amount of structure of an interview, the types of interviews can be divided as highly structured/standardized, semi-structured, and unstructured/informal (Merriam, 1998), which is presented in the following table (8).

<table>
<thead>
<tr>
<th>Interview Structure Continuum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Structured/standardized</td>
</tr>
<tr>
<td>• Wording of questions predetermined</td>
</tr>
<tr>
<td>• Order of questions predetermined</td>
</tr>
<tr>
<td>• Oral form of a survey</td>
</tr>
</tbody>
</table>

According to Bryman and Bell (2011) and Merriam (1998), qualitative research interview tends to be less structured and the researchers are more interested in asking the respondent to share his/her point of view in unique ways. As mentioned previously, the research strategy for this thesis was a case study. The interviews need to be lead with less structured questions to ensure fluid conversations in a case study. Merriam (1998) additionally points out that “totally unstructured interviewing is rarely used as the sole means of collecting data in qualitative research” (p. 75) because it demands high skills to handle the great flexibility and high control of uncertainties. Therefore, a semi-structured interview style was applied in order to ensure fluid conversations with the questions less structure but related to the research topic and issues.
As table (8) shows, interview can focus directly on a case study topic and also provide perceived causal inferences and explanations. For this thesis, we wanted to find out how the critical factors influence CRM implementation, which requires the information about the person’s opinions and preferences of CRM implementation of their own company. Thus, interview was used as preferable data collection approach. Yin (2009) explains more about types of interviews, which includes in-depth interview, focused interview and survey interview. Compare with these three types of interviews, in-depth interview was chosen. The reason of this choice is because interviewer can ask key respondents about the facts of a matter, their opinions and they can even ask the interviewees to propose their insights into certain occurrences. Furthermore, Krishnaswami and Satyaprasad (2010) indicate that only through an in-depth interview, information can be collected about personal experiences and sensitive issues, which are the information we needed for this thesis about the companies’ implementation strategy of CRM. In contrast, the focused interview and survey interview are more towards asking certain facts that have already been established, and not ask about other broader topics, also use more structured questions, which are not suitable for our research.

Despite of all the positive factors of a depth interview, the negative points of conducting survey research by interview need to be considered, which are more expensive and time-consuming (Bryman and Bell, 2011). Yin (2009) also indicates that for a depth interview, it may need an extended period of time to gain even more deeper insights, not only a single sitting, which reflects the negative point of our research that only can be done within the certain time frame.

3.6. Data collection instrument

In chapter 3.5, we have presented the data collection method, which was depth-interview and in this mode, the process should be manipulated and carried out by less structured questions, which can fit in the conversational flow (Malhotra, 2004, Yin, 2009).

The interview is nothing more than a list of questions that the interviewer asks in an interview. It is not enough to only make a question list, but also more important to ask good questions in order to get good data from interviewing (Merriam, 1998).

A question frame in combination with instructed interview steps helped us to precede all the interviews, in addition, new questions were asked during the interviews in order to
follow the interviewees’ replies. The questions were designed as open-ended formulation, which induced deeper, richer, and more detail qualitative answers.

3.6.1. Operationalisation and measurement of variables

The notion operationalisation is mainly connected with a version of physics that put focus on the research for operational definitions of concepts (Bryman and Bell, 2011). Concepts are categories for the structure of ideas and observations and can be divided into two parts (1) concrete concepts and (2) abstract concepts. At first, concrete concepts are objects, which can be seen, touched and felt, for example a book, a table, or a building. Second, abstract concepts are properties of characteristics of objects such as, weight, height, or intelligence. These concepts are conclusions from observed events (Krishnaswami and Satyaprasad, 2010).

For our thesis abstract concepts were used which are the following (1) CRM implementation and (2) critical factors of CRM. Therefore, these concepts will be examined in the following paragraphs to keep the chronology of the definitions in mind.

As mentioned in the theoretical framework CRM implementation needs to be customer driven rather than technology. That is why CRM implementation should imply people, processes and systems (Motiwalla and Thompson, 2009). In addition, critical factors are the reason for malfunction and unsatisfactory of CRM implementation (Kale, 2004).

This thesis aimed to find out how critical factors influence CRM implementation. Therefore, the critical factors and CRM implementation needed to be separated into measurable terms. Moreover, the measurements for our two concepts were conducted through in dept-interviews. All of our interviewees were asked the questions below.

1. What is CRM implementation?

With this question the measurements for CRM implementation were gained. As we found out during our interviews, all interviewees had different opinions about the definition of CRM implementation, therefore the differences were used as our measurements.

2. How do critical factors influence CRM implementation?

Through this question the influence of critical factors on CRM implementation were defined from our interviewees from their perspective. After comparing them with our
theory parts we found out that some of the factors were the same for example, CRM process and CRM system, interaction of sales force, information / communication flow and organizational structure / culture.

A factor, which we took in count, was that different interviewees would react in different ways on the same interview questions. The answers will be variable due to “(1) the personality and skill of the interviewer, (2) the attitudes and orientation of the interviewee, and (3) the definition of both (and often by significant others) of the situation” (Merriam, 1998, p. 85).

Finally, the important point of conducting an interview was to prepare a list of topics or issues that were related to our research topic in combination with the interview guideline, the interview should be done as planned but without rigid rules (Bryman and Bell, 2011).

In this part the indirect measurements of CRM implementation and of the critical factors are described in tables.

CRM implementation can be indirect measured with the success / failure rate, which is shown in table (9).

<table>
<thead>
<tr>
<th>CRM Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Failure rate</strong></td>
</tr>
<tr>
<td>55-77%</td>
</tr>
<tr>
<td><strong>Success rate</strong></td>
</tr>
<tr>
<td>33-55%</td>
</tr>
</tbody>
</table>

Table 9: Measurement CRM implementation

Source: Adapted from Mandic, (2011, p. 348)
In table (10) the indirect measurements for critical factors are stated.

<table>
<thead>
<tr>
<th>Critical factors</th>
<th>CRM process and CRM system</th>
<th>Interaction of sales force</th>
<th>Information / communication flow</th>
<th>Organizational structure / culture</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The critical factors for the process and system depends on the employees using it, how they transfer and share the information</td>
<td>The critical factors for the interaction depends on the sales force, how they interact, if they can build trust and show their knowledge</td>
<td>The critical factors for information communication flow depends on the employees how they share and transfer information and on different divisions if they share information</td>
<td>The critical factors for organizational structure / culture depends on the top management how they support changes, how they support their employees, and if the organization culture is ready for change or if they will resist</td>
</tr>
</tbody>
</table>

The table above showed the four parts of critical factors, which could lead to a CRM implementation failure or success.

Based on the discussion above the operationalisation helped us to define our concepts and their measurements. In the following chapter the interview guide will be explained.

3.6.2. Interview guide

An interview guide contains specific questions, which each interviewee need to be asked. Based on the reply on the specific questions open-ended questions might occur during interviews (Merriam, 1998). In our thesis, a depth interview was used in order to get in-depth and comprehensive information. To achieve this objective, there are three steps as guideline to precede an interview (Merriam, 1998), which are illustrated in figure (7):

![Interview guide steps](image-url)
Step 1, to determine who to interview the information is depending on what the researchers want to know and from whose perspective is asked. This step decided the interviewee for this thesis should be in relation to the CRM area, and be able to contribute their own experiences and opinion to our research questions. Interaction between interviewer and respondent as step 2 needs to be executed in a respectful, nonjudgmental and nonthreatening, circumstance to have a fluid conversation as mentioned before. Following with step 3, recording was used to store conversations in order to assess the quality of the obtained data. Therefore the information can be utilized for later chapters in empirical investigations and analysis.

During the interview, several types of questions can be asked in order to stimulate responses sharing the information that is needed for the research. Merriam (1998) introduces good questions and questions to avoid that gave us instructions for designing the questions, which are presented in the following table (11).

The interview was designed with a semi-structured style and along with the instructions of making good questions, five main themes within specific areas were designed. We also used an instruction, which is determined by Dapzury and Shrivastava (2008) to lead us in creating a more systematically interview direction.
<table>
<thead>
<tr>
<th>Good questions</th>
<th>Questions to avoid</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Questions</strong></td>
<td><strong>Type of questions</strong></td>
</tr>
<tr>
<td>Hypothetical Question: asks what the respondent might do or what it might be like in a particular situation; usually begins with “what if” or “suppose”</td>
<td>Multiple Questions</td>
</tr>
<tr>
<td>“Suppose it is my first day in this training program. What would it be like?”</td>
<td>How do you feel about the instructions and the classes?</td>
</tr>
<tr>
<td>Devil’s advocate Question: challenges the respondent to consider an opposing view</td>
<td>Leading questions</td>
</tr>
<tr>
<td>“Some people would say that employees who lose their job did something to bring it about. What would you say to them?”</td>
<td>What emotional problems have you had since losing your job?</td>
</tr>
<tr>
<td>Ideal position Question: asks the respondent to describe an ideal situation</td>
<td>Yes-or-No Questions</td>
</tr>
<tr>
<td>“What do you think the ideal training program would be like?”</td>
<td>Do you like the program? Has returning to school been difficult?</td>
</tr>
<tr>
<td>Interpretive Questions: advances tentative interpretation of what the respondent has been saying and asks for a reaction</td>
<td>“Would you say that returning to school as an adult is different from what you expected?”</td>
</tr>
</tbody>
</table>

Table 11: Good question vs. questions to avoid

Source: Adapted from Merriam (1998, p. 77-79)

Get the respondents involved in the interview as soon as possible.

1. What/How is the CRM implementation in your company?

The purpose of this thesis is to define the critical factors about CRM implementation; therefore, the first question is to ask what the current situation in the interviewee’s company is. By asking this question, an overall picture about CRM implementation in the company is given, as well as leading the respondents to start talking about something that they are dealing with day to day.
Before asking about controversial matters, ask first about some facts

2. What are the reasons for CRM implementation?
After getting to know the overall picture of the company, the interviewer can address why the company implements CRM. Different companies might have different reasons to implement CRM. By asking the reasons, the interviewees could share the experiences about what they have been going through during the process, which can lead to the next question.

**Intersperse fact-based questions throughout the interview**

3. Would you share some experiences about CRM implementation?

   • The positive and negative aspects

Based on the information that the interviewee shared with the earlier questions, the following question can be about the insight of the interviewees. By asking the positive and negative thoughts about CRM, the critical factors could be reflected.

**Ask questions about the present before asking questions about the past or future**

4. What are the most important factors during the CRM implementation?

After the interviewees present the positive and negative aspects about CRM implementation, we addressed what the most important factors are, which are involved in the CRM implementation. As the theoretical framework shows, the problem of CRM implementation is that CRM has been treated as a technical solution instead of a strategical approach. Many researchers have shown that CRM implementation is more or less in relation to people, information and organization (Mandic, 2011 and Valentim et al., 2011). To achieve a successful CRM implementation, an appropriate mix of people, business processes and information technology is needed. Therefore, four major questions were asked in order to find out how the critical factors influence CRM implementation in terms of people, information and organization.

   What are the important points during the interaction with the customers from the company’s perspective?
Different sales force has different approaches to interact with customers. The way they use will influence managing customer relationship. How the sales force presents them and what kind of image they expect customer to perceive will determine what kind of relationship they want to build up.

How does the information flow work?

Albaum, (1964) and Albaum, (1967) explain a well-established information flow will facilitate the decision-making and problem solving for an organization. By asking how the information flow works in the company, we could find out if the companies become more information intensive when facing a more competitive world due to higher customer demands, and if all levels of an organization involved in handling the flow of information. After we knew how the information flow works in the company, more related questions were addressed as following:

Do you have any difficulties/challenges during the implementation process in relation to the organizational structure/culture?

In the theoretical framework, we know CRM programs and activities are ought to be performed by all the people who are involved in CRM (Henthorne et al., 1992). In other words, CRM implementation is not only an issue for the sales force, it is the duty of the whole organization. By asking the questions above, more information about how the organization structure support the CRM implementation, how the back-office employees assist the sales force to manage the customer relationship, and why the employees need to be motivated were collected.

How does the company overcome difficulties?

This question led us to find out the different strategies from different companies about how they managed the critical factors. By a comparison between the interviewed companies, we could draw a conclusion in order to answer the research questions.

The last questions might be to allow respondents to provide any other information they prefer to add and their impressions of the interview.

5. What can be improved?
As Merriam (1998) indicates, a good respondent can express thoughts, feeling, opinions that provide key information on the topic being studied. They also “enjoy sharing their expertise with an interested and sympathetic listener” (p. 85). Due to this fact, the interviewer should let interviewees talk freely about their own thoughts and experiences, which might bring in valuable information to complement the research topic.

After the questions were made, the next step was to find the right person to answer the questions in order to get the right information. The following part will explain the samples that were selected.

3.7. Sampling

After the research questions were defined, the continuous step was to select the unit of analysis, which are the samples. To fulfil the study, there are plenty of resources that could be used. In other words, we needed “to consider where to observe, when to observe, whom to observe and what to observe” (Merriam, 1998, p. 60). Merriam (1998) indicates that sampling involves the selection of a research site, time, people and events, and in this research paper, the most used resources were people from the interviews as introduced in the earlier section.

According to Bryman and Bell (2011) and Merriam (1998), there are two basics of sampling, which are probability and non-probability sampling. Probability sampling is the way of selecting samples randomly, and each sample in the population has a known chance of being selected. This allows the investigators to generalize the results from the sample to the population, which is engaged with the statistical approach. Therefore, probability sampling is more suitable for a quantitative research. In contrast, non-probability sampling is the method of choice for most qualitative research because the samples are not chosen randomly, which means the samples that have been selected are more likely to be selected than others. As we explained before, a qualitative research was applied in this study by doing depth interview therefore a non-probability sampling was adopted (Bryman and Bell, 2011 and Merriam, 1998).

3.7.1. Sampling frame

A simple definition of a sampling frame is “the listing of all units in the population from which the sample will be selected” (Bryman and Bell, 2011, p. 176). The definition also
presents the purpose of sampling frames, which is to provide a base for choosing the particular members of the target population that are to be interviewed in the survey, therefore to gain the relevant data.

Since the samples are not selected randomly, the international industry became our target for data collection. Industry is the production of an economic good or service within a B2B business environment, which fit in our research background (The economic marketing environment of B2B has shifted from a product-centric view to a customer-centric view). International business could contribute more variations about the critical factors of CRM implementation, which provided a wider range of the findings therefore a more realistic conclusion could be drawn.

According to the principles of qualitative research, the size of sample should follow the concept of saturation (Mason 2011). Mason (2011) furthermore conclude that “saturation should be more concerned with reaching the point where it becomes "counter-productive" and that "the new" is discovered does not necessarily add anything to the overall story, model, theory or framework” (p. 9). In order to gather enough data, we have designed the interview structure, which is arranged within six companies, and two interviews from each company. The reason for two interviews at each company was because we want to gather data from different perspective (managerial and operational level) and this is explained in chapter 3.7.2 (sample selection). According to the interview structured, six companies were chosen due to the saturation of the data that was related to our interview questions.

As we have presented above, the interviews were held in six companies and those companies were Electrolux Professional Laundry System (hereinafter referred to as Electrolux) Cargotec, Konecranes Lifting Businesses (hereinafter referred to as Konecranes), LasermxRoll Systems (hereinafter referred to as LasermxRoll), Strålfors and Svetruck (see Figure 8). The reason why those companies were chosen was due to the determination of non-probability sampling that includes instances, locations, people and time (Merriam, 1998). First of all, the companies mentioned above are the partner companies of the Linnaeus University, and have the experiences in supporting students doing researches in a practical way. Secondly, the six companies are located close around our the university and all of the companies are doing business in the B2B environment, which was suitable for our research background. Thirdly, by choosing those international companies to do the case study, we could clarify the critical factors of CRM
implementation realistically in contrary with the theory. The last, by doing interviews within six companies, we could really focus on fulfilling the purpose of this thesis within the limited timeframe.

![Sample frame of six companies](image)

**Figure 8: Sample frame of six companies**
The following table (12) presents some basic information about the companies, which will help the reader to get to know the companies’ profiles.

<table>
<thead>
<tr>
<th>Company name</th>
<th>Employees No.</th>
<th>Presence</th>
<th>Location of interview</th>
<th>Business area</th>
<th>History</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrolux</td>
<td>51544</td>
<td>Over 150 markets</td>
<td>Ljungby SE</td>
<td>• Household appliances, • Appliances for professional use</td>
<td>1902 to now</td>
</tr>
<tr>
<td>Cargotec</td>
<td>11000</td>
<td>120 countries</td>
<td>Ljungby SE</td>
<td>Cargo handling solution</td>
<td>1977 to now</td>
</tr>
<tr>
<td>Konecranes Lifting Businesses</td>
<td>7500</td>
<td>in 41 countries</td>
<td>Markaryd SE</td>
<td>Lifting solution and services • Forklift • Container handler • Reachstacker</td>
<td>1947 to now</td>
</tr>
<tr>
<td>LasermaxRoll Systems</td>
<td>150</td>
<td>In 5 countries</td>
<td>Ljungby SE</td>
<td>Automated paper handling, monitoring and processing equipment for the digital printing</td>
<td>1984 to now</td>
</tr>
<tr>
<td>Strålfors</td>
<td>2100</td>
<td>In 7 countries</td>
<td>Ljungby SE</td>
<td>Information logistic</td>
<td>1919 to now</td>
</tr>
<tr>
<td>Svetruck</td>
<td>240</td>
<td>5 countries</td>
<td>Ljungby SE</td>
<td>Forklift supplier</td>
<td>1977 to now</td>
</tr>
</tbody>
</table>

Ljungby: the city where the university is located.
Markaryd: the city is away from the university about 40 minutes driving distance.

Table 12: The information about the six companies
After the target companies were decided, the samples for interviewing had to be proceeded in order to collect the data, which is explained in the following section.

3.7.2. Sample selection

In order to find out the answers based on the research topic, the sample was selected from the population must be representative (Bryman and Bell, 2011). The size of sample also needs to be considered and be done within the case by a number of factors in relation to the research purpose (Merriam, 1998).

From the chosen companies, the samples have been designed in two levels (figure 9). The first was managerial level. We wanted to have a conversation with a person who has relevant working experiences in the sales/marketing area, and also has access to customers directly. As explained in the earlier part, in-depth interview is to gather deeper insights from the respondents, a newly joined employee cannot provide extensive information, therefore, five years working experiences were required as additional condition in order to collect as much information as possible. Hereby, a macro picture of CRM implementation in the company can be displayed in a managerial level, which helped us to find out about the organization (Bryman and Bell, 2003) from the managerial point of view.

The second was operational level. It means we needed to have interviews with the employees who provide direct support in relation to CRM implementation. Through the operational level, a micro picture about CRM implementation could be captured, and also supported us to find out more information from different angles compared with the managerial point of view.

Figure 9: Two level of sample selection
Merriam (1998) points out that the samples are “based on the assumption that the investigator wants to discover, understand, and gain insight and therefore must select a sample from which the most can be learned” (p. 61). Merriam (1998) goes further to explain that the samples are not called for getting average opinions but are called for their special experiences and competences. Therefore, the selection of respondent is crucial due to the result of sampling errors. If the wrong respondents are chosen, we might face some obstacles during the research, which could be: “refuse to cooperate, cannot be contacted, or for some reason cannot supply the required data” (Bryman and Bell, 2011, p. 176).

Several respondents are selected based on our requirements, which are that the respondents have working experience in the field of sales / marketing and that they have direct contact with their customers. Additionally, two persons in managerial and operational level respectively, which we have mentioned in the earlier section. Table (13) shows the sample list of the six case companies and present the detail information about each interviewee, and also the duration for each interview.

<table>
<thead>
<tr>
<th>Company name</th>
<th>Interviewee name</th>
<th>Position</th>
<th>Working years</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrolux</td>
<td>Gerd Almlöf</td>
<td>Digital communication manager</td>
<td>27</td>
<td>1.5 hours</td>
</tr>
<tr>
<td></td>
<td>Håkan Lindow</td>
<td>Responsible for Business Cycle Management</td>
<td>14</td>
<td>1.5 hours</td>
</tr>
<tr>
<td>Cargotec</td>
<td>Thomas Bayard</td>
<td>Vice President of IM Business Support</td>
<td>20</td>
<td>1.5 hours</td>
</tr>
<tr>
<td></td>
<td>Anders Edén</td>
<td>Manager of Competence Centre Terminal Service Solutions, Parts and Logistic</td>
<td>5</td>
<td>1 hour</td>
</tr>
</tbody>
</table>
Table 13: Sample list

<table>
<thead>
<tr>
<th>Company</th>
<th>Name</th>
<th>Position</th>
<th>Duration</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Konecranes</td>
<td>Patrick Lundbäck</td>
<td>General Sales and Marketing Director</td>
<td>10</td>
<td>1.5 hours</td>
</tr>
<tr>
<td></td>
<td>Daniel Sjöstrand</td>
<td>Area Manager</td>
<td>2 in Konecranes + 21 in former job</td>
<td>1.5 hours</td>
</tr>
<tr>
<td>LasermaxRoll</td>
<td>Jeff Kewin</td>
<td>Responsible for Sales and Marketing in Europe</td>
<td>15</td>
<td>1 hour</td>
</tr>
<tr>
<td></td>
<td>Anne-Sofie Lundbergh</td>
<td>Responsible for Marketing</td>
<td>25</td>
<td>1.5 hours</td>
</tr>
<tr>
<td>Strålffors</td>
<td>Mikael Johansson</td>
<td>Key Account Manager</td>
<td>27</td>
<td>1 hour</td>
</tr>
<tr>
<td></td>
<td>Bitte Eyton</td>
<td>CRM Project Manager</td>
<td>25</td>
<td>1.5 hours</td>
</tr>
<tr>
<td>Svetruck</td>
<td>Dan Johansson</td>
<td>Area Manager</td>
<td>35</td>
<td>2 hours</td>
</tr>
<tr>
<td></td>
<td>Daniel Andersson</td>
<td>Responsible for Business Development</td>
<td>5</td>
<td>1 hour</td>
</tr>
</tbody>
</table>

Preceding section has explained how the samples were selected for the data collection, and the following section will explain how the data was analysed.

3.8. Data analysis method - qualitative approach

Data analysis is a process of making sense out of the data both for quantitative research and qualitative research. For this thesis, qualitative research is applied; therefore, the following explanation will only focus on qualitative data analysis.

It is not finished when all the data has been collected. It becomes more intensive once all the data are gathered during the progress. The analysis of data involves consolidating, reducing and interpreting what interviewees have said and what the research has seen and
read. In the case study, conveying an understanding of the case is the most important consideration for analyzing data. In other words, the goal of data analysis is to communicate understanding that linked to the facts, which have been derived from interviews (Merriam, 1998).

<table>
<thead>
<tr>
<th>Data reduction</th>
<th>Data display</th>
<th>Conclusion drawing / verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selecting</td>
<td>Organizing</td>
<td>Deciding what thing mean</td>
</tr>
<tr>
<td>Focusing</td>
<td>Compressing</td>
<td>Making good sense</td>
</tr>
<tr>
<td>Simplifying</td>
<td>Assembling</td>
<td></td>
</tr>
<tr>
<td>Abstracting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transforming</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 14: Data analysis components

Source: Adapted from Miles and Huberman (1994, p. 10-11)

According to Miles and Huberman (1994), data analysis includes three components, which are data reduction, data display and conclusion drawing and verification (table 14).

After data collection, data reduction needs to be followed. The data reduction is “a form of analysis that sharpens, sorts, focuses, discards, and organizes data in such a way that “final” conclusions can be drawn and verified” (p. 11). On this stage, the data we have gathered need to be reduced to the relevant information that is linked to our research topic. This relevant information will be presented in the empirical investigation parts, as well as in the analysis part in order to compare the variation between different companies based on the theoretical framework. Continuously, data display will help us to understand “what is happening and to do something-either analyzing further or take action-base on that understanding” (p. 11). As table (14) shows, data display is about organizing, compressing and assembling, therefore, the reduced data will be displayed through the case analysis comparing in empirical finding. Through the comparison, the relevant information can be captured in a contradistinctive way. Eventually, there is a conclusion needed to be drawn and verified after data collection, reduction, and display, which means to decide what things means and make a good sense of the data. The conclusion drawing should be able to reflect the variation between the interviewed companies, and also be able to answer the research question (Miles and Huberman, 1994).
As the data analysis method is explained, the next part will present more information about the quality criteria.

3.9. Quality Criteria

The research needs to be conducted in an ethical manner, which is concerned with producing valid and reliable knowledge. Several questions can be asked in a qualitative case study, “were the interviews reliably and validly constructed, was the content of the documents properly analyzed do the conclusions of the case study rest upon data?” The qualitative study should provide enough detail in order to approve the answers make sense. The following section will explain the specific concerns in qualitative research in terms of construct validity, internal validity, external validity and reliability (Merriam, 1998 and Yin, 2009).

3.9.1. Validity and Reliability

The quantitative study presents a faithful study in order to convince the reader due to very little concrete description about what anyone does instead of static states. In contrast with quantitative research, qualitative research describes how people act in events, which leads to the significant of validity and reliability of the data sources (Merriam, 1998).

Furthermore, Yin (2009) proposes four common tests in case study, which are summarized in the following table (15).

Yin (2009) indicates that a good case study use as many sources as possible in order to complement each other. By using multiple sources, the validity of the research can be increased. In this research, interview as the main source of collecting data was adopted as introduced in the previous section. Therefore, the validity of this research is limited. On the other hand, the validity is increased due to the high collaboration between the interviewers and the interviewees. During the interviews, the interviewees were not only providing the information that was needed for the research topic, but also offered the companies’ documentation that was complementary for our research.
### Table 15: Case study tactics for four design tests

<table>
<thead>
<tr>
<th>Tests</th>
<th>Case Study Tactic</th>
<th>Phase of research in which tactic occurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct validity</td>
<td>- Use multiple sources of evidence</td>
<td>- Data collection</td>
</tr>
<tr>
<td></td>
<td>- Establish chain of evidence</td>
<td>- Data collection</td>
</tr>
<tr>
<td></td>
<td>- Have key information review draft case study report</td>
<td>- Composition</td>
</tr>
<tr>
<td>Internal validity</td>
<td>- Do pattern matching</td>
<td>- Data analysis</td>
</tr>
<tr>
<td></td>
<td>- Do explanation building</td>
<td>- Data analysis</td>
</tr>
<tr>
<td></td>
<td>- Address rival explanations</td>
<td>- Data analysis</td>
</tr>
<tr>
<td></td>
<td>- Use logic models</td>
<td>- Data analysis</td>
</tr>
<tr>
<td>External validity</td>
<td>- Use theory in single-case studies</td>
<td>- Research design</td>
</tr>
<tr>
<td></td>
<td>- Use replication logic in multiple-case studies</td>
<td>- Research design</td>
</tr>
<tr>
<td>Reliability</td>
<td>- Use case study protocol</td>
<td>- Data collection</td>
</tr>
<tr>
<td></td>
<td>- Develop case study database</td>
<td>- Data collection</td>
</tr>
</tbody>
</table>

By using multi-case, “the use of predetermined questions and specific procedures for coding and analysis enhances the generalizability of findings” (Merriam, 1998, p. 207). In our thesis, even a multi-case approach was used, but there was still a limitation of the sample selection that lead to lower external validity. Yin (2009) points out that the external validity problem has been a major barrier in doing case studies whereas case studies rely on analytic generalization. In analytical generalization, the investigator is striving to generalize a particular set of results to some broader theory by using probability sampling (random samples), which is not implemented in our research paper.
On the contrary, non-probability sampling (samples are not chosen randomly) was adopted as introduced before.

Reliability is a research design, which is based on assumptions that there is only one reality. By studying this, researchers will get the same results. (Yin, 2009) There are two types under reliability which are explained below:

- **External reliability** - deals with the results of a study can be repeated from other researchers.

- **Internal reliability** - examines the trustworthiness of more researchers, if they agree about what they heard and saw.

Additionally, the connection between reliability and validity will determine how high value of the research paper is. If a study can be repeated and get the same results by other researchers it means high validity is gain through this (Yin, 2009).

For this thesis all steps and aspects were clearly explained. In addition, a well-structured outline of the thesis was provided throughout the whole project. This approach was done in order to make it easier for readers and researchers to understand this thesis and to use it in future studies. In the end we believe if other researchers would carry out the same study with the same methods they would get similar results.

### 3.10. Methodology framework summary

This section of this thesis has examined aspects of how the data has been collected for this specific research. At first the research approach and design was discussed, followed by the data source, research strategy, data collection method and instrument. The chapter also includes sampling and data analysis method. In the end the quality criteria’s of this paper have been discussed. Figure (10) shows the summary of the methodology framework, which has been used for writing this thesis. As the reader saw from this chapter, different methods were introduced to collect information. In the following chapter empirical findings the actual collected data are presented.
Figure 10: Methodology framework summary

- **Research approach**
  - Inductive
  - Deductive
  - Qualitative
  - Quantitative

- **Research design**
  - Exploratory
  - Descriptive
  - Causal

- **Data source**
  - Primary data
  - Secondary data

- **Research strategy**
  - Experiment
  - Survey
  - Archival Analysis
  - History
  - Case Study

- **Data collection Method**
  - Documention
  - Archival Records
  - Interviews
  - Direct Observation
  - Participant Observation
  - Physical Artifacts

- **Data collection instruments**
  - Highly structured / standardized
  - Semi-structured
  - Unstructured / informal

- **Sampling**
  - Probability sampling
  - Non-probability sampling

- **Data analysis method**
  - Reduction of data
  - Display of data
  - Drawing / verification of data

- **Quality criteria**
  - Validity
  - Reliability
4. Empirical investigation

This chapter is dealing with the empirical data collection, which allowed the researchers to answer the research questions. As mentioned earlier, the data collection was done by in dept interviews. For this thesis six case companies were used and two employees were interviewed from each company, one from the managerial level and another one from the operational level. Firstly, the data collection from case one to case six will be presented in a conceptual framework. This framework is divided into five parts, which is presented in the figure (11) below. In the end, a table will summarize the empirical investigations.

At first a general presentation of the company will be provided, followed by the CRM process and CRM system within the company, thereafter the interaction of the sales force of the company will be explained, which will be followed by the information / communication flow within the company and in the end the organizational structure and culture will be described.

4.1. Case 1 – Electrolux

Company profile

Electrolux has approximately 1,108 employees, spread out over three manufacturing entities and 19 sales companies. These manufacturing entities are situated in France, Sweden and Thailand (electrolux (a), 2012-04-13).

The company has three core values, which are explained below:

- Customer obsession: in Electrolux the customers play an important part. The wants, wishes and views lead the companies’ actions. To keep their customers satisfied, the company needs to offer more than they need now. Electrolux need to be prepared for
new customer wishes (future needs) in order to keep the customers satisfied. Innovation is a step towards customer satisfaction. The company needs to earn the business with customers every single day. Efficient after-sales service is a very important part of this.

- A passion for innovation: the success of Electrolux is connected with constant innovation. The company always looks for new opportunities and new ways in order to improve. In addition, the innovation does not stop with products and services, Electrolux improves their processes, human resources management and business models. In Electrolux customers are the main parts, during all the innovations.

- A drive for results: in Electrolux value matters more than only volume (electrolux (b), 2012-04-13).

**CRM process and CRM system**

In the year 1999 the company had for the first time a meeting concerning CRM, which led to a global meeting with a lot of managers and in addition a consultant company came into the picture. After this meeting the company started a project concerning CRM (Almlöf, Gerd: Digital Communication Manager, interview 2012-02-16). The company started with the definition of the notion CRM. For Electrolux, CRM is not an IT system, CRM is an attitude, a process, and a strategy. The key to a successful CRM is to create a truly customer-centric philosophy that reaches every point and more importantly every person in the company. From the CEO/President top down, everybody needs to be customer focus in order to make the CRM work (Lindow, Håkan: Responsible for Business Cycle Management, interview 2012-02-16). After the definition of the notion the company tested if the company was ready to implement a CRM. Almlöf, Gerd: Digital Communication Manager (interview 2012-02-16) mentioned three questions, which needed to be answered before going on.

- Where are we today?

- What do we want to achieve?

- How do we get there?

With the first question “Where are we today?” the business context of the CRM transformation are determined. With the second question “What do we want to
achieve?” objectives and priorities were defined and as well a general approach how to use the system was outlined. To be able to answer the last question “How do we get there?” the company needs to deal with key questions “What do we want a system to do?”, “Why do we want a system?” and “Is the company ready for a CRM system?”. With the last question the company identifies key points to have a successful CRM system. It is important that employees know that the system itself will not generate more sales. The company can achieve ROI by improving their marketing and sales process. The tool helps to store customer information but it does not create customer relationship or satisfaction, this can be achieved with the help of sales force.

In addition to the three questions an implementation process of the CRM system was also described (figure 12). The implementation process is separated into five steps. Firstly, in the analysis phase or also called communication phase, information about the own company will be collected. The second step, design phase will deal with the right specification for running the operation in the whole company. In this phase representatives from the sales, marketing, after sales, purchasing, logistics, finance and IT need to be part of this. The third step will give the employees all the information they need to know about the changes. Afterwards, the fourth step will train employees, in order to make them confident to new changes. The last step is the installation of the system – to go live (Lindow, Håkan: Responsible for Business Cycle Management, interview 2012-02-16).

After these steps and explanations, in the same year 2003 the company Electrolux implemented a pilot CRM system in Denmark and in the Swedish sales company. The system worked and the sales force started to use it, but the company overlooked the readiness of their sales force. During 2006/2007 the system in Denmark failed and was closed down. The reason behind the failure was that the sales force did not adapt to the system. The company Electrolux did not introduce the system in a proper way (Lindow, Håkan: Responsible for Business Cycle Management, interview 2012-02-16).
In 2006 there were new discussions in how to get a CRM system for Electrolux Professional, not only for Electrolux. After investigating decisions were taken to implement a complete CRM system in DACH (Germany – D, Austria – A, Switzerland – CH) countries and make an evaluation how to go further on. Meanwhile the other countries had to work with a Lotus Notes database as a CRM (Almlöf, Gerd: Digital Communication Manager, interview 2012-02-16).

The last question “How do we get there?” is to identify what Electrolux need to do in order to achieve a successful CRM.

The main reason why the company Electrolux would like to implement a CRM system is to know their customers better and their competitors customers to increase sales (Almlöf, Gerd: Digital Communication Manager, interview 2012-02-16).

In order to have a working process and system, the company needs to look into different aspects, which will help the company to manage critical points for example, (1) cultural changes, (2) integration across silos, (3) relationship view of customers, (4) loyalty programmes / customer ownership, (5) frontline behaviour (6) customer experience (7) lack of support from the management and (8) employees resistance against the system (electrolux document (a), 2012-02-16).

Interaction of sales force

The number of the sales force in Electrolux in Sweden is approximately 20, who are in daily contact with customers. The business the company is in is quite stable and customers stay in this business. In order to get a good relationship with customers, sales force need to show their knowledge, their passion for the job and build up trust with customers. On top of this, sales force needs to understand customer’s needs to offer solutions. Lindow, Håkan: Responsible for Business Cycle Management, (interview 2012-02-16) pointed out that the sales force does not need to be technicians, but they need to have interest in the machines and also have economical skills.

Information / communication flow

According to Almlöf, Gerd: Digital Communication Manager (interview 2012-02-16) within the whole organization, there are different systems that exist in different subsidiary companies for storing customer information. The information has been saved in a structured way as they consider. Within each subsidiary, there are no problems
finding and sharing information. Almlöf, Gerd: Digital Communication Manager (interview 2012-02-16) emphasised that the company collects the right amount of information and employees learned how to find the right information within the systems. The only problem is to share information between different systems especially in a place where the customer information needs to be shared. Therefore, a common CRM system would help the company to share information concerning customers. It would be one system where all the important data could be saved (Almlöf, Gerd: Digital Communication Manager, interview 2012-02-16).

Organisation structure / culture

Electrolux is using a matrix organization style since 2010 before the organization was using a line organization style (figure 13).

The reason for changing the line organization style to matrix organization style was to increase the unit of sales and also to offer support in the decision-making process. The matrix organization of Electrolux is divided into regions and product / segment focused organization. After the change the business performance increased by 4% in laundry industry as Lindow, Håkan: Responsible for Business Cycle Management, (interview 2012-02-16) highlighted.

The culture of the company is 100% towards the company, which is considered the “Electrolux culture”. With this culture everywhere around the world employees act in the same way if it is when they deal with customer or with each other (Almlöf, Gerd: Digital Communication Manager, interview 2012-02-16). The resistance of employees cannot be
avoided when it comes to any new changes even if Electrolux has a strong company culture. As mentioned before the sales force does not want to spend hours in front of a system if they could be out selling products to customers. The company needs to show the benefits to their sales force, which they will gain through a proper use of the system (Lindow, Håkan: Responsible for Business Cycle Management, interview 2012-02-16).

4.2. Case 2 – Cargotec

Company profile

Cargotec is a global organization and was formed in 2005 through several mergers and acquisitions. Nowadays the company employs approximately 11,000 people. The daughter brands are Hiab (Load Handling), Kalmar (Container Handling) and Mac Gregor (Marine cargo flow) (cargotec (a), 2012-04-13).

The mission of Cargotec is to improve the efficiency of cargo flows and the vision is to be the world’s leading provider of cargo handling solutions. In order to reach this vision the company will (1) create full potential of their services and solutions, (2) drive the technology development, (3) sustainability in cargo handling, (4) combine their strength and resources into one company and (5) invest in their people (cargotec (b), 2012-04-13).

The values of Cargotec play a major role in the organization. These values are (1) global presence – local service, (2) working together and (3) sustainable performance. The first value means that the company is close to their customers in order to help customers with problems at any times. Second, working together - means that the whole organization cooperates together to keep the process flowing. The last value is sustainable performance, which includes everything what the company can deliver. This means that their sustainable performances shows their reliability, competitiveness and maintaining of long-term relationships (cargotec (c) 2012-04-13). With these values the company keeps the promise to their customers that “we keep cargo on the move”.

The strategy of Cargotec says that they want to be the global market leader in cargo handling and they aim to grow faster than the industry in average (cargotec (d), 2012-04-13).

CRM process and CRM system
As said earlier, Cargotec was founded through mergers and acquisitions. The daughter brands have already systems and routines to register and manage customers’ data. To implement a CRM system within the whole group, they would have to agree upon how to share and manage customer data. The cost related to change including research for a suitable CRM and training of employees would be considerable (Edén, Anders: Manager of Competence Centre Terminal Service Solution, Process and Logistics, interview 2012-02-09).

Additionally, Cargotec will start to implement a SAP system within the company by next year. Even though SAP has an integrated CRM system, it is not user-friendly; which could interfere with employee’s willingness to use it. Moreover, the SAP will in itself improve cooperation by using the same customer data, sales records and KPI’s. The company went through several changes including “the one” system implementation in 2012. Those changes were happening rapidly since the formation of Cargotec in 2005 (Edén, Anders: Manager of Competence Centre Terminal Service Solution, Process and Logistics, interview 2012-02-09).

There is a need for an integrated CRM system within Cargotec in order to store customer information successfully (Edén, Anders: Manager of Competence Centre Terminal Service Solution, Process and Logistics, interview 2012-02-09).

According to Bayard, Thomas: Vice President of IM Business Support (interview, 2012-04-12) the benefits of having an integrated CRM system within the whole organization are the following:

- The possibility of accessing legal data about the customers or potential customers. All those data create a common view transparently, which become a sustaining tool of sharing information.

- The possibility of improving relationship and services. When this common view is created, which was mentioned above, it will also help the sales force to have a clearer view about customer specific data, such as their equipment’s, service history, quotation history and plans with customers. As a consequence of understanding customer’s need, the relationship and services will be elevated.

- The possibility of following the finance development of customers. The customer’s financial situation will have an impact on Cargotec directly. The profitability as business foundation will be influenced by the financial status.
• The possibility of identifying KPI on different customer segments. The information in CRM system will increase opportunities for the sales force to gain new customers. The sales force also can obtain more business with their current customers in support with the information about performance history in the system. Therefore, it is necessary to support employees with the right tools and right training to reduce resistance. Moreover, communicating the reasons for changes to employees could reduce resistance.

Although all customer information has not been able to be shared within one CRM system, Cargotec has realized the importance of integrating a CRM system.

Interaction of sales force

The number of the sales force in Cargotec in Sweden is 14, where eight of them are doing direct selling to customers. It is not enough to find information about customers within a system it is more important to interact with customers by personal communication that is why Cargotec sends out old and new sales force together to the customer in order to maintain the trust, which has been built before. A system cannot replace personal communication and relationship (Edén, Anders: Manager of Competence Centre Terminal Service Solution, Process and Logistics, interview 2012-02-09).

Information / communication flow

In Cargotec the information flow does not work. Within the organization sharing the information is difficult because divisions do not want to forward information. First this internal problem needs to be solved in order to optimize the understanding of the customers. The sales force need to know their customers first before they store information. Afterwards a CRM system would be a valuable tool to help to store the information and transfer the knowledge about customers. In addition, the company has another problem, which is lacking of information. It is not that the company does not have information but the problem is that the information is only saved in the heads of the sales force, to get this knowledge out of their heads someone need to ask the sales force (Edén, Anders: Manager of Competence Centre Terminal Service Solution, Process and Logistics, interview 2012-02-09).
A step toward a better information flow would be to only have one system where all the information is stored. The organization should increase the communication between different divisions in order to overcome those information-sharing problems (Edén, Anders: Manager of Competence Centre Terminal Service Solution, Process and Logistics, interview 2012-02-09).

**Organisation structure / culture**

A matrix organization style is applied in Cargotec, which is presented in figure (14).

![Figure 14: Matrix organization of Cargotec](source)

The matrix organization structure of Cargotec is divided into three regions and into their daughter brands. (Marine stands for the company McGregor, Terminals stands for Kalmar and Load Handling stands for Hiab.) In addition, a service division was added because the company wanted to improve their service quality (Edén, Anders: Manager of Competence Centre Terminal Service Solution, Process and Logistics, interview 2012-02-09).

Edén, Anders: Manager of Competence Centre Terminal Service Solution, Process and Logistics (interview 2012-02-09) mentioned that the structure works and it is good to use. On each level experts are working which is a good outcome of the matrix organization. The only concern is that the decision-making process takes a longer time in that structure because there are too many managers under that structure and it is hard to keep a balance between all of them. Due to that reason the company needs to find a master of all the managers to have a working decision-making process.
The company Cargotec has done many changes within the whole organization. How to manage those changes have been critical for the company especially when it comes to implementing a new system within the whole organization. Therefore, it is necessary to support employees with the right tools and right training to reduce resistance (Edén, Anders: Manager of Competence Centre Terminal Service Solution, Process and Logistics, interview 2012-02-09).

4.3. Case 3 – Konecranes

Company profile

The company is a world-leading group of lifting business, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. It is present in 40 countries with own companies and in excess of 70 countries calculating also selling and serving through distributors/agents. For over 80 years, Konecranes has been dedicated to improve efficiency and performance of businesses in all types of businesses (konecranes (a), 2012-04-13).

The mission of the company is not to just lift things but to lift entire businesses (konecranes (b), 2012-04-13). The vision of the company is to gain comprehensive knowledge how lifting devices and machines work. This knowledge is used to help the customers and to provide a safer environment and increase the productivity (konecranes (c), 2012-04-13).

Konecranes has common values, which link all employees together. These values are (1) trust in people, (2) total service commitment and (3) sustained profitability. With the first value the company want to be well known because of good employees. The second value stays for that the company will always keep their promises. The last value puts the company into a wealthy financial situation (konecranes (d), 2012-04-13).

CRM process and CRM system

The company is planning to implement a CRM system by the end of the year 2012. The reason for the implementation is because the bigger a company gets the more they see the need for a system (Lundbäck, Patrick: General Sales Marketing Director, interview 2012-02-16).
Lundbäck, Patrick: General Sales Marketing Director (interview 2012-02-16) mentioned that in Konecranes the implementation process of the CRM system would be divided into two steps (1) select super users and (2) train employees.

In the first step the company would need to do is to choose super users who have enough knowledge about the system in order to help other employees with problems. Super users should be reliable, organized and familiar with the company. Afterwards the benefits of the system should be explained and employees should be trained to use the user-friendly new system. Lundbäck, Patrick: General Sales Marketing Director (interview 2012-02-16) stated when the system goes live the other customer data collection tool should be deleted so that employees are only able to use the new system. In the beginning of the change, problems will arise but in the long run it will work.

With the CRM system the company would gain benefits, which are displayed in figure (15).

![Diagram showing benefits of CRM system]

Figure 15: Benefits of CRM of Konecranes

Source: Adapted from Lundbäck, Patrick: General Sales Marketing Director (interview 2012-02-16)

First, the customer support and service will develop a better customer loyalty, provide individual service for the customers and create long-term relationships with customers.

Second, with the CRM system the information flow will improve because due to the accessibility of customer information in different departments, improve the global view of customers and create the base to store data.
Third, through the CRM system the sales force get more satisfied because they are able to check customer data when they need it.

Fourth, the customer satisfaction will increase as well because the sales force have all the valuable knowledge about the customer and are able to discuss in detail.

Fifth, the customer consultancy will be a benefit because the sales force can sell more products to customers due to a higher knowledge and also because of the customer networking.

Sixth, the benefit is to make an ABC analysis (A= attitude, B= behaviour, C= cognition) of the customers in order to help to identify right customers and eliminate poor accounts.

The last point by following up all the processes will lead to a better performance in Konecranes (Lundbäck, Patrick: General Sales Marketing Director, interview 2012-02-16).

Sjöstrand, Daniel: Area Manager (interview, 2012-04-02) mentioned that the challenges of the implementation of CRM can be the following:

- Lack of top management support
- System is not user friendly
- Resistance of employees

To overcome these challenges Konecranes needs to present and promote the system to the employees. They need to see the benefits and the easiness of the system.

An additional function would be to use the CRM system in an offline mode. If the sales force does not have access to an Internet connection they would still be able to type customer data into the system and the next time they connect to the system the information would be synchronised. The sales force would save valuable time because they do not need to type in the data later again by using that way (Sjöstrand, Daniel: Area Manager, interview, 2012-04-02).

Interaction of sales force

The number of sales force in Konecranes is 800 to 1000 in the whole organization.
A drawback for Konecranes is if a sales force leaves the company, the company will never get all the information out from the head of that sales force (Sjöstrand, Daniel: Area Manager, interview, 2012-04-02).

Sjöstrand, Daniel: Area Manager (interview, 2012-04-02) mentioned that the face-to-face communication between the sales force and customers is more important today than it was in the past. Systems, e-mails, telephone conversations will never replace personal meetings. Creating trust is important for the customers in order to build a good relationship. In the future when the company has a CRM system the sales force should access it every day to be up to date with the customers they will be dealing with daily.

**Information / communication flow**

Within the company the most difficult challenge is to share internal information. Most of the time the company knows quite much about their surrounding but they do not pay so much attention internally. Konecranes has a problem of information overload. Employees need to decide for themselves if they have enough information or if they need more. Everybody in the whole company should know where to find the right information (Lundbäck, Patrick: General Sales Marketing Director, interview 2012-02-16).

**Organisation structure / culture**

Konecranes is using a matrix organization style within the whole organization, which is presented in figure (16).
The matrix organization of Konecranes, which is divided into four regions Business Areas (BA) (WEMEA = West Europe, Middle East and Africa; NEI = Nordic, East Europe and India; AMERICAS = North and South America and APAC = Asian Pacific Region and four Business units (BU) (LFT = Lift trucks) (Lundbäck, Patrick: General Sales Marketing Director, interview 2012-02-16).

Lundbäck, Patrick: General Sales Marketing Director (interview 2012-02-16) mentioned that the structure does not work perfectly for Lifttrucks and business unit because of the business the organization is in. The reason for the change from a line organization structure to a matrix organization structure was due to the change of way of working. In theory the matrix organization style should work as the organization should be closer to the customers and make decisions faster but in practise there are great challenges with the matrix structure. The decision-making consumes more time than in comparison the line organization. In the case of the Lifttrucks the benefits of a matrix organization cannot be fully utilized and therefore a line organization would be more beneficial.

As mentioned above the company will implement a new system by the end of the year. This will lead to the resistance of the sales force and it will be a big challenge to overcome. In order to get the sales force using the CRM they need to see the benefits what they will gain from it. Otherwise it will create confusion for the sales force if they should spend time on reporting the data or if they should be doing business instead (Sjöstrand, Daniel: Area Manager, interview, 2012-04-02).
4.4. Case 4 – LasermaxRoll

Company profile

LasermaxRoll is the world-leading supplier for high-speed digital printing operations in automated paper handling, converting and quality assurance systems. It was formed in 2004 from the merger of Strålfors LasermaxRoll division with Roll System Inc. Strålfors LasermaxRoll division was established in 1984 in Ljungby, Sweden and Roll-systems was founded in 1987 in Burlington USA. Both companies marketed and sold products in over 50 countries worldwide and together continue to do so today. Their manufacturing facilities are in Sweden and in the USA. The company has also offices in China, in Singapore, in Sweden, in Belgium, in the United Kingdom and in the United States. The total number of employees worldwide is 200. The products are distributed through internal sales force, as well as through a worldwide network with 18 distributors (lasermaxroll (a), 2012-04-13).

The company is willing to offer essential solutions to every digital print application, and wishing to stay ahead of the competition and continually anticipate their customer’s needs by one-of-a-kind industry experience and comprehensive engineering resources. “Our goal is to go beyond simply reducing digital print production costs to actually increasing the value of your print production,” Along with this goal, LasermaxRoll offers the global service and around-the-clock support to ensure their reputation and leader position on the digital print industry (lasermaxroll.com (b), 2012-04-13).

Lundbergh, Anne-Sofie: Responsible for Marketing EMEA (interview 2012-04-02) introduced the business model of LasermaxRoll (figure 17):
Most of the businesses in Europe goes through their distributors first, and then the print partners. The company has not very often directly contacted to their end users. A small percentage of businesses in the USA and in Asia are operated without the distributor’s involvement (Lundbergh, Anne-Sofie: Responsible for Marketing, interview 2012-04-02 and Kewin, Jeff: Responsible for Sales and Marketing in Europe, interview 2012-04-12).

**CRM process and CRM system**

LasermxRoll has a process to manage the customer relationship. By doing regular customer satisfaction surveys, the company can ascertain how satisfied their customers are and how and where the company needs to improve regarding to their business process, products and services. There are eight steps of the process, which are presented below (lasermx document (a), 2009-04-23).

1. Establish customer requirement: there is a need to find out what customers need, therefore the company can come to the next steps based on those needs.

2. Routine customer satisfaction survey: this step starts from constant contact, an internet based email marketing and online survey tool are used for the employees to update information regarding their customers.

3. Mapping: an important step to structure information regarding the opinion of their customers concerning customer’s attitude to their products, services and maintenance.

4. Plan of action: a plan will be made according to the result of the survey, which shows the strong and weak sides that the company has.

5. Objective setting: after making the plan, a clear objective needs to be settled in accordance with customer’s requirements.

6. Follow up: after all previous steps, it should be analysed and reported at the company process meeting.

7. Documentation of results: results in relation to established objectives for customer satisfaction are to be documented and filed by the process possessor.
8. Description of procedure CSS – the CSS is based on emailing via constant contact. A questionnaire is created, which will be sent to all defined respondents on the customer side via defined email message. The email includes a link to the survey where the respondents are able to answer the questions. The results are updated in real time and can be followed with login and password.

In additionally, LasermaxRoll uses a tool to support the process in order to achieve the objective and make improvements. This tool is called PDCA (lasermax document (b), 2011-08-30).

P-plan: action plan established

D-do: improvements implemented

C-check: improvement evaluated and future deviations are prevented

A-act: the effect of the improvement

Even though the company has established a clear instruction of CRM implementation, the process is not well executed. Right now, the company is going through a new merger with an Italian company named Tecnau Srl, and a new business strategy emerges as the consequence of the new merger. The management of the new organization decided to take away the middle level (distributors), and operate with the print partners and end users for all business. Therefore, the significance of maintaining customer’s information is displayed critically (Lundbergh, Anne-Sofie: Responsible for Marketing, interview 2012-04-02 and Kewin, Jeff: Responsible for Sales and Marketing in Europe, interview 2012-04-12).

Interaction of sales force

Lundbergh, Anne-Sofie: Responsible of Marketing EMEA (interview, 2012-04-02) explained that the number of the sales force in LasermaxRoll is 15 in the whole organization. One is in China, one is taking care of the Far East and Middle East, one is in France taking care of the North Africa, one is in Ljungby who is in charge of the UK, the Nordic region and Russia, one situated in Belgium, responsible for Central Europe and ten are in the USA responsible for the Americas (North, Central & South America).

There are two main perspectives introduced when the sales force interact with their customers. The first one is to show the willingness of supporting the print partners in
order to find end customers together. The second one is to be professional of the company’s offers. After attracting customers by showing the willingness and professional knowledge, the sales force also need to response quickly. Furthermore, LasermaxRoll also tries to avoid multiple-points contact with their customers. Therefore, a single-point contact method is applied (Kewin, Jeff: Responsible for Sales and Marketing in Europe, interview 2012-04-12).

Information / communication flow

In LasermaxRoll, the sales force is supposed to send back customer information to the centre database, which is maintained by one person. In reality, most information about their customers are saved in the sales force own computer, not in the centre database, therefore, the information is not well integrated (Lundbergh, Anne-Sofie: Marketing (interview 2012-04-02).

There are two sources of finding information, which are personal communication by emails or phone calls, and centre database. When the sales force tries to search information they need, they have to do personal communication every time even for the same information that they have been asked for before. Personal communication between employees is not a problem, but the way to find relevant information causes extra time and work, which is not efficient. Through the emails, the sales force also faces a problem of information overload because of non-relevant information, on the other hand, a lack of information also exist due to the low response of sending back the customer information to the centre database from the sales force as mentioned above (Lundbergh, Anne-Sofie: Responsible for Marketing, interview 2012-04-02 and Kewin, Jeff: Responsible for Sales and Marketing in Europe, interview 2012-04-12).

Organisation structure / culture

Matrix organization style is applied in LasermaxRoll, which is illustrated in figure (18). There are three parts for running different business categories, which is divided by geographic area and different responsibility. In Americas market, Sales & Marketing and service activities are running under the CEO. Parallel, the activities in relation to the sales organizations, service and Marketing & Events are running in the Europe, Middle East Africa, and Asia Pacific market. Administration functions are separated into one division, which is called Global Fulfilment & Administration Functions. All the departments
except Sales and Marketing belong to this segment that supports the front activities (Lundbergh, Anne-Sofie: Responsible for Marketing, interview 2012-04-02).

According to Kewin, Jeff: Responsible for Sales and Marketing in Europe (interview 2012-04-12) the matrix organization does not provide the support function of improving the CRM implementation because the management does not realize the connection between the input of their CRM system and the business system. The company has had the experiences from the past that tried to implement CRM with a specific system, and it was a failure. The failure was due to the lack of support from the top management, and low awareness of the value from the sales force. Therefore, there is a need in LasermaxRoll to place certain rules, which will drive their employees to improve CRM implementation after the change of the business model. Follow up the processes will become priority in order to adapt to the new changes. In the same time, an understanding of the objectives that the company has will create a good base for improving CRM implementation within LasermaxRoll (Kewin, Jeff: Responsible for Sales and Marketing in Europe, interview 2012-04-12).
4.5. Case 5 – Strålfors

Company profile

Strålfors is a company that offers solutions for standard printing, digital printing, electronic and card-based printing and as well as solutions for distribution services within the field of information transfer business (strålfors (a), 2012-04-09). The business is spread within seven countries, which includes Sweden, Denmark, Norway, Finland, Great Britain, France and Poland. The company indicated that the solution for their customers should be met by committed and skilled employees who can get training to develop and enrich their competences, who share the company’s values and norms. “It is all about information logistics. Helping you get the right information to the right person in the right way at the right place and at the right cost” (strålfors (b), 2012-4-09) as the company’s mission has reflected the core values are the following (strålfors. (c), 2012-4-09):

Reliability – “we keep our promise”. Strålfors works with information that is crucial for their customer’s business. It is very important that their customers know that Strålfors manages customer data in a reliable and secure manner and performance in a way that help customer’s operations.

Proactivity – “We take the initiative and participate in the customer's development”. In order to create confidence, form the basis of a beneficial partnership, the company works in a way that makes their customer’s feel that the company participate in their development.

Caring – “A strong sense of commitment is important for us”. Both in external and internal environment, the company is establishing a warm working atmosphere, which creates a favourable condition for constructive and positive dialogues and strengthens the partnership in the same time.

Through the three core values, the company can make their vision come true, which is to meet new requirements and customer’s wishes of upgrading the product and services, and turn themselves into the preferable supplier of their customers.

CRM process and CRM system
There is a definition that is promoted in Strålfors, which is “CRM is a customer centric business strategy designed to optimize profitability, revenue and customer satisfaction. To work with CRM the organization needs processes and techniques that support coordination of all customer activities in all customer point of contacts” (Eyton, Bitte: CRM Project Manager, interview 2012-03-29). From this definition, a customer-focused business orientation is presented. She also shared her opinions’ about why the organization invests in CRM, which is described in figure (figure 19).

![Customer Loyalty
Recommendation & retention

Maximized
Customer
Lifetime Value

Increased Revenue
Cross sell, up sell

Cost Reduction
Internal and external efficiency

Figure 19: Why do organizations invest in CRM?

Source: Adpated from Eyton, Bitte: CRM Project Manager, (interview 2012-03-29)

Eyton, Bitte: CRM Project Manager (interview 2012-03-29) explained that the CRM strategy should focus on customer lifetime value instead of optimizing every single transaction. The strategies of CRM that is applied in the company were set up based on several points as mentioned below:

- Thinking about the strategy from the customer perspective.
- Keep all customer processes together.
- Steer all customer processes towards the same goals.
- Represent guiding principle for customer interaction, how to prioritize improvements in customer work and development, and how to steer, measure and follow up customer work and development.
- Secure uniform requirements and demands on IT solutions.
Through the strategy, customer loyalty can be gained, such as recommendation and retention; the revenue can be increased, and costs will be reduced. Therefore, the core value of CRM can be achieved, which is to maximize customer lifetime value, and increase profitability (Eyton, Bitte: CRM Project Manager, interview 2012-03-29).

Johansson, Mikael: Key Account Manager (interview 2012-02-23) introduced and emphasized that CRM implementation cannot depend on the system, and the system should be adjusted by the process. Based on the customer-oriented perspective, the company implemented a CRM system, which is called Microsoft Dynamic CRM. This system is the fourth system the company has implemented due to the system upgrading. The system functions as an assisting tool helping the company to reduce the risk of losing customer information, and to avoid the uncertainty of changes. On the other hand, the sales force gets to know their customer better due to the easier access based on the daily base. The system also saves the information in a structured way, which helps the sales force to search the useful information about the customer. The company is also planning to add the contract information into the system with price judgment, which will create convenience for the sales force to find out if they can increase or decrease the sales price (Eyton, Bitte: CRM Project Manager, interview 2012-03-29 and Johansson, Mikael: Key Account Manager, interview, 2012-02-23).

A super user is making all guidelines of handling the ordinary things in the CRM system. In the Microsoft Dynamic CRM program, the sales force can work in different ways, and even choose their own ways of doing things by themselves. However, it is very important to make a habit to start by going into the activities every day, and then go through steps to follow the processes and catch each task continually (Eyton, Bitte: CRM Project Manager, interview 2012-03-29).

Interaction of sales force

Johansson, Mikael: Key Account Manager (interview 2012-02-23) indicated, that the sales force needs to define their dream customers and be prepared before they go out to meet them. Good communication skills are demanded when the sales force meets their customers. On top of those points, the sales force should have a fire in their eyes, which shows the engagement and the passion for their job. In the same time, customers should be treated as family members, which require social communication skills. Customers are different from one to another, and therefore, flexibility of the sales force is needed to
build up the relationship with the different types of customers (Johansson, Mikael: Key Account Manager, interview, 2012-02-23).

Information / communication flow

In Strålfors, the sales force does not work alone, they are working in project teams. It means all the relevant information is shared within a project. The company also holds different types of meetings to talk about all business opportunities for making future plans. In addition, video conference call meetings are held in each second week between all sales force worldwide in order to track all sales activities. All the meetings are settled in a collaboration model, which is present in figure (20).

Steering committee - the meeting is held for managerial level, all the managers from Strålfors gather together monthly to go through potential business opportunities.

Tactical committee - it is a physical meeting for all the sales force, key account managers and production owner of the company each quarter.

Operation committee - the company will arrange a monthly meeting with their key customers, all the employees that are involved into the sales process except the sales force will participate in this meeting.

All different type of meetings help the company to control all soft information since the knowledge about the customers are spread in the whole company. Especially for their key accounts, they involve their customers in the meetings to be more interactive (Johansson, Mikael: Key Account Manager, interview 2012-02-23).

In Strålfors, the information is well saved, and the right information can be found when it is needed. With the support of the CRM system, all relevant information (both hard
and soft information, such as product characteristics, the favourite colour and the hobby) about their customers is well saved. From the past, they have faced information missing and error during system upgrades, which caused double work to their sales force. By implementing CRM system, the company tries to avoid too deep personal relationship, secure customer information, and also share customer information in a global level (Eyton, Bitte: CRM Project Manager, interview 2012-03-29 and Johansson, Mikael: Key Account Manager, interview 2012-02-23).

Organisation structure / culture

Matrix organization has been implemented since the 1st of January 2012 in Strålfors, which is present in figure (21).

![Matrix organization of Strålfors](image)

In Strålfors, the organization is divided into four divisions: Data Management, Business Communication, Marketing Communication, and Fulfilment. All businesses are separated based on the geographic segments, which include the seven countries: Sweden,
Norway, Denmark, Finland, Poland, France and the UK. The reason behind the change is due to the high expense of running operation with the old organization structure. As a result of changing to the new structure, around 150 managerial level employees were laid off in the UK, France, and Finland. After running the new organization structure, the operation was adjusted and done by local country level depending on the type of business (Johansson, Mikael: Key Account Manager, interview 2012-02-23).

Working in Strålfors, employees have a lot of rules and policies that need to be followed. In order to make the CRM process and CRM system work, the company placed rules for their sales force that they have to type the information about the customers in, and also push the managers to follow up if the sales force is doing the updating regularly. On the other side, the sales force is motivated by a bonus system, which means that the sales force will get certain percentage of their sales revenue when the performance is achieved to a certain level (Eyton, Bitte: CRM Project Manager, interview 2012-03-29 and Johansson, Mikael: Key Account Manager, interview 2012-02-23).

4.6. Case 6 - Svetruck

Company profile

Svetruck is a Swedish company that designs and produces forklifts, container handlers and log-stackers. The vision of the company is to design a durable, service-friendly and reliable forklift (svetruck, (a), 2012-04-09). The company is located in Ljungby, Sweden, and expends the business in the north of Sweden, as well as in Norway, USA, Belgium and Germany by setting up sub-companies (svetruck, (b), 2012-04-09). The company tries to meet customer’s needs by providing skilled and competent services through their experienced and knowledgeable staff and engineers.

There are three core values in Svetruck, which includes trust, strength, and performance

Trust – through presenting commitment and support to the company’s customers, listening to their customers, and following up the promises, a long-term trust will be gained (svetruck, (c), 2012-04-16).

Strength – the design of the machine is made for its purpose. Svetruck can customize their customers’ needs with their expertise (svetruck, (d), 2012-04-16).
Performance – the performance Svetruck deliveries plays an importance role in the material handling operations. The company gives the operator an excellent operation environment with a well-balanced machine with the right performances. (svetruck, (e), 2012-04-16)

The three core values lead to the company’s mission, which is to achieve a true quality. It means the company is continually developing new machines with the highest standards now and in the future. By accomplishing their mission, Svetruck can build up a long-term relationship with their customers, which are treated as the foundation for a quality product in the company. (svetruck, (f), 2012-04-09)

**CRM process and CRM system**

Svetruck has a full customer-focused business strategy. Each decision related to their customers will be made with high priority. The company has bought a CRM system two years ago, but never implemented it practically. Right now, Svetruck is overbridging information, which is to find backup for their experienced sales force due to new sales stuff. The knowledge they have gained about their customers has a high value for the company, and it is important to find a way to transform this knowledge and maintain their customer’s relationship continuously. However, Svetruck is aware of this fact and has started to make a plan for the CRM system. Anderson, David: Responsible for Business Development (interview 2012-02-23) introduced this CRM system as a part of their ERP system. The ERP system is only integrated with production, finance, and purchasing department except sales force. Now it is the time to bring in the sales force, especially when the company is facing generation changing, therefore, the customer information can be secured and the knowledge can be transformed. Each stage has taken years, and it will take a long time for this new stage as well. (Anderson, David: Responsible for Business Development, interview 2012-02-23)

**Interaction of sales force**

In Svetruck, the number of sales force is five, and the business is divided into regions between them. During the interview, Johansson, Dan: Area Manager (interview 2012-03-06) mentioned that the sales force needs to act in a proactive way in order to build up trust and win a good reputation. The outcome of being proactive will make the sales force more reliable of what they offer and therefore achieve the final target, which is to
share “customer’s wallet”. He also indicates that maintaining customer relationship starts with the interaction between the sales force and customers. The first meeting is very important to create the company image, and during the first meeting, the sales force should pay attention to listen in order to find out what the customer actually asks for. In other words, the sales force needs to show the ability to create the idea in the first visit, and therefore helps customers to find out their needs. According to Johansson, Dan: Area Manager (interview 2012-03-06), that selling capital product (ex. Forklift) is important to build a good relationship between seller and buyer. To gain this kind of relationship, the sales force needs to provide a total solution that reaches customer’s needs. The price of the solution requires being professional and reasonable. The business should not be done only once, more important is to get retention and let customers come back. He also emphasized that Svetruck expects that their customers will come back because of the high reputation and high quality of the company. Furthermore, he highlighted that the sales force needs to have a strong feeling on finding the decision-making person after establish the first impression. By visiting a customers place, the sales force will be able to find out if they can offer any advice for creating any further business opportunities. (Johansson, Dan: Area Manager, interview 2012-03-06)

**Information / communication flow**

In Svetruck, customer’s information is controlled by those senior sales force, and is stored intangibly. As mentioned above, Svetruck produces customized products in order to catch customers by providing a total solution. Therefore, the sales force has gained different unique information about each customer. The information contains not only hard information about the machine, but also soft information about their customers. In the company, the information is well communicated between different departments, but not well saved and integrated. It is not a problem to find the information by asking, but employees need to go through the same procedure every time. (Anderson, David: Responsible for Business Development, interview 2012-02-23)

Johansson, Dan: Area Manager (interview 2012-03-06) said all the history information about previous business are important, because the sales force can check the performance of their own products and figure out the weakness and strength of the products by reviewing those history information. Therefore, the company can adapt to the new competition and improve the performance.
Organisation structure / culture

In Svetruck a hierarchy organizational structure is used due to the fact that the two owners are the decision makers (figure 22). This organization style is implemented for more than 35 years already and has been considered as a suitable style within the company.

![Hierarchy organization of Svetruck](image)

Figure 22: Hierarchy organization of Svetruck
Source: Adapted from Anderson, David: Responsible for Business Development, (interview 2012-02-23)

As mentioned in the earlier part, all decisions that are related to customers are made very fast due to the hierarchy organization structure. Here Anderson, David: Responsible for Business Development (interview 2012-02-23) indicated again, and also pointed out that all decisions except the ones about customers are very slow running in the decision-making process. He mentioned that Svetruck is preparing to implement a CRM system without any force, and on a slow and peaceful pace, even if it will take many years.

As mentioned before, Svetruck is facing the generation changing regarding to the sales force has been working in the company for a long time and need to keep knowledge in the company after their retirements. Therefore, the resistance of those senior sales force is high when it comes to new changes of the business environment.

4.7. Empirical framework summary

This section of this thesis has displayed the collected data, which were specifically collected for this research. This information was gathered from six case companies and the main points were outlined in table (16). The critical factors were divided into four parts (1) CRM process and CRM system, (2) interaction of sales force, (3) information / communication flow and (4) organizational structure / culture. Under those critical factors the main points were listed, which will be explained below.
<table>
<thead>
<tr>
<th>CRM process and CRM system</th>
<th>Interaction of sales force</th>
<th>Information / communication flow</th>
<th>Organizational structure / culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>✷ Customer focused (6)</td>
<td>✷ Create trust (6)</td>
<td>✷ Sharing information and knowledge (6)</td>
<td></td>
</tr>
<tr>
<td>✷ User-friendly (3)</td>
<td>✷ Professional (4)</td>
<td>✷ Communication between different divisions (4)</td>
<td></td>
</tr>
<tr>
<td>✷ Follow up (2)</td>
<td>✷ Response (2)</td>
<td>✷ Team work (1)</td>
<td></td>
</tr>
<tr>
<td>✷ Using super user (2)</td>
<td>✷ Flexibility (1)</td>
<td></td>
<td>✷ Decision-making (6)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>✷ Top management support (5)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>✷ Resistance of employees (4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>✷ Training employees (4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>✷ Readiness of employees (2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>✷ Understanding objectives (2)</td>
</tr>
</tbody>
</table>

The numbers after the points stand for the frequency:
(1) – one company, (2) – two companies, (3) – three companies, (4) – four companies, (5) – five companies, (6) – six companies

Table 16: Empirical investigation summary

Through the first critical factor the CRM implementation will be influenced by: first if companies have a customer focused process, second if the process can be followed-up, third if the system is user friendly, and fourth if companies use a super user who can support the sales force.

Sales force as the second critical factor will influence CRM implementation depending on: first if they can create trust with the customers, second if they are able to present themselves as professionals, third if they can response quickly to customers and fourth if they can be flexible when they are facing different types of customers.

With the third critical factor information / communication flow CRM implementation will be influenced depending on: first the way companies share information and knowledge, second the way different divisions communicating with each other, third the teamwork of the sales force because the information can be easier shared within a team.
Under the fourth critical factor organizational structure / culture the decision-making process becomes the first priority to influence the CRM implementation. This is followed by second top management support, which will have an impact on decision-making in relation to the changes. Those changes will lead to third the resistance of the employees and fourth companies can offer training opportunities to motivate employees. Moreover, fifth the readiness of employees will influence the level of resistance. In the end an understanding of the companies’ objectives will create a base to improve CRM implementation.

In the next section the analysis for this thesis was made with the help of the empirical findings
5. Analysis

In this chapter the empirical findings were analyzed with the connection of the theoretical framework. Furthermore, this section was separated into four parts in relation to the four critical factors of CRM implementation (CRM process and CRM system, interaction of sales force, information/communication flow and organizational structure/culture). Afterwards, a summary was created in order to show the most relevant aspects for our research topic, which was the foundation for the following conclusion chapter (figure 23).

5.1. CRM process and CRM system

As mentioned before, CRM involves a set of business processes and policies. The processes are supposed to bring value to CRM implementation, and also support companies to reach their business objectives (Motiwalla and Thompson, 2009). CRM system as technical tool can help companies to accomplish CRM processes in a more efficient way, which means customer data management and process management can be improved (Maleki et al., 2008). From the investigations of the six case companies, a clear picture was presented that all companies have a process to implement CRM, but not all companies have a system. No matter whether a company has both process and system or not, all interviewees have brought up some facts that need to be considered during CRM implementation in relation to CRM process and CRM system, which is present in the figure (24):
CRM process and CRM system

CRM is playing a key role of integrating corporate strategy, business methodology, and technology. For the six case companies, by implementing a customer focused CRM process, a position can be provided, which is to create and add value to companies and their customers (Su, 2010). Without managing customer relationship, it can be difficult for companies to achieve their goals, which could be to have a customer-driven operation (Motiwalla and Thompson, 2009). The process varies between different companies depending on the different types of business. According to Segal (2009) there are seven steps of CRM implementation, which are composed of business objectives, impact on the process, anticipated gains, critical functions, incentives and measurements, improving business process, and evaluation of various CRM options. The first similarity is that all six companies have a clear understanding of the company’s objectives. The second similarity is to know how to manage customer contact information and to communicate with their customers. The third one is to offer training opportunities for their employees to see the benefits the company and the employees will gain. All the similarities of those companies reflect the fact that having a process of CRM implementation, which could lead to a better performance and a positive customer relationship.

The implementation of CRM should be done in a practicable way, which means with the right strategy, the right time, and the right people (Albaum, 1964 and Albaum, 1967; Hulpic et al., 2002; Mandić, 2011). It is not enough to only have a practicable way, but also have a habit to follow up all activities on a daily base. The follow up needs to be done by both managerial and operational level, especially when it comes to the process...
of CRM implementation. After all steps are followed, customer’s data can be collected and analysed for designing a customer-focused strategy, and as well improving business processes. Those six companies are all international enterprises, and they are facing different types of customers. Without a well-implemented CRM process, more obstacles can arrive, which will bring a negative outcome of maintaining relationships with their customers. The importance of a CRM implementation is to have better understanding of their customers, and high possibilities of creating value for their customers. As a result of this, customer’s satisfaction can be reached, retention can be obtained, and a win-win situation can be established (Mandic, 2011, Motiwalla and Thompson, 2009).

A system could be applied to assist the process of CRM implementation, which could provide the functions of storing customer information, searching information when it is needed, and being up-to-date (Maleki et al., 2008). With the support of system, sales force can be prepared in advance before approaching their customers. Whereas, there is only the company Strålfors, that uses CRM system to its full extent. The status of other companies is either they have tried but failed, or have planned but never started. Companies need to understand that a well-implemented CRM should involve people, process, and system with a customer-driven orientation, more than technology driven (Corteau and Li, 2003, Forss et al., 2008 and Kros et al., 2004). In Strålfors, the reason why the CRM implementation was successfully is because the company provides a consistent and personalized internal service by bringing people, technology, and processes together. The system is considered as user-friendly and has been accepted by their employees. In addition, there is a super user, who makes clear instructions, regular checking’s, and updates in order to support all relevant users. By creating all conveniences, the positive working environment will be established, and employees feel more motivated to adapt to new changes.

5.2. Interaction of sales force

Direct sales interactions have the highest rate (60%) in comparison with other communication methods as mentioned in earlier parts. Theoretically, sales force as direct contact with customers provides an important function of enabling the routines of information, transforming customer information into an organization, and improving the quality of decision-making (Dyche, 2001 and Henthorne et al., 1992). To have a good starting point, companies need to take care of the interaction with their customers (Grönroos, 2007). The following figure (25) has displayed the most important points that
need to be taken into consideration, which includes creating trust, being professional, quick responding, and being flexible.

Interaction of sales force

![Diagram showing interaction of sales force]

(1/6 = one out of six companies mentioned this point and so forth)

Figure 25: Interaction of sales force

Trust is the foundation of a positive customer relationship (Friend et al., 2011 and Hawes et al., 1989), and has been reflected in different ways from all the interviews. Some enhanced trust can be built up by the sales force in a way that showing the passion for their job and the understanding of customers’ needs. Trust is also highlighted that once be created by personal communication, it cannot be easily replaced by other tools, such as telephone, email and system. The importance of creating trust can be reflected by showing the willingness of supporting their business partners, in order to find end customers together. Another way of creating trust is to treat customers as family members by a proper communication skill. All different activities of creating trust can make companies closer to their customers, reduce the gap between customers’ expectation and the delivered value, and therefore become a preferable supplier (Hawes et al., 1989, Ploetner and Ehret, 2005).

Be professional can help companies gaining and holding their customers’ attention and interest by offering customized solutions (Henthorne et al., 1992). As mentioned above, the understanding of customers’ needs is important to create relationships, which is the base of customized solution. In order to solve customer problems or satisfy their needs, being professional has been noted as required skill when interacting with customers by four out of six companies. By showing professional knowledge about products or
services, companies can establish a positive image and create trust in order to achieve customer satisfaction (Tadepalli, 1992 and Friend et al., 2011).

However, there are more points that need to be taken into consideration when it comes to manage customer relationship. On top of trust and being professional, quick response from the sales force can influence the decision-making process on the customers’ side. Quick response is a following step to gain retention from customers after attracting them by showing the willingness and professional knowledge. Therefore, offering a quick response to customers is a significant point that companies need to take into account when doing CRM implementation (Dominguez and Zinn, 1994 and Miles et al., 1990).

Flexibility of the sales force is advised by one of the companies, Strålfors. Customers are different, and the differentiation leads the sales force to approach them in different ways, which requires them to be more flexibility. In a combination of creating trust, being professional, quick response, and flexibility, the interaction objectives can be reached, which is to be treated as partners instead of normal supplier. Together companies and their customers can continue to grow at the same level because of their partnership (Ploetner and Eheret, 2005 and Dyche, 2001).

To get a positive outcome of an interaction, the sales force needs to apply a right communication style. Through the interviewees, a proper mixture communication style is recommended, which is a mix of task oriented style, interaction style and self-oriented style. Moreover, the communication style needs to be adapted in different situation and the different stages of the relationship. By having a suitable communication style, the gap between the sellers’ and buyers’ expectations can be reduced, and better performance can be delivered (Miles et al., 1990 and Gronroos, 2007).

5.3. Information/communication flow

The following figure (26) has displayed the most important points that need to be taken into consideration, which includes sharing information and knowledge, communication between different divisions and teamwork.
The sales force starts to collect valuable information for companies when a good relationship is built. The data will be transferred into companies with the support of the processes. To assure that the information reaches the right person at the right time the company needs to have a well-established communication / information flow. The sharing of information influences the decision-making process. Without a well-implemented information sharing flow the decision-making process will take longer time (Albaum, 1964 and Albaum, 1967).

External information is sometimes easier to get than the internal information from companies because of the non-cooperation between the different divisions (Albaum, 1964 and Albaum, 1967). Another important point is the use of available information. When employees need to find information they have trouble finding the right one because there is too much information in companies, which is information overload (Albaum, 1967 and Ben-arich and Pollatscheck, 2002). Due to the overload situation, employees will have problems to find and share useful information within companies, which will make employees spend more time and energy to manage and organize all the information they get. On the other hand, shortness of information can also occur, which means that companies do not provide their employees with enough information (Albaum, 1964 and Albaum, 1967). Higher time consumption for employees when searching for information and decision-making will be influenced because of the lack of information and the overload of information.

According to the interviewees this can be done by putting hard information in predefined fields within the system for example name, position, and telephone number.
of customers. Hard information is collected easier than in comparison with soft information (Goetzmann et al., 2004). Soft information is of high value for companies because it gives more insight of customers, such as their preferences, hobbies, decisions and promises from last meetings.

Another point, which is connected to the sharing of information, is the flow of communication between different divisions. Companies may experience that information is not transferred between different divisions, which is why some data never reaches the right person. This may influence the quickness of a decision-making process. This problem leads the company to a lack of communication due to the un-integrated information. Companies need to integrate the communication between divisions more in order to reduce the time consumption employees spend on finding right information.

The company Strålfors had a critical point for CRM implementation, which was teamwork. For the company it means that the sales force is working together in teams by doing this the information/communication flow is quicker and in addition the sales force shares important information with each other. As a result the sales force is more productive and better performance can be delivered.

5.4. Organization structure/culture

CRM is all about collaboration and cooperation, and should be implemented strategically (Parvatiyar and Sheth, 2001). The way to collaborate and cooperate is depending on the structure of the organization. As the interviews' results show, there is only one company Svetruck that has a hierarchy organizational structure, and the rest have a matrix organizational style. Different opinions from the interviewees about how the organization style influence the CRM implementation reflects on a common picture, organizational structure does not have a strong impact on CRM implementation, what matters is how the decision-making process works under the organization structure.

The following figure (27) has presented the most important points that need to be taken into consideration, which includes decision-making process, top management support, resistance of employees, training of employees, readiness of employees and understanding the companies’ objectives.
Organization structure is important to define the decision-making process and to see how communication/information flows through companies (Gowthrope, 2008). All communications between employees will be executed through the most efficient channels, which are designed by the organizational structure. If the organizational structure can optimize the channels of managing information/communication flow, in that way the organizational structure can be considered as a suitable style. In general, organizational structure is conducted by management and operation level (Ahearne, 2009). The advantages of the hierarchy organization structure are that the information-flow between different departments is quick and that decision-making process is fast (Ahearne et al., 2010), which is reflected from the case in Svetruck. The points need to be taken into consideration when having a hierarchy organizational structure, are to make sure that the strategic changes made from the highest level can be accepted by the minor level, and to involve the sales force into the decision-making processes as much as possible (Ahearne, 2009). Therefore, a positive customer relationship can be built up due to the high collaboration and cooperation. As explained in earlier parts matrix organization involves people both in vertical and horizontal direction, which makes matrix organization more complicate than other styles. The company Konecranes changed from a line organization to a matrix organization. The complexity of Konecranes product categories created difficulties to their managers when they need to make decisions on the part that they are not familiar with. By this token, the disadvantage of matrix organization structure is displayed, which is that the communication takes longer time and companies are not able to make quick decisions.
due to the in-equable level of the middle management team (Peters, 1979). Thus, for those companies that have matrix organization structure, it is important that the top management should spend more time in communicating with other managers, creating the culture that support the structure, and building up the trust both in vertical and horizontal direction. Eventually, the capacity of handling information will be raised and the speed of decision-making will be faster (Atkinson, 2003).

The top management of a company has the duties of making decisions and seeing profitable investments for example a new process, new systems, new organizational style etc. According to the interviewees the reason why top management is one of the main critical points is due to the importance within the company. Decisions made by the top management need to be accepted from the top level to the minor level. If the top management is not supporting changes in a company changes will not work out. The top management does not see the interest of a CRM because they cannot see a benefit in the short run. On the other hand if they would look on the long-term of a CRM than they would see the ROI. At first, the top management has to see the concern why to have a CRM and then companies need to see the long-term benefits what it brings with it. That is why the support of the top management plays an essential part of a CRM.

Readiness of employees and resistance of employees are discussed together because they interfere permanently. First the companies need to analyse if the culture in the company is ready for changes, how it will react to changes and how easily employees will adapt to those changes (Scheffknecht, 2011). The company Electrolux from the case study has a very strong company culture, where all the employees have similar views and beliefs. These views and beliefs should be used when communicating with customers and as well when communicating with colleagues (Scheffknecht, 2011). In order to keep a company culture working and make changes easier, companies need to share information to keep the employees up to date. According to the interviewees training and sharing new information with employees is an important step to let them adapt quicker to changes. Moreover, the company should share their vision and goals with employees to make them ready for changes. Regularly, companies should tell their vision to their employees and explain why the change will be a success (Anon, 2010). In addition, to strengthen the readiness of employees they need to be motivated to keep the good working outcome (Weiss, 2011). Companies may motivate their employees with financial rewards, which would be an external motivation (Broedling, 1977). On the other hand an internal
motivation would be much more efficient because the employee can reach their personal goals, for instance to get the information from the customers to create a better relationship with them (Lilienfeld et al., 2009).

The resistance of the employees is due to the reason that employees do not like changes in general. In order to overcome this resistance one step could be that the top management shows active support and employees should attend trainings. Also companies need to show the benefits what employees will gain with the change and share the companies’ objectives in order to manage the resistance of employees.

5.5. Analysis summary

In this chapter the data of the empirical investigation has been analysed. The main points, which influence the critical factors of CRM implementation, has been explained. These points are displayed in the figure (28) below. The applied structure was used due to the theoretical framework outline. This helped the researchers to structure the analysis in the same way as the theoretical framework.

![Diagram](image_url)

Figure 28: Relationship between critical factors and CRM implementation

(the frequency between 1 to 3 = à, the frequency between 4 to 5 = --->, the frequency of 6 = è)
Figure (28) has presented all different points that influence the critical factors of CRM implementation from different perspectives. The most important points are displayed with a thick line, which are (1) customer focused, (2) create trust, (3) sharing information and knowledge and (4) decision-making. Furthermore, there are more points that need to be taken into consideration. These points are highlighted with a dotted line and a thin line.

After this analysis, the conclusion, implications and limitations and further research can be drawn in the following chapters.
6. Conclusion

In this chapter, the conclusion of the research question was drawn with the help of the empirical investigation and the analysis chapter, which has accomplished the purpose of this thesis.

The conclusion is drawn based on the four critical factors, which are CRM process and CRM system, interaction of sales force, information / communication flow and organization structure / culture. The strategy of establishing a process of CRM implementation starts with an understanding of customers. CRM implementation could be influenced if the process is not done in a practicable way, which means with right strategy, right time, and right people. On top of the CRM process, a user-friendly CRM system can be used as assistant. Therefore, the process of CRM implementation can be followed easily and employees can adapt to changes in a structured way. It also brings the benefit for the sales force to be prepared in advance before approaching customers. The ways the sales force behaves has a strong impact on building up customer relationship due to the direct communication. From their own perspective, building up trust, presenting themselves with a professional image, and offering quick response will be the key indicators, which can lead to a positive customer relationship.

In addition, the influence that the information / communication flow can cause mainly derives from two situations, which are overload and lack of information. Both of these two situations will lead to a slow decision-making process because employees need to spend extra time and energy on searching, sorting and organizing information. Due to the extra time and energy they need to spend, high resistance and low readiness could be followed, which also has an impact on CRM implementation. Organization structure / culture as one of the critical factors have shown the influences on the decision-making process. The results show the style of organizational structure does not influence CRM implementation, what influences is how the decision-making processes works under the organizational structure. Top management as the strategic decision-maker plays a significant role when it comes to any new changes in an organization. To maximize the function of top management, it is important that top management can make sure the strategic changes that are proposed by them will be accepted within the whole organization. From an organizational perspective, it is crucial to involve sales force in the decision-making process as much as possible especially when decisions are made related
to their customers. Motivation can be used to minimize the negative outcomes from those employees who are not willing to adapt to new changes. By sharing relevant information, offering training opportunities, and creating a common understanding of companies’ goals, a positive working environment is created, and benefits behind the changes will be realized.

7. Implications

In this chapter the implications to the theory and the implications for managements will be presented. Implications will be presented to the adopted theory, which were used in this thesis (Theoretical implication). After this implications for international organizations and their managers will be provided (Managerial implication).

7.1. Theoretical implication

The purpose of this thesis was to describe a phenomenon within a specific area of research. The aim was to gain a better understanding of the studied phenomenon by answering the research question connected to CRM implementation: CRM process and CRM system, information / communication flow, interaction of sales force and organizational structure / culture. This was done with the help from theories proposed by previous researchers in related fields. Therefore, by answering the research question an understanding of CRM implementation was created.

In the theoretical framework the presented theories connected well with the empirical data of this thesis. On the contrary one theory concerning the organizational structure showed a difference to the collected empirical data. An overall view of the theories shows that most of them are correlated to our research topic. The most noticeable differences will be addressed below.

Regarding the organizational style, almost all of the theories could be related to the empirical investigation but we had one major difference. The theory of Joyce (1986) says that a matrix organization strategy would raise the capacity of information handling and decision-making. Our investigation showed that with a matrix organization structure the decision-making takes longer time due to complexity of handling information. That is why we feel that this theory should add more negative aspects concerning the matrix organization structure in relation to the handling of information.
For other researchers our results could be applied as additional information to accomplish investigations in the field of CRM implementation. Furthermore, to verify those main points, which were defined in this thesis, could influence critical factors of CRM implementation in terms of CRM process and CRM system, interaction of sales force, information / communication flow and organizational structure / culture.

7.2. Managerial implication

Many of the current literature discuss CRM implementation and its impact on companies’ performance within the company or on an economic scale. The purpose of our thesis is to identify the critical factors of CRM implementation and to gain a deeper understanding of how companies deal with those critical factors. The results of the investigations can serve as an indicator of how the critical factors of CRM implementation are dealt with in terms of CRM process and CRM system, interaction of sales force, information/communication flow, and organizational structure/culture. The impact of this thesis could be viewed from the perspective of an international company that operates in a B2B economic environment and also for the management level in the company. Three implications are presented as following, which is done based on a multiple case study within six companies.

- Understand customers’ needs

  The research shows an understanding of customers’ needs is significant to create a base of building customer relationships. Companies need to be customer-centric oriented, and in combination with an understanding, they are able to attract, keep and maintain their customers. Therefore, companies can be more integrated and competitive in a fast growing market.

- Sales force involvement

  The degree of how much the sales force is involved into CRM implementation has a strong impact on building up customer relationship. From an organizational perspective, sales force should be involved in the decision-making process as much as possible especially when decisions are related to their customers. From their own perspectives, they need to be more proactive into all kind of customer activities. In order to be more proactive, we advice that the sales force builds up the trust with
their customer in the early stage by presenting himself/herself with a professional image and quick response.

- Decision-making process

From the results, we know that organizational structure is not crucial for CRM implementation, but how the decision-making process works under that structure is more important. In order to have an efficient decision-making process, top management should provide support to facilitate any activities that have impact on making decisions. They also need to make sure the strategic changes that proposed by them should be accepted within the whole organization. Furthermore, to have a well-implemented CRM, top management needs to be interested in CRM implementation and see the long-term benefits what it can bring into an organization. When the decision-making process is working smoothly within the whole organization, a positive working environment can be created. Consequently, all employees that are involved in managing customer relationships can deliver better performance.

In addition, companies need to keep in mind that a CRM should be implemented as strategic tool rather than technical tool.

8. Limitations and further research

This section will present the limitations for this thesis and it will conclude with suggestions for other researchers who can use this research to get deeper into the field of CRM implementation.

8.1. Limitation

The implications we provided above are based on a qualitative research, and the data are collected by in-depth interviews. The results are conducted through the personal opinions, insights and experiences with all interviewees, who fulfilled our sampling requirements. By investigating six case companies, we gathered a deeper understanding about how the critical factors influence CRM implementation. Thus, a generalization cannot be drawn based on the characteristics of the qualitative research approach.

During our research, we encountered more limitations that affected the way we accomplished the investigations. First, the study was limited to just investigate six case companies, which are in laundry industry, printing industry and heavy lifting industry in
B2B economic environment. It would be possible to lower the limitation if the research approach can be designed as; more interviews with more companies to see the variation between different types of industry; more interviewees from one company with different levels and positions to gain deeper understanding from different perspectives. Second, the data collected are only presented from the companies’ perspective (seller). It would be more valid if interviews can be carried out with the companies’ customers. By doing interviews with the customers’ side (buyer), we would be able to verify the critical factors that influence CRM implementation from the customers’ points of view, and also to see the correlation between the two parties that have an impact on CRM implementation.

8.2. Further research

In recent years the urge for CRM increased rapidly and in 2008 CRM was the fourth most used tool by companies (Ahearne et al., 2010). Companies started to expand and operate in many countries all around the world. As seen from this research there is an interest in international organizations to broaden their view concerning CRM in order to build up a better and more integrated customer relationship. While seeking out information to research our thesis, we uncovered an interesting theory about Global Customer Relationship Management (GCRM), which has created a desire for further knowledge. Therefore, further research suggestion is GCRM in the field of CRM implementation, which is described below.

**What is Global Customer Relationship Management?**

GCRM is the strategic function of the processes and practises of CRM by companies working in several countries, or by companies serving customers who span many countries. Additionally, GCRM builds and keep the relationships with customers that span across various countries. Companies with GCRM can target the most profitable segments in the market worldwide, as well as target individual customers with the right product at the right time, no matter where the customer is situated (globally or regionally). Furthermore, GCRM enables companies to have more efficient data and more exact forecasts about global, regional and individual market trends (Kumar et al., 2011). On the other hand the main challenge to implement GCRM is the worldwide versus regional focus. The implementation of GCRM is more complex and more challenging than CRM but it will obtain bigger benefits (Kumar et al., 2011).
At the very end of this research the further research points would be a great complementary for this thesis.
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Stralfors

Linnaeus University – a firm focus on quality and competence

On 1 January 2010 Växjö University and the University of Kalmar merged to form Linnaeus University. This new university is the product of a will to improve the quality, enhance the appeal and boost the development potential of teaching and research, at the same time as it plays a prominent role in working closely together with local society. Linnaeus University offers an attractive knowledge environment characterised by high quality and a competitive portfolio of skills.

Linnaeus University is a modern, international university with the emphasis on the desire for knowledge, creative thinking and practical innovations. For us, the focus is on proximity to our students, but also on the world around us and the future ahead.