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**GESTÃO ESTRATÉGICA DE
RELACIONAMENTO COM O CLIENTE:
LANÇANDO ALICERCES PARA A
IMPLEMENTAÇÃO DE CRM EM
CONTEXTO PME**

**STRATEGIC CUSTOMER RELATIONSHIP
MANAGEMENT: LAYING THE GROUND
FOR CRM IMPLEMENTATION IN SME
CONTEXT**

Tese apresentada à Universidade de Aveiro para cumprimento dos requisitos necessários à obtenção do grau de Mestre em Marketing, realizado sob a orientação científica da Doutora Dora Maria de Oliveira Simões Ribeiro Pereira, Professora Adjunta do Instituto Superior de Contabilidade e Administração da Universidade de Aveiro.

Get closer than ever to your customers. So close, in fact, that you tell them what they need before they realise it themselves.

Steve Jobs

o júri

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palavras-chave

Marketing Relacional, Gestão do relacionamento com o cliente (CRM), Estratégia de CRM, Implementação de CRM, PME.

resumo

No atual cenário competitivo empresarial, é cada vez maior a necessidade das empresas se destacarem da concorrência. Daí que a gestão estratégica tenha vindo a direcionar o seu foco para o relacionamento com o cliente enquanto vantagem competitiva, uma vez que atualmente os clientes procuram muito mais do que apenas um produto ou serviço, mas uma completa experiência personalizada que atenda (ou preferencialmente exceda) as suas necessidades e expectativas. Neste sentido, o *Customer Relationship Management* (CRM) surge como a solução mais adequada para as organizações que decidem adotar esta estratégia focadas no marketing de relacionamento.

Ao contrário das grandes multinacionais, o alto investimento em sistemas tecnológicos e a complexidade dos procedimentos internos sempre condicionaram as Pequenas e Médias Empresas (PME) a uma abordagem mais tradicional em relação ao CRM. No entanto, o aumento da concorrência, a globalização dos mercados, o desenvolvimento tecnológico e a fragilidade da fidelização dos clientes levaram muitas PME a repensar a sua estratégia de negócio e incluir o CRM como uma vantagem competitiva essencial. Este desafio esteve na origem da questão de pesquisa levantada por este Projeto: como estabelecer alicerces para a implementação de CRM no contexto PME? – Mais especificamente aplicado à pequena empresa KontaGion Hub, Ltd. Partindo desta questão, o objetivo do Projeto é propor uma estratégia específica de implementação de CRM adaptada às necessidades da empresa observada. Para alcançar tal objetivo, a presente investigação seguiu o método de estudo de caso único numa empresa britânica, tendo como fontes de dados a realização de entrevistas, análise de documentos secundários, e uma série de atividades e observações diretas realizadas durante a duração do Projeto, por um período de aproximadamente 6 meses.

A principal contribuição deste Projeto é a proposta de uma estratégia de implementação de CRM adaptada às necessidades específicas da empresa KontaGion Hub. Considerando o peso significativo que este tipo de empresas detém em qualquer mercado empresarial Europeu, e devido à falta de outras investigações semelhantes realizadas nesta área, este trabalho pode representar um avanço na implementação de projetos estratégicos de CRM para outras PME num contexto semelhante.

keywords

Relationship Marketing, Customer Relationship Management, CRM Strategy, CRM Implementation, SME.

abstract

In the current competitive market scenario, the need for companies to stand out from each other is ever growing. Therefore, strategic management is increasing their focus on customer relationships as a competitive advantage, understanding that nowadays customers look for much more than just a product or service, but rather a full personalised experience that meets (or hopefully exceeds) both their needs and expectations. Customer Relationship Management (CRM) comes up as the best solution to organisations that decide to adopt these relationship marketing focused strategies.

Unlike big multinationals, the high investment in technological systems and complexity of internal procedures always kept Small and Medium Enterprises (SME) in a more traditional circuit regarding CRM. However, the competition increase, market globalisation, technological development and frailty of customer preferences have led many SME to rethink their business strategy and include CRM as one of the main competitive advantages when dealing with customers. Which leads to the research question raised by this Project: how to lay the ground for CRM implementation in SME context? – More specifically applied to the small company KontaGion Hub, Ltd. Following this question, the aim of the current Project is to propose a specific CRM implementation strategy tailored to the needs of the observed case company. To achieve this, the present investigation followed the method of unique case study in a British start-up, and as data sources there were made interviews, secondary documents were analysed, and a series of activities and physical observations were made during the Project length, for a period of approximately 6 months.

The main contribution of this Project is the proposal of a CRM implementation strategy adapted to the SME company KontaGion Hub specific needs. Considering this type of companies hold a significant weight in any business market across Europe, and due the lack of further investigations carried out in this field, this work can represent a step further in the implementation of strategic CRM projects in other SME context.

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List of Acronyms

ASP - Application Service Provider

CEO - Chief Executive Officer

CRM – Customer Relationship Management

CTI - Computer Telephony Integration

BZ - Below Zero

ERP - Enterprise Resource Planning

GDP - Gross Domestic Product

GDPR - General Data Protection Regulation

ICSB - International Council for Small Business

LTV - Lifetime Value

MGC - Most Growable Customers

MVC - Most Valuable Customers

OECD - Organisation for Economic Cooperation and Development

PME - Pequenas e Médias Empresas

RM - Relationship Marketing

ROI - Return on Investment

SaaS - Software as a Service

SCM - Supply Chain Management

SFA - Sales Force Automation

SOHO - Small Office-Home Office

SMB - Small and Medium-Sized Businesses

SME - Small and Medium-Sized Enterprises

YTD - Year to date

Chapter I – Introduction

Technological evolution has revolutionised societies and the way that people live, with rapid changes in terms of consumer preferences, which is reflected in the increased competition between companies (Kotler & Keller, 2006). The media and its increasingly easier access, has caused changes in consumers' behaviour and demands, constantly asking for increased quality and personalised customer experience. The world has changed, and there has been an intensification of competition accompanied by a change in its rules (A. Kumar & Bezawada, 2014).

It is in this context of incredible high customer's expectations and technological advances that relational marketing concept fully emerges (Payne & Frow, 2017), being already previously defined by Grönroos (1994) in the '90s as a process of identification, creation, maintenance and establishment of relations with customers and other stakeholders, where the objectives of the parties involved are satisfied by a reciprocal donation and fulfilment of promises.

The start of the millennium marks, then, a remarkable advance in the field of relationship marketing, with a substantial rise in the application of technology to manage customer relationships. Particularly, the increased ability to use information technology to generate customer insights, and apply these insights in relationship marketing programs, drove exponentially the rise of customer relationship management – CRM (Payne & Frow, 2017).

Chalmers (2006) defines CRM as a set of business processes and global policies designed to capture, maintain and serve customers. And not only a strategy, nor just a business process or a technology, but a set of all the previous ones combined.

For long, the importance of Information Technology (IT), which requires high investment, coupled with markets globalisation, technology development, rapid changes in customer preferences and the great increase in competition has led CRM to be mainly implemented by large companies (Chalmers, 2006). Nevertheless, the growing demand for tailored customer relationships has pushed Small and Medium-sized businesses (SME) into improving their relationship management with customers to ensure the necessary changes to subsist in an increasingly competitive market.

According to ThuyUyen & Teresa (2013), the specific characteristics of SME like scarce financial resources, limited technological investment, aversion to risk and usually simple and, many times, also familiar structures, are believed to heavily distinguish their CRM implementations from those performed by larger organisations.

In its turn, customer empowerment has naturally generated new challenges for customer relationship management (CRM). As Saarijärvi, Karjalainen, & Kuusela, (2013, p.152) concluded "CRM must adapt to a business environment where new forms of exchange are emerging and where traditional customer and firm roles quickly become out-dated and are recreated".

Problems with implementation, coupled with a growing customer focus, have led to more and more companies looking for integrated methodological solutions adapted to their own reality, in order to increase the success achieved with CRM (Chalmers, 2006). SME are not an exception, and their specific characteristics demand for a methodology adapted to their own reality and context, which opens the door for this project.

Hence the relevance of the research question for this study: How to lay the ground for CRM implementation in a SME context? – More specifically a Start-up company. And the objective is to propose a CRM implementation strategy adapted to these specific needs. This way, it will be possible to fill the few academic studies carried out in this area and help this type of companies to hopefully improve their relationship management with their clients, increase satisfaction and, consequently, their business results.

1.1 Theme's Relevance

Closely associated with Relational Marketing comes the CRM tool, one of the business strategies that best fits when the goal is to develop a sustainable and lasting relationship with customers, which is why both concepts are pertinent to this study.

The purpose of any Customer Relationship Management (CRM) strategy is to efficiently increase the acquisition, growth and retention of profitable customers by selectively initiating, building and maintaining appropriate relationships with them (Payne & Frow, 2006).

Developments in information technology can help improve customer relationships and make it possible to gather vast amounts of customer data allowing companies to analyse, interpret and utilise it more constructively (Ranjan & Bhatnagar, 2008).

With an effective CRM strategy, a business can increase revenues by providing exactly the services and products that customers want, offering better customer services, cross selling more effectively, helping sales to close better deals faster, retaining existing customers and discovering new ones more easily (Injazz & Popovich, 2003).

In the current data-driven world, it is becoming easier and easier for any business to gain valuable information about its customers and use it to its advantage. This data, gathered from previous business dealings, social media, inbound marketing and analytics data can be used to provide more accurately tailored solutions to specific consumers, and improve the customer service (Greenberg, 2010). However, in order to be able to do that a company needs to have a CRM system in place to retain, sort, analyse and manage all the available information (Payne & Frow, 2005). In large and medium-sized companies this is usually done by recurring to expensive consultants, platforms and pieces of software, but smaller businesses still struggle to find a system that works for them, meaning they usually have multiple databases in which customer data is stored but which are not integrated, fully up to date, nor dynamic.

The situation reported above is the case of KontaGion Hub – Market Intelligence, a small business start-up based in London and specialised in providing market intelligence for businesses in Energy and Building construction sectors with the focus on M2M learning and Smart Technologies. Even though the company has started to trade very recently they are already facing the challenges of managing their databases and relationships with customers and stakeholders.

1.2 Research Goals

The foundation of any CRM strategy should begin by considering all the company capabilities, from the business process to technology and finally people. Ignoring any of these can lead to further problems, as each and single one makes part of the journey from the business to the customer. But above all, it should be the customer and not a product or service featuring at the heart of any strategy. Which can represent a complete paradigm change in some cases, but that represents an important shift that the whole team needs to understand and implement from the start in order to get things right. In order to be successful, any “CRM strategy must look holistically at the business processes and systems that deal with customers, including marketing, sales, ordering, customer care, technical support and business intelligence/customer analytics”, says Yossi Zohar, head of product and partner marketing at Amdocs (Davey, 2017).

This Project aims to overcome the challenge described above by developing a plan for strategic CRM implementation in the start-up company - KontaGion Hub, allowing them to consistently integrate a CRM system with their overall CRM strategy, and helping them to improve their relationship with customers and make more sustained strategic decisions.

The Project goal is therefore to develop a customer relationship management (CRM) implementation strategy as a capital gain and a long-term growth advancement, fostering a lasting relationship between the company and its customers. More specifically, the aim is to propose a specific CRM implementation program tailored to the needs of the chosen Start-up company, that will be the object of this unique case study.

As such, this investigation will follow the method of unique case study, and the data collection will be made via semi-structured interviews applied to both Chief Operations Officer (COO) and relevant Sales people. The data collected, and secondary documents will then be analysed, as well as the notes taken during the Project, for a period of approximately 6 months of observation in the field.

Mainly, the goals of this research are to review the state of the art of Relational Marketing & CRM concepts. Review some of the most relevant CRM systems. Diagnose the case study company specific CRM needs. Choose the most suitable CRM framework and system to the identified context. And lastly, to propose a CRM implementation process adapted to the case company specificities, in order to overcome the relational marketing challenge identified at KontaGion Hub

Ltd, and faced by many other Small and/or Start-up businesses, which consists in the difficulty to manage all the gathered and available information about customers in an organised and meaningful way, that can help to improve their relationship with them, retain business and ultimately increase profits.

The section below will look into detail on how this work was mainly structured and Figure 1 represents schematically its organisation.

1.3 Structure

The structural diagram elaboration represents one of the most important phases of the investigation, as it comprises the plan of work, dividing the big phases into milestones and representing schematically the way how it is expected to achieve the predicted completion. Following this thought, the structure of this Project is summarised below in Figure 1. This structure is composed by five main chapters, the first comprising the introduction to the project, theme relevance, research goals and followed structure.

The second chapter comprises the literature review, introducing the origins and evolution of Marketing, the emerging concept of Relationship Marketing, its development and its direct relationship with CRM. Plus, the introduction of the most relevant CRM definitions, going through its evolution, main perspectives, key processes and frameworks, different implementation methodologies, and most relevant CRM Systems for this context.

The third chapter describes and justifies the methodology followed in this research. It is in this chapter that the research approach and tools are defined, including the script elaboration for the conducted semi-structured interviews. It is still here that the collected data will be processed, including the description and characterisation of the interviewees, followed by the analysis and triangulation of information collected for this study.

The fourth chapter comprises the case study description, including the selected company presentation, the business requirements specifications and finally the CRM strategy proposal that is suggested for the sake of this project, considering the reality and specificities of the observed company.

Finally, the fifth chapter presents the findings of the investigation, the conclusions and limitations for further studies.

Project Structure

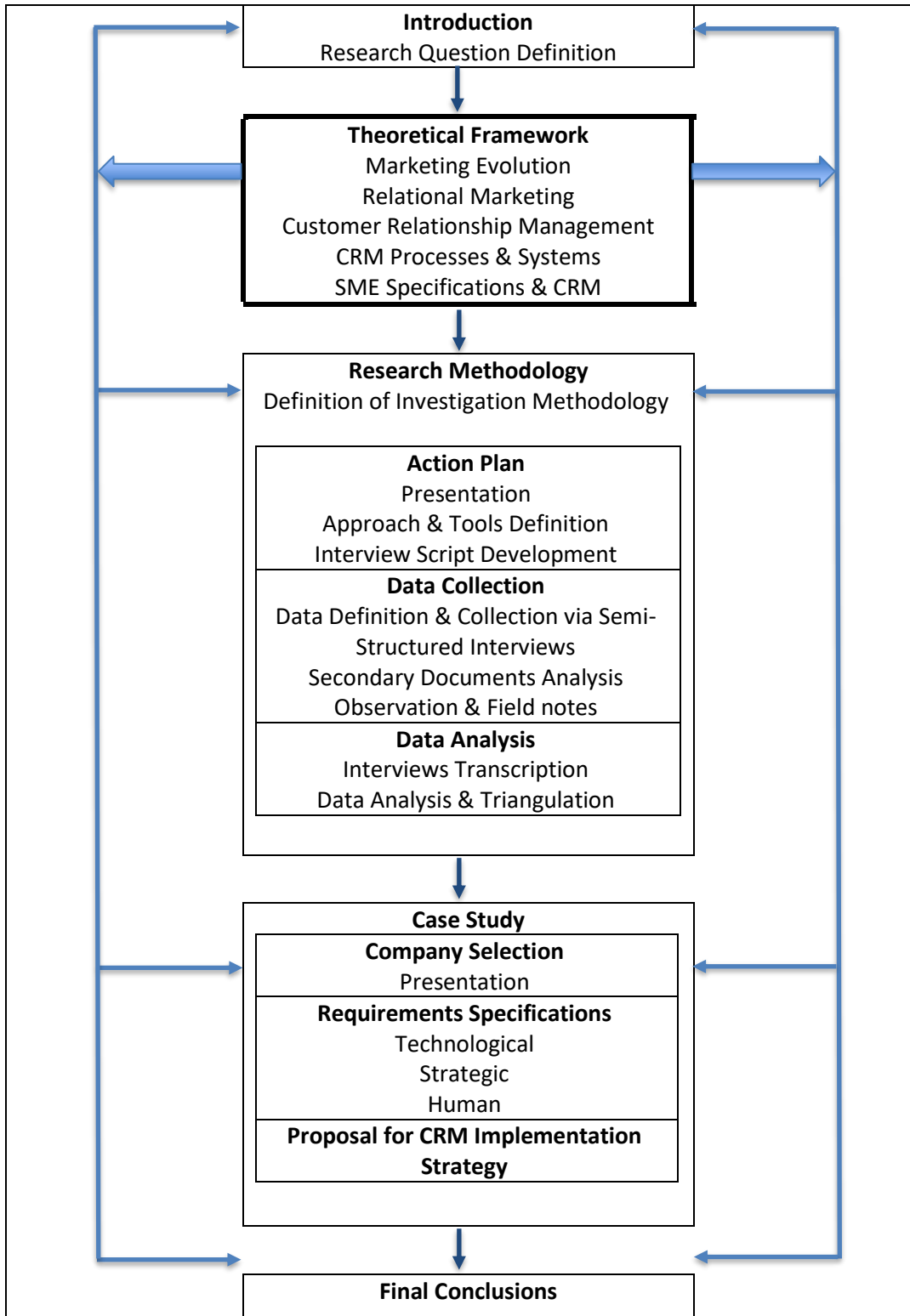


Figure 1 - Project structure (own source)

Chapter II - Theoretical Framework

Drucker (*apud* Akroush, Dahiyat, Gharaibeh, & Abu-Lail, 2011) long held the belief that the sole purpose of businesses is to create and keep customers. This paradox gains even more sense in nowadays' society, characterised by its rapid changes, both in terms of technologies and in terms of consumer preferences, which reflects in the increased competition between businesses.

In this sense, it becomes important to provide an increasingly personalised customer service, which has led both small and large companies to invest in CRM. Customers, are no longer only looking for a product or service, but they want a tailored experience adapted to their needs. That's why companies have now moved their focus on creating added value for the customer, not only through a better product or service, but mainly through a better overall experience (Injazz & Popovich, 2003). And that's how Customer Relationship Management emerges as a response to this differentiation requirement for organisations.

Therefore, and to better understand the importance of CRM in the business reality, which justifies the origin of this study, that aims to propose a specific CRM implementation strategy tailored to the peculiar needs of a selected SME company, this Theoretical framework will look back to essential concepts like Marketing origin and evolution, reviewing the transition from traditional to relational Marketing, and its relationship with Strategic Customer Management and CRM. This chapter will also review the evolution of Customer Relationship Management, its main perspectives – conceptual and technological, its levels, key processes and frameworks, looking more deeply into the CRM implementation strategy of Payne & Frow (2013), and a series of relevant CRM Systems for further consideration in terms of scope of this project.

2.1 Marketing – Concept, Origins and Evolution

Even if Marketing has its origins in the earliest forms of commercial transactions, its widespread acceptance is relatively recent, and its modern adaptation can be traced to the substantial growth period that followed the Second World War (Frow & Payne, 2009).

The starting point for modern marketing came around 1950 and along with it, also emerged the best-known representation of the marketing mix with the 4Ps of marketing: product, price, place and promotion (McCarthy, 2002). However, according to Grönroos (1994) marketing in practice had been turned into managing this transactional approach in order to maximise sales, rather than truly exploring the nature of the company's market relationships and genuinely catering for the real needs and wants of customers. Grönroos (1994) also pointed out that any marketing paradigm should ideally be designing and directing its activities according to the needs and wants of the customers in the chosen target markets, which he didn't believe that marketing mix paradigm was very well fit to do. In his opinion, the marketing mix and its 4Ps constituted a production-oriented

definition of marketing and not a market-oriented or customer-oriented one, not explicitly including any interactive elements, nor the nature or scope of such interactions.

In the 80s, Marketing was also defined by the American Marketing Association (AMA) as the planning and executing process of the design, pricing, promotion and distribution of ideas, goods and services in order to create exchanges that meet the objectives of the individual and the organisations. This trend was more centred on the transactional side of marketing, especially focused on the product and transaction, rather than customers and relationships (Antunes & Rita, 2008).

As shown in Figure 2, Marketing focus and studies have evolved deeply in the last 60 years, moving quickly from a primarily consumer and industrial marketing to an emerging marketing area around the 1990s, essentially focused on the strategic customer management, and named Relationship Marketing (Payne & Frow, 2013).

“Relationship Marketing emphasizes both quality and customer service and how these can be managed towards closing the quality gap between what customers expect and what they get” (Christopher, Payne, & Ballantyne, 1991, p.1).

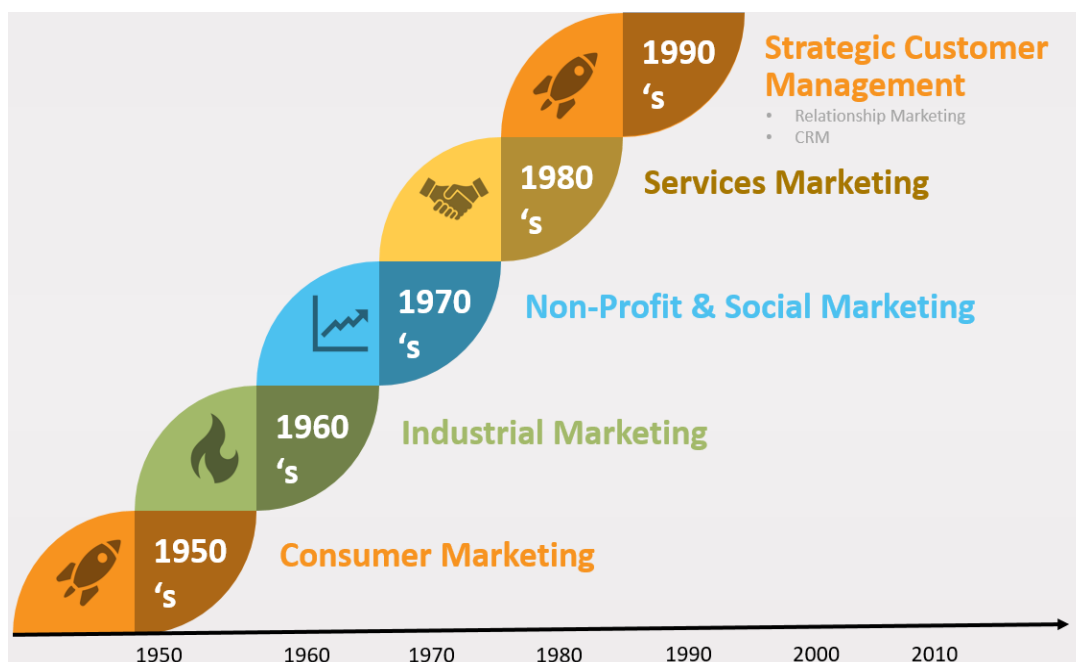


Figure 2 - The development of Marketing discipline (adapted from Payne & Frow, 2013)

In 1992, Kotler and Keller (2006) pointed out to the future proposing a new and revolutionary perspective on the organisational performance and success based on relationships, where the traditional marketing approach (including the marketing-mix), is not replaced but less transaction oriented and where the relevance goes to a relationship approach to stakeholders, as we can better understand according to the observed in Table 1.

Traditional Marketing	Relationship Marketing
<ul style="list-style-type: none"> - Focus on transaction, customer acquisition & customer market domain - Focus on functionally based marketing 	<ul style="list-style-type: none"> - Focus on customer retention & multiple market domains - Focus on cross-functional based marketing - Focus on the creation of value for customers

Table 1 - Transaction vs Relationship marketing (adapted from Payne & Frow, 2013)

Yet, in Payne & Frow opinion (2013) the 4Ps model oversimplifies the complex process of winning and keeping customers, therefore they've identified 3 further essential key elements of the marketing-mix: people, processes and customer service, as per Figure 3 below that should be taken in consideration as a relevant part of any marketing strategy.

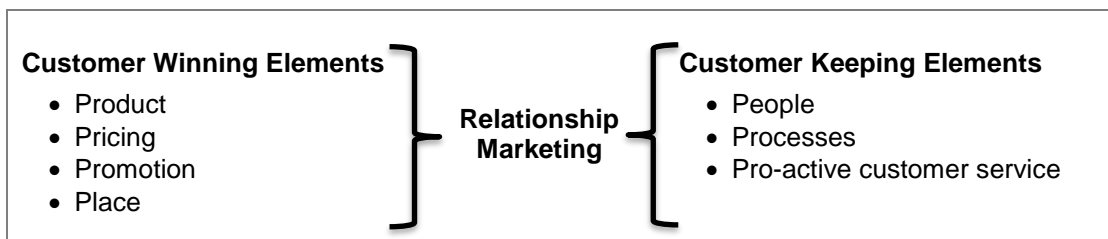


Figure 3 - Relationship marketing strategy (adapted from Payne & Frow, 2013)

The demarcation lines between what is internal or external environments for the company have become more and more indistinct, and the customer has taken such a central role in the value creation process, that serving customers has become the 'new marketing' (Lipiäinen, 2015).

2.2 Relationship Marketing oriented to Strategic Customer Management

Relationship marketing is not a recent concept, since Leonard Berry first pointed it out in 1983, there has been a steady increase in this marketing field, and from the second half of the 1990s, the work on relationship marketing related articles begun to grow substantially (Berry, 1995; Grönroos, 1994; Kotler & Keller, 2006; Payne & Frow, 2017; Simões & Filipe, 2013; Soltani & Navimipour, 2016). As relationship marketing literature continued to develop, some academics started moving towards new paradigms, and in 1996 Sheth (Parvatiyar & Sheth, 2001) argued that relationship marketing domain should be limited to collaborative marketing activities that focused on serving the needs of the customer only. In contrast to this view, many other scholars argued that relationship marketing should encompass a much wider range of stakeholders. Since then, this broader perspective of relationship marketing has progressively gained ground (Antunes, Rita, & Paulo, 2008; Christopher et al., 1991; Grönroos, 1994; Payne & Frow, 2017; Peppers, Rogers, & Dorf, 1999).

An academic review of relationship marketing (RM) literature took by Harker, in 1999, reveals many attempts by several authors to define relationship marketing. Harker conducted an extensive content analysis of 117 different scientific articles and as a result collected 26 varying definitions of RM. In each of these definitions one or more of the following seven conceptual categories of RM were present: creation (attracting, establish, getting); development (enhancing, strengthening); maintenance (sustaining, stable, keeping); interactive (exchange, mutually, cooperative); long term (lasting, permanent, retaining); emotional content (commitment, trust, promises); output (profitable, rewarding, efficiency).

The start of the millennium, has seen a considerable development in the field of relationship marketing, this period marked a substantial rise in the application of technology to manage customer relationships. These technological progresses, including increased computer power, more affordable data warehouses, availability of “big data” and advances in the internet infrastructure, have strongly influenced what managers can do to develop and enhance relationships. Particularly, in terms of increasing the ability to use information technology to generate customer insights. Lately, the application of these insights in relationship marketing programs led to the rise of customer relationship management (Payne & Frow, 2017).

As previously referred, in the early 1990s, Kotler had already highlighted the importance of adopting a relationship approach with all the stakeholders, proposing a new perspective of organisational performance and success based on relationships, where the traditional marketing approach – based on the marketing mix – wouldn't be replaced, but repurposed as the key to understand and address all the significant players in a company's environment. He outlines this importance by saying that: “if companies are to compete successfully in domestic and global markets, they must engineer stronger bonds with their stakeholders, including customers, distributors, suppliers, employees, unions, governments and other critical players in the environment.” (*apud* Payne, 2005, p.7).

Payne & Frow (2009, p.9), despite the many perspectives around the concept, also defend this multiple stakeholder interpretation as the most relevant, suggesting that: “Relationship marketing is the strategic management of relationships with all relevant stakeholders in order to achieve long term shareholder value. Critical tasks include the identification of relevant relational forms for different stakeholders and the segments and sub-groups within them and the optimal management of interactions within these stakeholder networks.”

Developments in digital, mobile and social technology are impacting not only the dynamics of the company-customer relationship but also their relationship with all its stakeholders. Discussions about the company, its brands, products, service offers, and customer service experience are now instantly available to a much larger number of stakeholders, whose relationships may be highly important to the companies' success. As Payne and Frow (2013, p.157) defend: “The traditional model of creating carefully-crafted centrally-controlled positive messages and images for

stakeholders and communicating these at regular and strategic intervals has gone. Instead, there is also organic and spontaneous commentary - and even activism - unfolding in real time.”

As markets become increasingly more complex, and with the emergence of new challenges brought by technology, new competitors and forms of distribution, many companies turned to relationship marketing as a distinctive advantage that allows them to be unique towards the competition (Kotler & Keller, 2006).

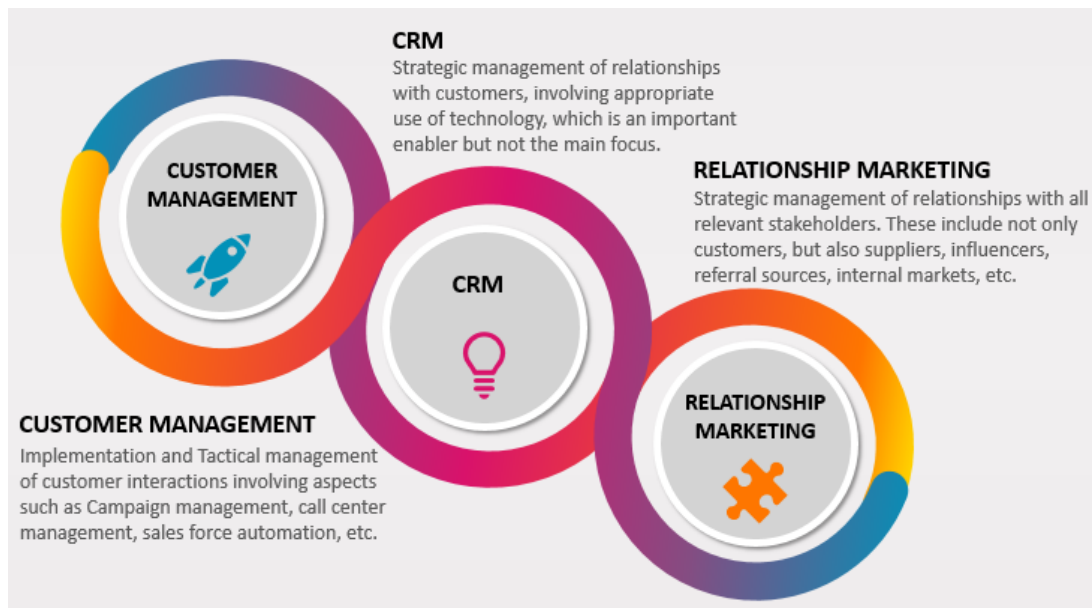


Figure 4 - Relationship marketing, CRM and customer management (adapted from Payne & Frow, 2013)

Overall, it is possible to conclude that while relationship marketing involves the strategic management of any relationship with the multiple stakeholders, a view that is highly supported within the academic RM literature (Berry, 1995; Christopher et al., 1991; Frow & Payne, 2009; Grönroos, 1994; Harker, 1999; Ngai, 2005; Payne & Frow, 2017).

CRM, in its turn, is defined as the strategic management of relationships with customers, usually involving the appropriate use of technology (Payne & Frow, 2005). And the third term, Customer Management, introduced by Payne & Frow represents the part of CRM that involves a more tactical management of customer interactions.

These three concepts: RM, CRM and the more tactical Customer Management, combined all together represent the domain of the Strategic Customer Management.

2.3 Customer Relationship Management (CRM) – Concept and Advances

Even though the term CRM only came into use in the latter part of the 1990s, the principles on which it has been based have existed for much longer. CRM feeds especially on the ideologies of relationship marketing, but its core principles, that involve establishing mutually beneficial relationships between suppliers and customers, have existed since the start of commercial transactions (Payne, 2005).

The concept emerged as a way of dealing with customers' relationships and developed because it was seen as a way of managing existing customers more efficiently and gaining new ones more successfully (Stone, 2011).

According to Payne (2005), the emergence of CRM as a management approach is mainly a consequence of the following significant changes:

- The shift of business focus from transactional marketing to relationship marketing;
- The understanding of customers as a business asset rather than a commercial audience;
- The transition from functions to processes strategies within organisations;
- The benefit acknowledgement of using information proactively rather than reactively;
- The technological development in systems to manage and maximize the value of information;
- Acknowledging the need for trade-off between delivering and extracting customer value;
- The development of one-to-one marketing approaches.

Regardless the size of the organisation, companies are ever more motivated to adopt CRM as an effective way to promote and manage the relationships with their customers, because they now realise that an enhanced relationship with them can ultimately lead to greater customer loyalty, retention and, therefore, profitability (Ngai, 2005).

This section looks in greater detail into the CRM concept origins and evolution, introducing the two main perspectives of CRM: Conceptual and Technological; its three main levels: Operational, Analytical and Collaborative; its key processes and frameworks.

2.3.1 CRM Evolution

CRM's popularity rose tremendously in the 1990s as organisations became aware of its major and obvious benefits, since maintaining long-term customer loyalty ensures permanent cash flow and business stability. "CRM has also increased rapidly in popularity because it's seen as a way of streamlining sales and marketing processes, improving sales productivity, generating cross-selling and up-selling, improving customer service, (...) improve profiling and targeting, (...) increasing

market share, aiding new product development and contributing to higher overall profitability” (Stone, 2011, p.118).

For Stone (2011), CRM is quite simply how companies manage their relationships with customers, but despite this apparent straightforwardness, its success usually depends on the use of the most sophisticated technology and analytical tools.

CRM allows organisations to tailor specific products or services to customers according to their needs. In a more advanced scenario it can be used to create a personalised experience, generating new marketing opportunities based on preferences, previous purchase behaviour, and customer history.

Nevertheless, Payne and Frow (2013) consider that it still exists some lack of clarity regarding the CRM concept today. They have experienced the term being used very differently across different industries and within vertical markets and have examined many definitions, also exploring how companies see CRM. Based on their extensive research, Payne and Frow (2013) managed to put together 3 main perspectives of CRM, in what they called “The CRM Continuum” represented in Figure 5.



Figure 5 - The CRM continuum (adapted from Payne & Frow, 2013)

In the first perspective, CRM is basically defined narrowly and tactically, and mainly refers to the implementation of a specific information technology (IT) solution or software. The second perspective, sees CRM as the implementation of a series of integrated customer-oriented IT solutions. The third, sees CRM defined broadly and strategically, as a holistic approach to manage customer relationships in order to create added value to the company.

The collection and analysis of the most relevant definitions of CRM, made during the academic research for this project, has shown an inexistent consensus regarding its scope and applicability. “Although the concept (...) has arisen associated with the implementation and put into practice the philosophy of Relationship Marketing, in some literature there is still the use of these two concepts interchangeably. (...) the definitions given for CRM are far from a consensus. Essentially, it is difficult to tell whether it is a strategy, a process, a technology, and some people still refer to it as a philosophy” (Simões & Filipe, 2013, p.8).

As introduced by Payne and Frow (2013) in The CRM Continuum – Figure 5, and possible to review in Table 2 below, some authors defend a more narrow and tactical perspective that sees CRM uniquely as the implementation of a technological solution. Others have a slightly broader perspective, considering it as the implementation of a technological solution oriented to customer management. And finally, some as Payne and Frow, have a more holistic approach considering CRM as the management of customer relationships in order to create added value for the company.

CRM Definition	Author & Year
“CRM has been defined variously as (...) data-driven marketing.”	Kutner & Cripps, 1997, <i>apud</i> Payne & Frow, 2004, p.528
“CRM can be seen as a term for methodologies, technologies, and e-commerce capabilities used by companies to manage customer relationships.”	Stone & Woodcock, 2001, <i>apud</i> Payne & Frow, 2004, p.528
“(…) one-to-one marketing, also called relationship marketing or customer-relationship management, means being willing and able to change your behaviour toward an individual customer based on what the customer tells you and what else you know about that customer.”	Peppers, Rogers, & Dorf, 1999, p.151
“CRM is fundamentally cross-functional, customer focussed business strategy.”	Buttle, 2001, p.52
CRM is an “enterprise approach to understanding and influencing customer behaviour through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty, and customer profitability.”	Swift, 2001, p.12
“CRM is a strategic approach concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of IT and relationship marketing strategies to deliver profitable, long term relationships. Importantly, CRM provides enhanced opportunities to use data and information both to understand customers and implement relationship marketing strategies better. This requires a cross-functional integration of people, operations, processes and marketing capabilities that is enabled through information, technology and applications.”	Payne & Frow, 2005, p.168
“CRM is an information system that tracks customers’ interactions with the firm and allows employees to instantly pull up information about the customers such as past sales, service records, outstanding records and unresolved problem calls.”	Nguyen, Sherif, & Newby, 2007, p.102

Table 2 - CRM definitions compilation per author and year (own source)

For the sake of this project, we will consider CRM as neither a fashion nor a new paradigm, but rather the result of the continuous development and integration of marketing, technologies and organisational models (Boulding, Staelin, Ehret, & Johnston, 2005) without, however, ignoring the concatenation of existing ideas, because it requires an interdepartmental integration of processes, people, facilities and communication technologies, enabled by information, technology and applications (Payne & Frow, 2005).

In the past few decades, CRM has developed into an area of major significance with an estimated worldwide global market growth of \$US 47 billion by 2006 (Payne & Frow, 2006). Effective customer relationship management has become a strategic imperative in every business sector, with companies moving closer to their customers, expending more effort in finding new ways to create value for them, and transforming the customer relationship (Park & Kim, 2003). It has also been hugely emphasised as a key area to develop customer value and every year more companies have been adopting this approach to manage and improve relationships with their customers for a longer-term profitability (Injazz & Popovich, 2003).

With the adoption of this innovative marketing trend, companies can easily follow the changes in the marketplace and trade relationships established between organisations and customers. In order to capture new clients and consumers it is necessary to know very well both market and competition, but essentially the clients, their tastes, preferences, life habits and consumption behaviour.

As seen previously, relationship marketing has as main purpose the creation, maintenance and improvement of lasting relationships with customers. Therefore, it must be considered in a long-term relationship perspective, based on trust and that on the long term will bring capital gains and sustained growth for organisations. In order that companies manage to adopt a successful relationship marketing strategy, it is vital that they take some steps in that direction, making use of the supporting tools already available – one of those most important tools is the Customer Relationship Management.

CRM enables marketers to anticipate the needs of actual and potential customers in order to be able to satisfy them more efficiently. Typically, this tool is implemented with the help of computer systems called for CRM systems, which are currently seen as one of the most relevant tools to acquire new customers, to help on new product and service development, and to increase the loyalty of existing customers.

2.3.2 CRM Perspectives – Conceptual and Technological

According to Payne and Frow (2013), any organisation would benefit massively from adopting a consistent definition of CRM and what it means in strategic terms for their business, ensuring that it is used consistently across all the organisation. For them CRM should be seen as: “a cross functional strategic approach concerned with creating improved shareholder value (...) identifying

appropriate business and customer strategies, the acquisition and diffusion of customer knowledge, deciding appropriate segment granularity, managing the co-creation of customer value, developing integrated channel strategies and the intelligent use of data and technology solutions to create superior customer experiences” (Payne and Frow 2013, p.26).

Similarly, Peppard & Ward (2016), also defend CRM as the base of establishing win-win relationship situations where both parties gain from the business, defending it as not only a computer system in which technology is the support, but an overall strategy with communication, organisation, people, cultures and systems, and can be considered as one of the pillars of modern marketing.

In short, we can say that the philosophical bases of CRM “are a relationship oriented, customer retention and superior customer value created through process management (where) IT is the ‘glue’ that holds these together and enables the whole to be operationalised” (Ryals & Knox, 2001, p.535).

For this system to maximize the return on customer information, it requires that IT and Marketing work closely together. The results of this perspective in the implementation affect the whole company and a degree of cross-functional reorganisation will be necessary. Damacena and Pedron (2004), consider the theory and practice of CRM as essentially based on two major landmarks:

- **Conceptual** – regarding the literature of relationship marketing. As already previously observed, from this conceptual perspective, CRM is defined as the strategy that implements the principles of Relationship Marketing, which can be defined as all the marketing activities aimed at establishing, developing, and maintaining successful relational exchanges (Grönroos, 1994). Companies that adopt this strategy undergo a great cultural and structural change, in which the customer becomes the most important figure, replacing the importance of the product (Antunes & Rita, 2008; Harker, 1999; Kotler & Keller, 2006).
- **Technological** – regarding the literature oriented to IT, and involving automation of sales, marketing, and customer service, as well as, decision support processes based on data warehousing technology and implicit techniques, such as data mining and analytics.

According to Peppers and Rogers (2011), so that companies can truly benefit from the potential of a CRM strategy they should start by defining their objectives and clarifying what they want from a system of this nature, and only then focus on the technological solution choice to support their conceptual strategy. These authors made an important contribution to the clarification of the CRM implementation process at the conceptual level, by defining a model named IDIC that can be

reviewed in more detail further down the line in section 2.3.4 (CRM – Key Processes and Implementation Frameworks) of this work.

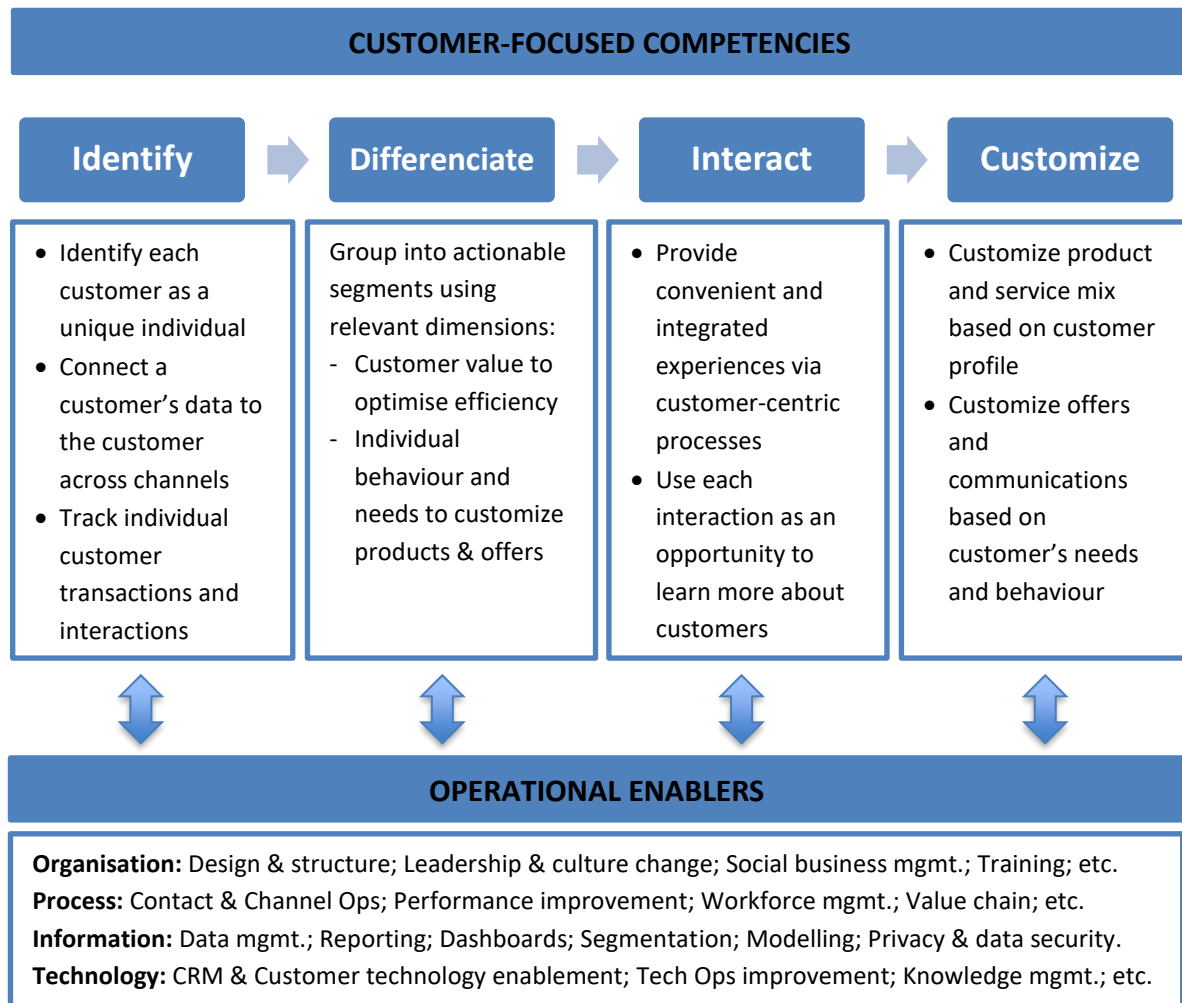


Figure 6 - CRM operational enablers (adapted from Peppers & Rogers, n.d.)

Once the implementation objectives have been clearly defined, the company must then meet the specific technical requirements in order to consciously choose the most adequate technological solution that best supports the business objectives. In that sense, technology fits as an operational enabler towards the CRM implementation – as we can see above in Figure 6.

As already previously observed, from a technological point of view, CRM is used to describe software applications that help to automate marketing processes within the company. Following this perspective, CRM (systems) contribute towards the storage, refinement and operationalisation of the overall strategy, managing the capture of customer data across the organisation, consolidating all the internally and externally captured data in a central database, analysing the consolidated data, distributing the results of this analysis among the various points of contact with

the customer, and using this information to interact with the customer through any point of contact with the organisation (Simões & Filipe, 2013).

According to this, and as we will analyse in greater detail in the next section, the most common classification of CRM comprises the following 3 main levels:

1. **Operational** – Focused in the automation and process efficiency applied towards the client.
2. **Analytical** – Centred in the identification and segmentation of clients.
3. **Collaborative** – Lining up all the strategic and action points within the company, from people to processes and technologies, looking to improve customer management and satisfaction.

2.3.3 CRM Levels – Operational, Analytical and Collaborative

As previously reviewed across the literature revision for this work, also supported by Payne research (2005), CRM can be considered into 3 main perspectives:

- CRM as the implementation of a specific technology solution project;
- CRM as the implementation of an integrated series of customer-oriented technology solutions;
- CRM as a holistic strategic approach to manage customer relationships in order to create shareholder value.

From an holistic strategy perspective, analyst firms such as Gartner, also supported by many authors across academic literature (Ali et al., 2016; Iriana & Buttle, 2006; Khodakarami & Chan, 2014; Payne, 2005; Payne & Frow, 2005, 2013; Peppers & Rogers, 2011; Ryals, 2005; ThuyUyen & Teresa, 2013), classify CRM into 3 main levels:

- **Operational CRM** – which involves the automation of business processes and technologies that can help to improve the efficiency and accuracy of daily customer-facing operations, including sales, marketing, and service automation. This type of CRM is focused on the processes that the customer interacts with, emphasising on automation. According to Raman, Wittmann, and Rauseo (2006, p.40), “Operational CRM involves automation of sales, marketing, and customer support with a view to making these functions more efficient and effective”. The main automation focus of operational CRM are:
 - **Marketing Automation** is the automated process marketers can use to target customers based on specific information gathered by the CRM system. Different campaigns can be run based on specific customer information. This is especially important for larger businesses, as the automation creates easy marketing to customers. Marketers do not have to pick through the information in order to have

a successful campaign, the automated system easily sends out the campaign to individuals whose information matches the target audience.

- **Sales Automation**, by its turn, deals with attracting new customers and obtaining information about prospective additions, this can be broken down into leads (beginning of possible customer) and then prospects (actively working to gain them as a customer) and an automated system simplifies tremendously the process.
 - **Service Automation** is concerned with the interaction of customers, and creates a customer history, this information helps to show the needs of the customer based on the previous interactions the customer had with the company.
- **Analytical CRM** – involving the collection, organisation, storage, analysis, interpretation and use of components and processes generated at the operational level and that allow the company to interact and collaborate with their customers, this includes voice technologies, web store-fronts, email, conferencing and face-to-face interactions. Still according to Raman, Wittmann, and Rauseo (2006, p.40), “Analytical CRM refers to the technologies that aggregate customer information and provide analysis of the data to improve business decisions and actions”.

This type of CRM is used to plan more effectively for marketing campaigns, and design and execute targeted marketing campaigns that optimise marketing effectiveness. This analysis is done throughout:

- **Customer Analytics** analyses customer information in order to have a better understanding of the customer and the customer behaviour. A business needs to understand its customers before it can successfully and consistently create products and services that fulfil those needs.
 - **Marketing Analytics** are crucial to finding new opportunities in the market, the company needs to understand how to create value for their customers in the future. It is also extremely important because it helps to determine marketing strategies and create a marketing plan throughout all levels.
 - **Sales Analytics** work to determine future sales in terms of volume and profit, which helps to ensure that all potential sales opportunities are taken and helps to create a more efficient sales process.
 - **Service Analytics** are critical because they result in alterations to the services based on customer feedback and allows it to change according to the information provided from customer satisfaction, product cost, product quality, and complaints.
 - **Channel Analytics** looks at customer behaviour across different channels, which is used to determine how the customers will then be contacted.
- **Collaborative CRM** – involving the use of collaborative services and infrastructure to enhance the interaction between the organisation and its multiple channels, providing

analysis of customer data and behavioural patterns to improve business decisions. It includes the underlying data warehouse architecture, customer profiling/segmentation systems, reporting, and analysis, some examples include web pages, email, and Automatic Voice Response. The main goal is to create better interactions with customers while retaining them, allowing a better understanding of the entire business process. Customers are more likely to stay with a company if collaborative CRM is in place, and the respective business is also more likely to have an easier process for the customers. There are two major components to collaborative CRM:

- **Interaction management** deals with creating a system that is concentrated on the communication between the organisation and the customer, this goes as far as the customer's preference on how to be contacted, such as in person or over a certain technology. Examples of different ways customers may prefer to interact are: in person meetings, web meetings (Skype or another video channel), phone conversations, and email exchanges. The organisation needs to understand how the customer operates in order to successfully do business and make the customer comfortable and happy.
- **Channel management**, which deals with improving the channels that are used to interact with customers. Companies need to keep the technology updated so that customers have an easy and quick process to connect with the organisation. The latest technology will ensure efficiency and the accuracy of the collection of data.

Organisational levels of CRM

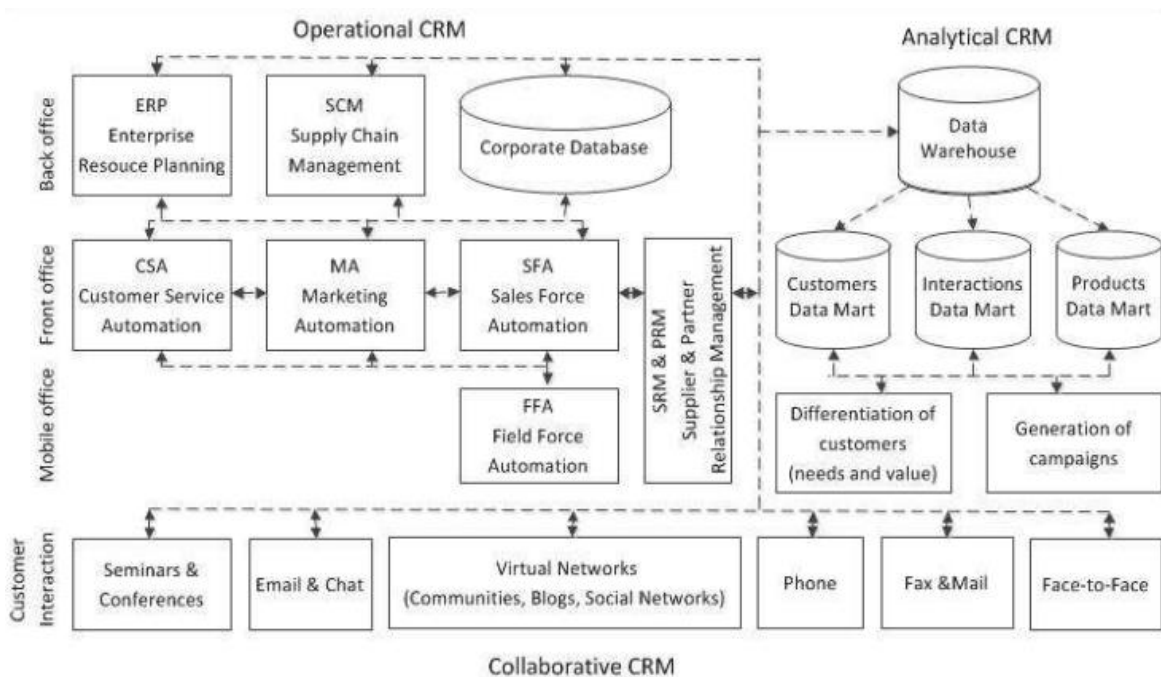


Figure 7 - Organisational levels of CRM adapted from Meta Group (apud Simões & Filipe, 2013)

Together these three key components support and feed into each other, as we can see schematically represented in Figure 7 below, and its integration is essential to obtain a successful CRM implementation (Payne & Frow, 2013).

In order to maximise their CRM gains, companies need to ensure that their managerial and marketing expertise, as well as data and information technology, business networks and processes, integrate accordingly and work all together holistically (Stone, 2011).

Because CRM, at its most advanced stage, answers questions like who should the company serve? What should they serve to them? And how? It should be positioned as the fundamental and central strategic process around which the business is organised. CRM decisions have an impact on marketing, operations, sales, customer service, HR, R&D and finance, not to mention IT (Buttle, 2001).

A company that knows the needs, expectations and preferences of its customers will certainly create them added value and enhance their satisfaction, which will work as a direct source of advertising and consequently will reinforce the loyalty of its customers. Finally, when customers are loyal to the company, through previously generated satisfaction this may induce into business performance increase over time (Iriana & Buttle, 2006).

2.3.4 CRM – Key Processes and Implementation Frameworks

As already seen previously, CRM can bring huge benefits to any company. Nonetheless, for its implementation to be effective, it is important to address some critical issues noted in every implementation framework.

Similarly to what happened when researching about a CRM definition, there isn't a unique and only version in terms of CRM implementation methodology, on the contrary, this much depend on each author perception regarding business strategies and customer relationships.

Thus, for the scope of this work, it is meaningful to analyse some of the most relevant perspectives of the multiple literature authors, having in sight this Project goal that is to propose a tailored model that seeks to integrate the essential points of CRM implementation, in order to help small companies to overcome their biggest difficulties, and to obtain the most suitable and successful customer relationship management possible. Hence, the following processes, methodologies and frameworks were analysed:

Winer Methodology

Winer (2001) presents a model that is divided in 7 stages: creation of databases; databases analysis; customers selection; customer segmentation; creation of relationship programs; privacy guarantee; and monitoring the implementation process. According to this author, the first step in implementing a successful CRM is building a customer database. In his opinion, companies that

have already started their activity should use the history of contacts to form their database. This should include transaction information, customer contacts, descriptive information for segmentation purposes, and responses to marketing activities.

Chen and Popovich Conceptual Model

Chen and Popovich (2003), on another hand, present a conceptual model, that considers three crucial factors: people, technology and process, as a combination that when integrated can result in a successful implementation. For the authors, the integration of these three key dimensions within the proposed context: a customer-focused company, integrated technology and cross-functional organisation, means that the business strategy is customer focused, and the company has a close connection between the information systems and its integrated processes.

For these authors, despite the importance of the technology involved, the CRM process is based on relationship marketing, profitability, lifecycle value, retention and customer satisfaction, created by business process management, for the purpose of generating new customers and maintaining the current ones.

Sin, Tse and Yim Strategic Dimensions

Sin, Tse and Yim (2005) by their turn, do not refer to an implementation list for CRM programs, but whereas defend that CRM success is based in four strategic dimensions: customer focus, CRM organisation, knowledge management and CRM technology base. Where the customer focus dimension refers to the continuous delivery of high added value to the selected key customers through a personalised offer. According to these authors, the focus falls into customer-centric marketing, key customer lifecycle value identification, personalisation, interactive marketing, and co-creativity.

Xu and Walton Analytical Model

Xu and Walton (2005), on one hand, propose an analytical CRM model with the argument that the knowledge about the customer is not in the information referring to the profile and segmentation of the market, but rather in their buying behaviour, including current, former or future customer. This model is divided into four steps: Identify strategically significant customers; Segment customers and customise services; Track and model customer behaviour and Model Implications.

Sigala 3 Steps Process

Sigala (2005), on another hand, considers that CRM implementation only requires three steps, one of which focuses on the coordinated and aligned approach between knowledge management, internal and external relationship marketing, and the management of information and communication technology.

According to Sigala (2005), the first step is to adopt an integrated CRM model, focusing in three specific areas of management, knowledge management, analysis and compilation of information about customers, which are used to develop and customise the offers. Then, a second phase is seen as a collection of integrated components such as customer service, loyalty and rewards programs, customisation, etc., emphasising the goal of these integrated communication channels as to provide support for the customer cycle. And in a third phase, the technology systems, such as data warehousing and data mining are seen as tools that allow the company to work in a personalised way, by managing large volumes of information to identify for example audience demographics, purchasing behaviour, market segments, contribution margins, and customer lifecycle patterns.

IRIS Model from Chalmeta

Chalmeta (2006) on his turn, suggested an implementation model named IRIS (after its development group called *Integracion y Re-Ingenieria de Sistemas*) that is composed by nine steps: project prerequisites definition; organisational methodology definition; customer strategy definition; building a customer relationship system; creation of a process map; management of human resources; construction of the information system; implementation of the project; and monitoring.

Chalmeta (2006) defends that CRM implementation process begins with the definition of some prerequisites to consider before and during the project, to enhance its success. Prior to the start it is essential to make the organisation managers aware of the objectives of this implementation. During the project, it is important to ensure that deadlines are met, try to reduce the effects of resistance to change, motivate employees, measure participation and control all the results. In this model, employees should always be aware of the project, and managers should be aware of the effects of resistance to change, as well as their doubts and fears. Highlighting the importance to make the whole organisation aware of CRM benefits and ensuring adequate training to minimise the costs of adaptation.

Gartner 8 Building Blocks

Gartner's eight building blocks of CRM is one of the most useful approaches to CRM, by outlining what companies should do to develop successful customer management, and these steps can be seen below in Figure 8 (Radcliffe, 2001).

Gartner's approach stresses the need to create a balance between the requirements of the company and the customer, suggesting that companies should start by setting the vision and strategic concept within which CRM will operate, then defining customers, relationships and value. Having identified and analysed those, it is time to set up and define clear processes for each kind of customer and then chose the right technology to support it, "... crucially, software should be in

the service of business objectives, never vice versa” (Stone, 2011, p.123). Gartner 8 Building Blocks are composed of:

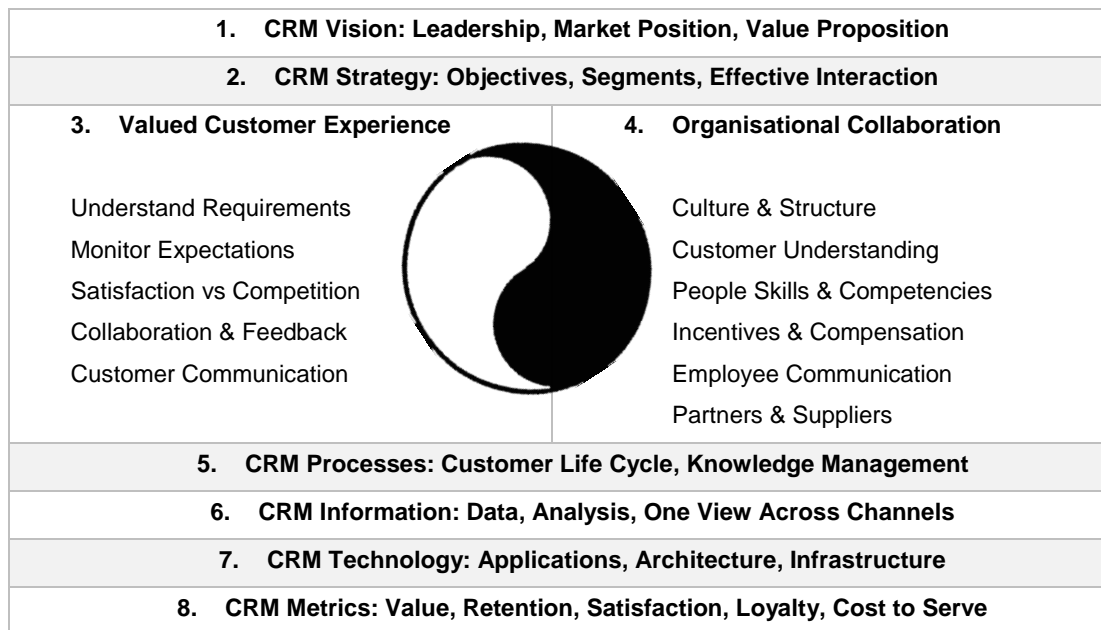


Figure 8 - Gartner 8 building blocks of CRM (adapted from Gartner Research, n.d.)

1. **Vision:** The CRM vision is how the customer-centric company wants to be seen and felt by customers and prospects. A successful CRM vision is the foundation to motivating staff, generating customer loyalty and conquering a greater market share.
2. **Strategy:** A real CRM strategy takes the direction and goals of the business and sets out how the company is going to build customer loyalty. The objectives of a CRM strategy should be to target, acquire, develop and retain valuable customers to achieve corporate goals.
3. **Valued Customer Experience:** Customers' experiences when interacting with the company play a key role in shaping their perception of the company value and the importance it gives to customer relationships. Good customer experiences increase satisfaction, generate trust and drive long-term loyalty.
4. **Organisational Collaboration:** True CRM means that individuals, teams and the whole organisation become more focused on the needs and wants of its customers and prospects.
5. **Processes:** Successful structures should create processes that not only meet customers' expectations, but also support the customer value proposition, provide competitive differentiation and contribute to the desired customer experience.
6. **Information:** Successful CRM requires a flow of customer information around the organisation and across both operational and analytical systems. Having the right information at the right time is fundamental to successful CRM strategies, in order to provide relevant customer insight and effective interaction across every channel.
7. **Technology:** CRM technologies are an essential enabler for any modern CRM business strategy, but they are just one piece of the bigger puzzle. True CRM projects require seamless

customer-centric processes, supported by integrated technology across the organisation and its supply chain.

8. **Metrics:** Companies must set measurable CRM objectives and monitor CRM indicators to successfully turn customers into assets. Without performance management, a CRM strategy and associated program is destined to fail. Gartner introduces a framework for measuring CRM success with four levels: corporate, customer strategic, operational, and infrastructural. These have an internal and external focus and link back operations to both strategy and corporate financial benefits.

IDIC Process from Peppers and Rogers

As mentioned before, Peppers and Rogers (2011) made an important contribution to the clarification of the CRM implementation process at a conceptual level, by defining the present model – IDIC (Identify, Differentiate, Interact, Customise), that considers four distinct phases for any CRM implementation strategy: identifying, differentiating, interacting and customising.

According to these authors, the phases represent the mechanics of any genuine relationship, involving reciprocity and the specific action of the customer, which according to them are interrelated and sequential phases, as can be verified in Figure 9 below.

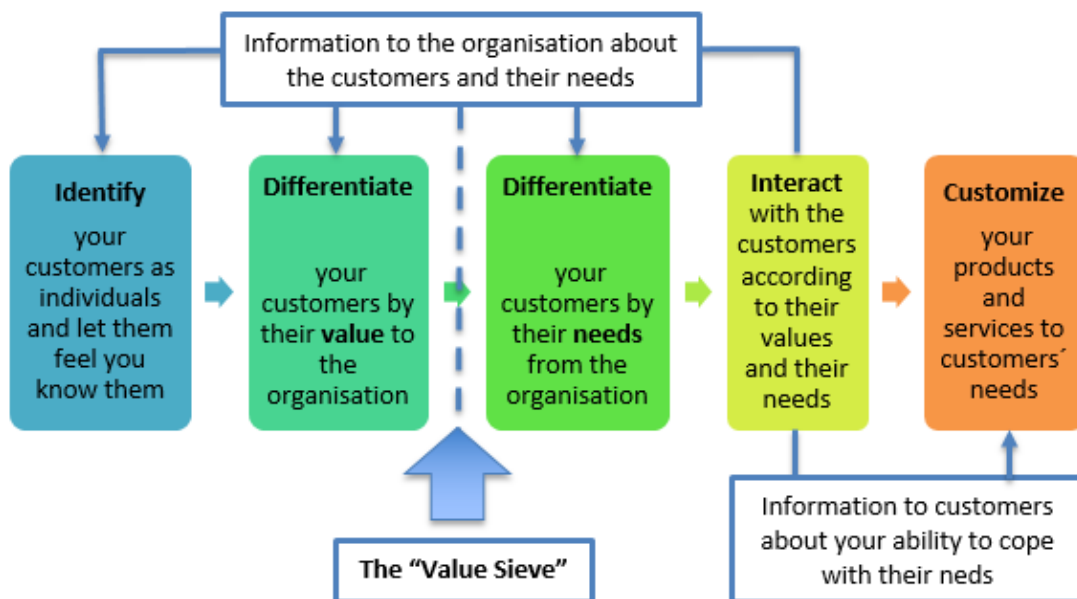


Figure 9 - IDIC implementation process for CRM (adapted from Peppers & Rogers, 2011)

This Implementation Process is composed by the following four main steps:

1. **Identify** – first and foremost, a company must identify who are the actual customers and should know about deep knowledge of them. Individual identification is crucial for establishing a relationship strategy, recognising each customer when he comes back,

either personally, by phone or online is the key to understand their habits, preferences and other features in order to better suit each customer and make him feel unique.

2. **Differentiate** – Customers are different and represent different equity for the company, therefore they will need to differentiate the customer on two bases: value and need. **Value:** identifying which customer is generating most value now and which offer most for the future. **Need:** differentiating customers according to their needs, since different customers will have unique needs and serving them in profitable ways need more knowledge about those.
3. **Interact** – the company must emphasise on interaction with the customer to ensure that they understand customer's expectations and their relationship with the brand. The company need to consider interaction with the customers according to their needs and the value they are generating, these efforts make customers more loyal and help the company to build long-term relationships.
4. **Customise** – when the company manages to differentiate their customers according to their values and needs, will then have to customise products/services and communications according to their needs, values and expectations. Failure in this step will mean there's something wrong with the previous two and therefore companies will have to review the process and start again. The main goal here is to stimulate the perception of unique and tailored purchasing, avoiding customers to look for another supplier.

CRM Strategy Framework of Payne and Frow

Conceptual frameworks and theories are usually based on the combination of previous literature, common sense, and experience (Eisenhardt *apud* Payne & Frow, 2005).

On their exhaustive literature review to develop a conceptual framework for CRM, Payne and Frow (2005) identified the earliest models of CRM as being developed in 2001, and concluded that even though many frameworks already existed, (some of which were already reviewed in detail above in this section), there was the need for a new process-based CRM strategy framework that would synthesize all the major literature concepts on CRM and Relationship Marketing into a single, process-based implementation model.

They outline for instance, Sue and Morin as introducing a framework for CRM that is mainly based on initiatives, expected results, and contributions, but “not process based, and (where) many initiatives are not explicitly identified” (Payne & Frow, 2005, p.169).

They also mention another early example introduced by Winer (and reviewed above in this section), as a basic model containing a set of 7 basic components that, despite being useful, cannot be considered as a cross functional process-based conceptualisation (Payne & Frow, 2005).

Later in 2013, they also referred to Peppers and Rogers pragmatic approach and development from one-to-one marketing to their IDIC process: Identify, Differentiate, Interact, Customise (detailed reviewed above). And to Buttle's CRM value chain model, developed around Porter's value chain concept that identifies five primary stages: customer portfolio analysis; customer intimacy; network development; value proposition and customer cycle management. Also reviewing Gartner's Eight Building Blocks of CRM, developed as a competency framework used "to assess enterprises' current and required CRM capabilities, and to help them understand their current position and future strategies" (Payne & Frow, 2013, p.208). And a further framework brought by QCi, that developed a CMAT – Customer Management Assessment Tool, based in: analysis and planning; proposition; people and organisation; information technology; process management; customer management; and effect measurement; used, as the name suggests, to assess the CRM performance.

According to the authors, all "these models were developed from different viewpoints and for different purposes" with some of them more concerned with the CRM strategy formulation, and others with the CRM implementation. Some developed as normative frameworks without clear theoretical sustainability and others, such as CMAT, even as mere consulting tools mainly focused in the CRM assessment (Payne & Frow, 2013, p.209).

Although defending that "a cross-functional and processes emphasis is implicit in some of these models", Payne and Frow "consider these important elements insufficiently emphasised within them" (2013, p.209). Therefore, identifying what they considered a gap in the literature and suggesting the need for a new systematic process-based CRM strategy framework, helping to provide practical insights for companies to achieve greater success with their CRM strategy development and implementation.

In their research, Payne and Frow (2005, p.169) have "integrated a synthesis of the literature with learning from field-based interactions with executives to develop and refine the CRM strategy framework", that included an expert panel of 34 highly experienced executives; Interviews with 20 executives working in CRM, marketing, and IT; Interviews with 6 executives from large CRM vendors and 5 executives from 3 CRM and strategy consultancies; Individual and group discussions with CRM, marketing, and IT managers at workshops with 18 CRM vendors, analysts, and their customers, (including Accenture, Baan, BroadVision, Chordiant, EDS, Epiphany, Hewlett-Packard, IBM, Gartner, NCR Teradata, Peoplesoft, Oracle, SAP, SAS Institute, Siebel, Sybase, and Unisys).

They started by identifying generic CRM processes from CRM and related business literature, discussing it with the groups outlined above, and came up with a list of 7 main processes. Then, asked the expert panel to nominate CRM processes they considered important and agreed on those they considered most relevant, which finally resulted in **5 key generic CRM processes**: Strategy Development Process; Value Creation Process; Multi-Channel Integration Process;

Performance Assessment Process; and Information Management, that were then incorporated into a preliminary version of their Strategy Framework and which can be reviewed below in Figure 10.

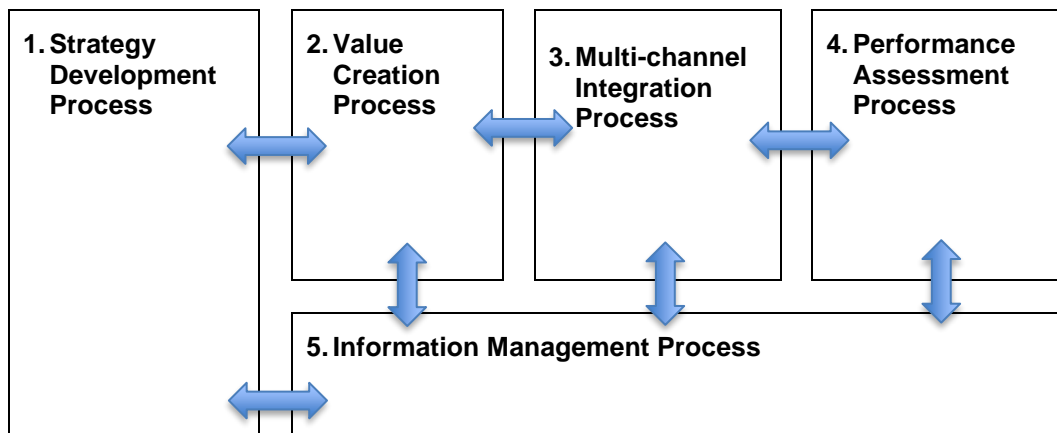


Figure 10 - Key processes of CRM strategy framework (adapted from Payne & Frow, 2013)

To Payne and Frow (2013), CRM should be viewed as a strategic set of processes or activities that start with a review on the company’s strategy (strategy development process), and finishes with an improvement on the business results and shareholder value (monitored through the performance assessment process), bearing in mind that the competitive advantage comes from the creation of value to both customer and company (through the value creation process), and that all CRM activities will require the collection and intelligent use of relevant data (information management process), to excel at customer experience, the touch point where customer and supplier interact (within the multi-channel integration process).

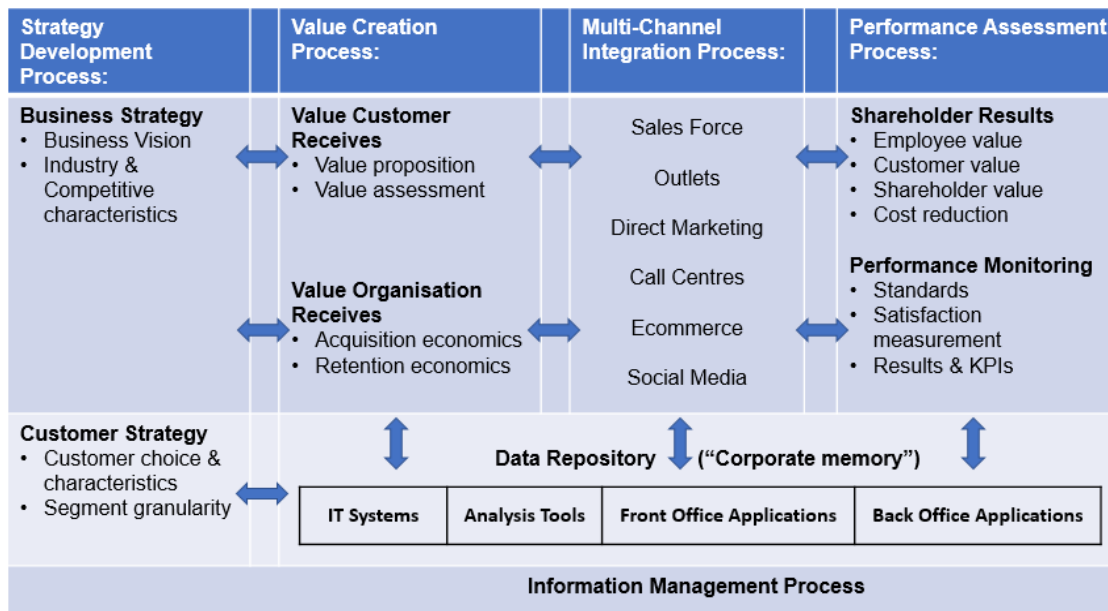


Figure 11 - The CRM strategy framework (adapted from Payne & Frow, 2013)

This initial model has since then been reviewed, complemented and validated by use in several different organisations, and nowadays is complementarily presented as **The CRM Strategy Framework from Payne and Frow** as featured above in Figure 11.

As mentioned above, Payne and Frow (2013) have developed an extensive conceptual and strategic framework for CRM, starting with the already previously identified **5 Key cross-functional CRM processes**:

1. Strategy development process
2. Value creation process
3. Multichannel integration process
4. Information management process
5. Performance assessment process.

According to these authors (Payne & Frow, 2013), the strategy definition takes place into two opposite aspects: the one of the company and the one of the customers. The company's strand begins with the analysis of its current situation (in strategic terms), in order to define a strategic plan and a business vision according to the specific capabilities and characteristics of the company and the industry it is inserted in.

The main purpose of CRM is to create value, so unsurprisingly the second process relates to the value creation. At this stage, Payne and Frow (2013) consider the importance to identify the best way to create value for the customer and how to maximize the value of each of them to the company. The third step is the multichannel integration, meaning the company should consult its customer and evaluate the best channels to get in touch with them and vice versa. The contact points could be sales force, direct marketing, e-commerce, mobile commerce, telephone contacts, among others. It is also important to analyse how the customer evaluates the relationship experience with the company and to store that information in the customer databases to understand how it can be improved. The fourth step is the information management, and it mainly concerns how the company organises the information collected from its customers. At this stage, information systems represent a key point for the CRM implementation, as they will allow the sharing of relevant information about the customer within the company (interconnecting the front office and back office), storing information about customer preferences, and analysing it with the purpose of generating new and more profitable business opportunities for the company.

Finally, to evaluate the success of CRM implementation, it is necessary to create analytical metrics at two distinct levels: analysis from the shareholders' perspective and analysis from the customer's perspective. From the shareholders point of view, it is important to assess whether there was a reduction in costs, as well as the company's financial results at the level of employees, customers and stakeholders. From the customer perspective, it is imperative to analyse satisfaction, loyalty and results. This way the company can check the strengths and weaknesses of its CRM implementation and make all the necessary adaptations and improvements.

For the sake of this project we will focus on the CRM Strategy Framework developed by Payne and Frow (2013), and introduced above, as the main implementation model in which to base the CRM implementation strategy for KontaGion Hub Ltd.

2.4 CRM Systems Review

So far in this work, we have been focusing in CRM as a conceptual approach to the customer relationship management process, but it is impossible to discuss CRM without attending to the technological relevance as well. CRM systems provide an IT support on a strategic, operative and analytic level to improve and intensify the relationships with customers.

CRM as a system, includes hardware, software, databases, telecommunication networks, human resources and management procedures. It is relevant to note that the success of CRM implementation as a system involves not only the ideal technological tool selection and adoption, but also the social aspect related to human resources motivation to embrace the tool and their ability to work with it, which will require some dedicated training.

Nguyen et al. (2007, p.104) describe a CRM system as “an information system that tracks customers’ interaction with the firm and allows employees to instantly pull up information about the customers”, involving front office customer touch points such as sales, marketing and customer service through interconnected delivery channels.

As previously observed, on the pursue to retain customers and gain strategic advantage over the competition, companies need to successfully manage the operative tools of the business processes and capture valuable customer data. And only by choosing the appropriate applications to support the strategic decisions and customers’ needs can they ultimately achieve that competitive advantage (Nguyen et al., 2007).

A successfully implemented CRM system can provide competitive advantage for companies to survive through the powerful competition in today’s market. Companies can increase customer loyalty, better customer service, knowledge in information gathering, sharing and organisational learning (Kotler & Keller, 2006; Nguyen et al., 2007). The main aim is not to maximise revenue from single transactions but to deepen relationships with the customers, offering them better – or more tailored – services in result (Injazz & Popovich, 2003; Teo, Devadoss, & Pan, 2006).

The CRM system is often integrated with other decision support systems such as Enterprise Resource Planning (ERP) and Supply Chain Management (SCM) systems, and only with those integrated systems can companies better manage and share the information knowledge in terms of planning, acquiring and controlling across all channels, which can lead into maximised abilities to create customer value and increased profits (Nguyen et al. 2007).

In addition to increasing information knowledge within the organisation, the system also improves sales efficiency and effectiveness as sales teams have more information about the customers and

therefore can influence customers brand image. This also enable individual marketing, product customisation and better pricing offer by segmenting customers. The service is based on better knowledge and therefore the customer loyalty can be improved which can lead to the increase of customer equity (Chen & Popovich, 2003).

2.4.1 CRM System Architecture

Payne and Frow (2013, p.350-351) defend that: “As companies grow and interact with an increasing number of customers through an increasing diversity of channels, the need for a systematic approach to organising and employing information becomes ever greater”. Adding that “transformation of CRM from a mere isolated technological application, (...) to the level of a pan-company strategy, requires the integration of customer interactions across all communication channels” on a “purposefully designed system that brings together data, computers, procedure and people”.

According to Goodhue, Wixom, and Watson (2002) CRM takes a broad view of the customers and optimise those interactions by collecting, storing, and managing the data from each interaction, whether that derives from sales, call centre, or the web, which allows the company to create a 360° perspective of its customers. Following this line of thought, they introduced a Technical Architecture for CRM, representing schematically the several applications that perform both analytical and operational tasks of CRM, that can be reviewed below in Figure 12.

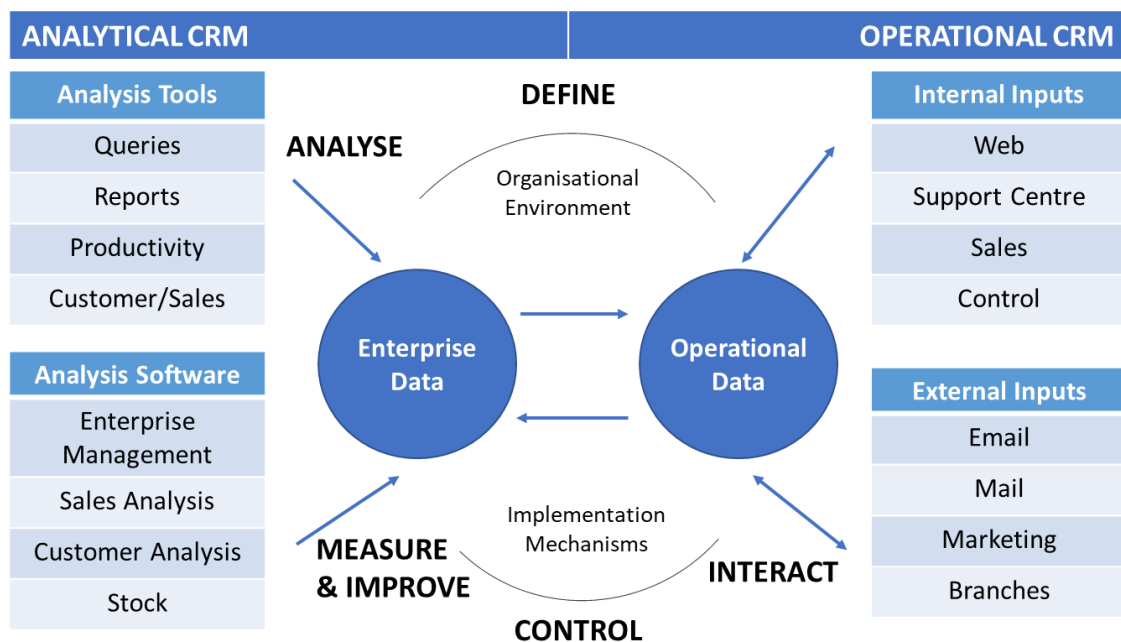


Figure 12 - CRM technical architecture (adapted from Goodhue et al., 2002)

This technical architecture encompasses the many applications that supply and use customer information (like the data warehouse, and operational data store), and how it incorporates with the

necessary infrastructure in order to make that data sharing possible, not forgetting the organisational transformation required for any company to take full advantage of CRM capabilities (Goodhue et al., 2002). From an Analytical perspective, the Datawarehouse will maintain the data history and support generic applications such as reporting, OLAP (Online Analytical Processing), or data mining, and specific applications such as campaign management, profiling or scoring. From an Operational perspective, there's also the need to collect, integrate and save all the gathered data from the contact points, and to keep up to date the data that feeds into operational applications, such as electronic direct mails (EDMs), direct mail, telemarketing, or client service. Finally, in terms of sharing, it is crucial to have a specific data structure, as well as a data infrastructure (database and format of the current data) that allows its correct distribution across the company multiple departments.

In terms of application modules that often constitute a CRM solution, both on an Operational, Analytic and Collaborative levels, Tourniaire (2003) classifies it as following:

Sales Force Automation (SFA): which in combination with the Support Tracking are referred to as the catalysts of the CRM field. This module allows to manage prospects, leads, contacts and activities, allowing to monitor opportunities throughout the business cycle, predict results and identify problems. It needs to be able to support mobile and disconnected users from the network, that download information to their laptops or PDAs, which they update while out of the office and then feed back into the centralised repository. This implies the need for robust synchronization mechanisms in order to maintain data consistency.

Telemarketing and Telesales Tracking: also considered, many times, as part of the SFA, these tools tend to present significant specificities. Their users work in a much more structured environment, often recurring to pre-existing scripts and without the need for mobility. An essential component here is the CTI (Computer Telephony Integration), an application that allows the share of information and automation actions between telecommunication systems and CRM.

Product Configuration: this module allows users to customise complex products, according to their specific requirements. This used to be done without the user involvement, but nowadays with internet and ecommerce development, the situation changed allowing configurations to be done online by users.

Marketing Automation: supporting the plan, execution, management and analysis of marketing campaigns. Depending on how complex the tool is, campaigns can also be applied to several different channels.

Support Tracking: allows to control and maintain the history of support interactions with clients, including the task attribution flux, support activity management and control satisfaction levels.

Field Service: designed to support field teams that perform tasks onsite. This should support mobile users, similarly to SFA, but focusing essentially in specific intelligence regarding the client, serial numbers or other relevant for the task.

Knowledge Base: allows the creation and maintenance of documents with relevant information regarding clients, recurrent issues, important alerts and other meaningful intel that can be available for users through navigation structures or research mechanisms.

Customer Portal: allows clients to access their own data through the internet, allowing them to check support requests, and giving them access to useful information and self-configuration of products, facilitating communication through informal channels like webchats for instance.

Analytics: allows to analyse clients' activities and their response to targeted actions, allowing the company to identify patterns and tendencies that may help to improve its performance.

2.4.2 Choosing a CRM System – Considerations

In general, CRM as a system selection process comprise two main alternatives: one is in-house, meaning that a company develops its own CRM system by acquiring and installing CRM software products with a certain amount of customisation to integrate with their previous systems. The other is outsourcing a CRM solution from a third party that usually is an ASP (Application Service Provider).

For the scope of this Project, we will review the main alternatives in terms of advantages and disadvantages, and the several offers within the CRM supplier market, looking to identify which solution would be the most relevant for the context and specificities of the implementation proposal that will be developed further ahead in this work.

“The need for increasingly sophisticated and scalable options means almost infinite scope for providers of CRM products and services. However, (...) few software vendors can claim to provide the full range functionality that a complex company's CRM business strategy requires” (Payne & Frow, 2013, p.28). The challenge being the enormous complexity from sales, marketing, customer service and support requirements.

Selecting the right CRM solution is a critical part of any company's customer relationship strategy, and every year the editors of CRM Magazine compare several different solutions offered by the top vendors of CRM software in the CRM Market Awards nomination: Microsoft, Oracle, Rightnow Technologies, Salesforce.com, SAP, Netsuite, Maximizer Software and SugarCR. The overall rating in these Awards is based on a composite score of CRM revenues, year-over-year revenue growth and analyst ratings for customer satisfaction, depth of functionality and company direction. With Salesforce.com scoring the highest values in all the categories where it was competing, including the one suited for small-businesses CRM. In this category Salesforce.com scored 4.8 out of 5, with the authors noting its excellent value for small businesses due to its cloud-based software

application and the company's strategic direction, identified as a key differentiator and ahead of the other software vendors, with mobile functionalities as an example (CRM Magazine, 2017).

CRM implementation begins with the strategic decision to change or improve business processes in the organisation, and to invest in an improved information system. Additionally, top management support and a systematic approach from the project manager are also of essential significance. The project manager must know the external and internal environment of the organisation, meaning that he needs to know the customers, their demands and anticipations, opportunities and threats on the market, strengths and weaknesses inside the organisation, and must have recognised authority to be taken in consideration. The project manager will be the contact person between the software solution supplier and employees, supervising the project, coordinating the education, motivating and notifying employees in which development phase is the project, and clarify which are the tasks they are responsible for at each stage (Piskar & Faganel, 2009).

Below are introduced the Top Five Factors that should be considered when choosing a CRM Solution (Diana, n.d.):

- **Price:** Price is an important consideration when choosing CRM software, especially for a small business. Very often, the price of the software is one of the main reasons why small businesses do not have a CRM system, as they do not feel it is worth the investment. Prices for CRM software are usually a monthly fee, and often the price is dependent on a variety of factors, such as the number of users and features. To begin with, businesses may try free trials of different software, but this is not a long-term solution. It is important to research the long-term costs and the long-term benefits of the software, and to not just look at the out-of-pocket costs. It is critical to choose a CRM software that will work with the infrastructure and not cause unnecessary additional costs.
- **Specific Business Objectives:** It is important to have clear goals before choosing a CRM software, as there are different capabilities according to each software and respective plan. There should be support and integration from at least one higher executive level, as well as the major departments who will be using the software, once both the business and each department objectives are understood, the software can be analysed, and a specific plan can be chosen based on price and capabilities. The departments, primarily sales, marketing, and service, should write a list of their requirements from the software, which can then be used to measure its success. It is crucial to have specific and measurable goals in place, so businesses determine the added value brought by their CRM software (Payne & Frow, 2006).
- **Scalability:** The CRM system selected should be able to grow with the business, as it's not cost effective for a business to invest in a new software every year. It is, therefore, important to choose a software that is appropriate and can adapt to the future growth of the company, without needing to be replaced. This means that the company would choose to

start with a basic level plan, and then look at more advanced plans, bearing in mind if those advanced plans will be appropriate for the business as the company grows.

- **Reputation:** Reputation is another consideration when choosing a CRM software, user reviews are very useful tools to look at when searching for a CRM software that allow to have an insight on current users' opinions on the products and their satisfaction or remarks towards the product.
- **Ease of Use, Customisation and Ability to Integrate:** The software should have a great deal of functions without being too overwhelming for the future users. Some CRM software is extremely elaborate and intricate, and it is important they can support the respective demands of each business, but they shouldn't be so complicated that users won't be able to understand it. There are many different platforms the businesses can integrate with their CRM systems, such as Google platforms or Outlook. It's up to the company to determine the level of integration and the number of features needed according to their strategy and goals.

Smith (*apud* Piskar & Faganel, 2009) claims that we must learn from past project failures, to better understand CRM implementation. In his opinion, these failures include: over stressing the functionality of CRM; not having a front-to-back CRM solution for customers (including employee education towards the benefits of CRM solutions and procedures on front line follow-up); and not having the corporate culture to support the implementation of CRM.

Below are the recommended key steps to a successful CRM implementation, from a technological perspective (Crocket & Reed, *apud* Piskar & Faganel, 2009):

- Strategic context – The organisation should understand how CRM fits into the context of the company's overall business strategy.
- Capabilities assessment – The assessment should be done to confirm the company's current CRM capabilities.
- Business case development – The company should have a good reason to implement CRM rather than just a modern technology tendency.
- Implementation plan – Create and execute a plan that clearly defines how to achieve the goal and execute it.

2.4.3 CRM System - Products and Suppliers

There are many CRM systems available for purchase, and companies need to decide on the appropriate software based on their budgets and the needed functionalities – having in consideration the 5 Top Factors presented above, when choosing a CRM Solution. CRM software is critical to the success of any CRM strategy, and companies need to determine their optimal CRM software (Blattberg, 2014).

Today, the landscape is dominated by feature-rich, easy-to-use CRMs that offer scheduling features, streamline the email marketing process and offer visual data reporting. For small business users, the emphasis of choosing a CRM often comes down to ease of implementation, and companies have picked up on that. Delivering easy-to-use systems that are built for businesses without extensive in-house tech expertise has become the holy grail of all SaaS (Software as a Service) providers, including those that specialise in CRM products (Bushnell, 2018b).

In an article for Business.com, Bushnell (2018) created a replicable ranking system based on product features, usability, scope, implementation process, UI, integrations, level of technical skill necessary, customer service and user opinion, reviewing multiple CRM products to identify the best CRM solutions for small business users – all part of the 5 Top Factors to consider a CRM solution selection that we reviewed previously above.

Bushnell (2018), also highlighted that every customer relationship management software has its advantages and disadvantages. And that, as with any business software, the more features and functionality a product has, the more complicated the implementation process will become. Not to mention that highly customisable systems will require further knowledge to set up, than out of the box solutions, which are designed specifically for small, less tech savvy teams. Simultaneously, while lightweight systems are easier and cheaper to implement, businesses that are expanding quickly may swiftly outgrow those systems.

In order to perform this study, Bushnell (2018) assessed the most desirable features CRMs offer small business owners, compiling a list of more than 30 well renown software companies, and compared factors like pricing, CRM software tools, small business focus, customer service, customer satisfaction, etc., to establish the strongest 10 candidates from the initial list. Following that, they vetted the top 10 CRM companies against each other to select the ultimate winners, creating a numeric score based on features available, and also noting qualitative differences in areas like training and implementation resources, ease of use, speed of setup, design, cost of additional features, available integrations and ease of integrations, tiers of service, level of required technical skills for high level use, standout features, among others.

Looking specifically at small businesses, that represent the application scope of this CRM implementation Project, there is an extensive offer of CRM pricing options to explore, with free and inexpensive lightweight CRM systems, better for small teams and microbusinesses, that usually offer upgrades as required. But, there are also more heavy-duty CRM platforms, priced at a higher ranking, that offer further functionality, flexibility and scalability options (Bushnell, 2018).

Best overall CRM solution: Salesforce

Even though more appropriate to larger businesses, Salesforce is widely thought to be the industry standard for CRM solutions, and considered by Business.com (Bushnell, 2018) as the best overall

CRM solution choice. The substantial number of features, third-party integrations and add-on options makes it an ideal CRM solution for businesses with diverse and evolving needs. Once implementation is complete, Salesforce offers users a beautifully designed product that's speedy, powerful and easy to use.

Salesforce is the leading CRM software with about 14% of the CRM market, with about 150,000 customers and 7,200,000 users, the software serves anywhere from very small to massive companies, as the use of the cloud allows for the management between sales, marketing and service. Their prices range between \$5-\$300 per month per user, all depending on the chosen features. Salesforce is powerful, but small businesses may not need all the offered features, it integrates with a social media network called "Chatter" and works with both iOS and Android devices. Capterra lists Salesforce as one of the Top 20 Most User-Friendly CRM Systems, but due to its many features, it can be difficult to learn how to use the program, which makes it difficult to deliver a powerful App that has the capabilities of the cloud-based service. Salesforce is a great CRM software, but it's not necessarily the most adequate for small businesses but rather for medium to large-sized companies that have complex CRM structures (Blattberg, 2014).

Best CRM for Small Businesses: Zoho CRM

Affordable and beautifully designed, Zoho CRM is considered by Business.com (Bushnell, 2018) as the best solution for small businesses, with its built-in collaboration features, (like shareable calendars and files repositories), that make it an ideal tool for small teams and multitasking individuals. This lightweight CRM solution packs in a surprising number of high-end features and customisable options. And as part of the Zoho SaaS family, the solution can easily integrate with other Zoho apps and services, while being compatible with many other popular third-party social media platforms.

Zoho CRM is free for up to three users, and costs between \$12 and \$35 per user with three different plan options: standard, professional, and enterprise. It has integrations to social media, Google applications, Outlook and Quickbooks, and it offers API for custom integrations. Zoho has about 80,000 customers and 20,000,000 users and is one of the most popular CRM software (Blattberg, 2014).

Best CRM for Very Small Businesses: HubSpot

HubSpot is considered by Business.com (Bushnell, 2018) as the best solution for very small businesses, offering a completely free version of their CRM, which makes it a great option for entrepreneurs on a budget, or small business owners unsure about investing in a CRM system. Even the free version connects directly with Gmail, G Suite and the most recent version of Outlook. There are additional paid services, like the Marketing Hub and Sales Hub, but HubSpot allows

businesses to order those paid services based on specific users and everyone else on the team to continue using the completely free version.

“For tiny businesses and start-ups that are short on staff, but big on email marketing needs, HubSpot offers the best CRM solution out there” (Bushnell, 2018a).

HubSpot is a cloud-based and easy to use CRM solution, with email marketing tools, social media marketing tools, lead management, and several other features. HubSpot has about 50,000 customers and 120,000 users, and even though it is not as developed as other systems, it's a great cost-effective solution for any small business (HubSpot, 2018).

Best CRM for Developers: SugarCRM

Sugar CRM is considered by Business.com (Bushnell, 2018) as the best solution for web developers, packed with great features like contact and lead management, marketing tools, reporting and analytics, call-centre capabilities, workflows and approvals, among others. The outstanding customer service and active online community make this CRM the perfect choice for developers who want to fully customise the customer relationship management experience. It implies a rather steep learning curve and some work to start using this solution, but if the company has a reasonable in-house tech team, it offers unparalleled customisable options and a great deal of high-level resources.

Some other well-established CRM solutions reviewed and considered relevant to Small and Medium Enterprises (SME) by Business.com (Bushnell, 2018) can be found below:

- OnContact: <https://www.business.com/reviews/oncontact/>
- SalesNexus: <https://www.business.com/reviews/salesnexus/>
- InfusionSoft: <https://www.business.com/reviews/infusionsoft/>
- Insightly: <https://www.business.com/reviews/insightly/>
- Pipedrive: <https://www.business.com/reviews/pipedrive/>
- Less Annoying CRM: <https://www.business.com/reviews/less-annoying-crm/>

2.5 CRM applied to Small and Medium Enterprises - SME

As there is very little research related to CRM implementation specifically applied to SME, it is necessary to broad this study into this type of company specifications and constraints that may influence the implementation process. In this section, we will review the scope of SME, and its main characteristics and specifications, before the implementation of CRM in this context is further reviewed and analysed.

2.5.1 SME Definition and Specifications

Small and medium-sized enterprises (SME) are defined in the EU recommendation 2003/361 as a legally independent company with no more than 500 employees, with headcount limit for a small entity as <50, and medium as <250. This is a convenient term for segmenting businesses and other organisations that are somewhere between the Small Office-Home Office (SOHO) size and the larger enterprises (European Commission, n.d.).

Still according to the European Commission and Eurostat, SME represent 99% of all businesses in the EU, often referred to as the backbone of the European economy, playing an essential role in the economic development and growth (Eurostat, n.d.).

According to the data provided by the International Council for Small Business (ICSB), SME make up over 90% of all firms and account on average for 60-70% of total employment and 50% of GDP (Gross Domestic Product). Broadly responsible for significant employment and income generation opportunities across the globe, consequently pointed out as a major driver of poverty alleviation and development (United Nations, n.d.).

The strong impact that SME have on a country's economy and its social character indicates they play a key role in global economy and, therefore, should not be disregarded. Moreover, they commonly share unique and distinctive characteristics across the globe, particularly, in terms of lack of resources, owner management, flexibility and low-tech involvement that are broadly recognised as fundamental characteristics of SME (OECD, n.d.).

On another hand, these distinctive characteristics will influence and heavily impact any CRM implementation process in a SME, which justifies looking into it in more detail below (Caldeira & Ward, 2002; Ghobakhloo, Hong, Sabouri, & Zulkifli, 2012; Ghobakhloo, Sadegh Sabouri, Sai Hong, & Zulkifli, 2011; Nguyen et al., 2007; ThuyUyen & Teresa, 2013):

- SME have few financial resources, giving them little freedom of choice towards computer, recruitment and selection tools, often conditioned by the incapacity to recur to specialised consultancy that would allow to optimise their internal processes, and mitigate all points of resistance.
- They are mostly characterised by familiar structures and are usually managed by the business owners. Most of the times with little technical knowledge and usually lack or shortage of specific qualifications within their human resources, who usually also have little experience using information technology (IT).
- The structure of the organisation is usually centralised at the top management, and its attitude, personality and values play a vital role towards the decisions related to the business. Managers are often involved in all the processes, and the Chief Executive Officer (CEO) plays a dominant role.

- Usually management has little time to focus on strategic planning because they play many roles simultaneously, and often is given little importance to strategic planning, generally without deadlines or future investments, or in the cases they exist, only the CEO is aware of it.
- Managers have little confidence in both employees and consultants to trust them with their management and innovation projects for the company.
- Knowledge management and training is done directly from the top management to employees, and they are carried out with very little frequency.
- The hierarchical structure is simple and unformal, which allows to establish a very close relationship with the CEO, and internal processes are much simpler than the ones from a large enterprise dimension.
- Their main competitive advantage is to offer highly specialised products or services, which the largest companies have difficulty to make.

Succinctly, this section outlined the nature and characteristics of SME since, as stated before, these unique characteristics distinguish SME from larger businesses and have a massive impact on any CRM implementation process.

2.5.2 CRM Implementation in SME Context

According to Chang (2004), CRM implementation and the selection of technological tools should always consider the organisation characteristics, its size and surrounding environment.

CRM is increasingly seen as vital by SME, and for many also seen as an IT innovation that allows to enhance their business and provide them with strategic advantage against competition (Berry, 2003; ThuyUyen & Teresa, 2013). That's why many of them start investing in CRM implementation, back in the beginning of the new millennium (Beasty, 2005). However, many of them started by only investing in it from a technological point of view, waiting for quick results. As concluded before, a successful CRM implementation requires specific planning adequate to the business reality and time to be able to achieve the desired results (Berry, 2003; Boulding et al., 2005; ThuyUyen & Teresa, 2013).

As previously noted above, according to their specific characteristics, SME in their nature face many difficulties at defining strategic plans, and have no confidence, nor financial resources, to hire consultants who could perform functions to bridge this need. Therefore, it will be important to develop a type of culture in SME that would make entrepreneurs aware of the planning importance, making possible to acquire the right technology with the necessary dimension and saving the company important financial resources (Berry, 2003).

Research shows that in terms of technology, companies shouldn't take a decision just by analyzing the software vendors but whereas by identifying which internal processes can be improved and those that should be replaced, then defining a strategic plan and only after that to select which technological tool looks like the most appropriate (Berry, 2003; Injazz & Popovich, 2003; Nguyen et al., 2007; Payne & Frow, 2013). Lastly, it should also be taken into consideration that, since these companies have limited financial resources, the chosen tool will need to be able to adapt to their ever-changing nature and eventual expansion and/or growth.

Due to the specific characteristics of SME, particularly the scarce financial resources, they can resolve some of their weakest points by establishing partnerships with customers, suppliers and other companies. In that sense, smaller companies can develop more complex projects and compete with larger enterprises, while keeping their simple and less formal structure. However, in order to facilitate these partnerships and to know how best to develop them, it is necessary for SME to collect and store information on interactions with each of the parties, thus increasing the knowledge about them (Reijonen & Laukkanen, 2010).

Thus, and according to the observed characteristics, in order to implement CRM, SME should start by identifying customers, differentiating them according to their needs, and giving enough freedom to their employees to manage these relationships in the best possible way (Reijonen & Laukkanen, 2010; ThuyUyen & Teresa, 2013).

In terms of IT, CRM software suppliers have identified SME as a very lucrative segment, since these companies have the need to improve their customer relationships but usually only install less complex technology systems due to budget constraints, that seldom require very little maintenance from the supplier (Beasty, 2005).

Internet also represents a great form of expansion for SME, in terms of CRM, since it allows to reduce costs by creating an online customer service and sales that helps to achieve a faster and more effective interaction with a larger number of customers. With the increasing popularity of the Internet use, SME are able not only to promote their business, but also to record orders and contacts as well as to respond to their customers, in a much easier, faster, effective and cheaper way than ever before (Berry, 2003).

Berry (2003) states that despite its specific, and often limiting characteristics, SME can actually be in advantage when implementing CRM strategies than larger organisations. This because the simple structure of SME allows, for instance, to provide cheaper and faster training to their usually smaller number of employees, ensuring however, the company takes all the necessary requirements and makes all the necessary planning.

Nowadays, there are several free distribution CRM tools available for download from the Internet that SME can test to better understand the required steps to implement a CRM system. However, the fact that it doesn't have an associated cost usually means that assistance and necessary

implementation steps will need to be done by the company itself, which can often be quite complex for the company human resources.

There are also companies that provide the software for free but market its monitoring and implementation, with an array of options that allow SME a wide range of solutions.

There are also other situations where companies like HubSpot (mentioned before in section 2.4.1) that is a rather recent Marketing, Sales, and Service software company, offering a basic CRM tool completely free, and only charging by its additional and individual add-ons named as: Marketing, Sales and Service Hubs.

Finally, it is interesting to emphasise that although SME are adopting the CRM concept, it still faces great difficulties, presented by many authors above as the main differentiating characteristics of SME, that in this case end up limiting the CRM implementation projects, because the it is time-consuming and may tie up key employees, the financial constraints don't allow margin for capital investment, employees are already multi-tasking and usually overloaded, there's a shortage of adequate IT resources, the adoption of CRM technology needs to be strategically planned and some small businesses still struggle with it.

2.6 Final Considerations

Over the past three decades, companies have recognised that they need to change and restructure their way of establishing and maintaining business relationships, and discovered that Relationship Marketing and CRM are an invaluable help with constantly changing technology and increasing global competition (Antunes & Rita, 2008; Choudhury & Harrigan, 2014; Dibb & Meadows, 2004; Frow & Payne, 2009; Injazz & Popovich, 2003; Payne, 2005; Payne & Frow, 2017; Peppers & Rogers, 2011; Raman et al., 2006). In line with that tendency, the strategic management of customer relationships has become one of the most critical activities for any company (Payne & Frow, 2013).

Christopher and colleagues (Christopher, Payne & Ballantyne, 1991) had already claimed that Relationship Marketing had the potential to forge a new synthesis between quality management, customer service management, and marketing, seeing the last two as inseparable concepts. They also emphasised relationship management as the organisation of marketing activities around cross functional processes opposed to organisational functions or departments, able to create a stronger link between the internal processes and the needs of customers, therefore promoting the rise of customer satisfaction.

Despite the proximity of the term's relationship marketing, CRM and customer management, with the first two being many times used interchangeably, it is important to recognise the differences between the three, their distinctions and how each concept fit in the pursuit of the most effective customer management (Payne & Frow, 2013).

Mainly, it is important to retain that CRM build relationships and use systems to collect and analyse data, but it also includes the integration of all these activities across the organisation, linking activities to both company and customer value, extending this integration along the value chain, and developing this capability across the network in order to generate customer value, while creating shareholder value too (Boulding et al., 2005).

Overall, this chapter focused in the discussion around the two main concepts of this study – Customer Relationship Management (CRM) and Small and Medium-sized Enterprises (SME), that were deeply reviewed. In addition, the distinctive characteristics of CRM implementation within SME, which is in the origin of this study research question study, was also further examined.

Firstly, it was reviewed the evolution from transactional to Relationship Marketing and its close relation with CRM development, and recognition of the critical value of customer management in the business context as a competitive advantage. CRM has developed as a solution that enables organisations to deliver better customer service and manage relationships more efficiently, which by its turn, has a positive impact on their profits.

According to the findings of this research, CRM has passed from being perceived only as a technical solution or computer software, to be seen by more and more people rather as a management approach. In this research, CRM is mainly perceived as a customer-centric business strategy that aims to establish long-term relationships with profitable customers by using comprehensive customer knowledge.

Then, some of the main CRM Implementation Processes and Frameworks from the literature were reviewed and deeply analysed, and the key elements were carefully revised. Yet, Payne and Frow (2013), during their extensive research around CRM, identified a gap in the literature concerning implementation models. According to their perspective always missed a piece of the puzzle. So, they proposed a complementary model focused on a systematic process-based strategy framework, helping to provide practical insights for companies to achieve greater success with their CRM strategy development and implementation.

The framework of Payne and Frow (2013) was the result of extensive research and a synthesis of wide experience, developed through a number of sources, including an extensive review of the CRM and relationship marketing literature, in-depth interviews with senior executives working in CRM, marketing and IT, interviews with a variety of CRM vendors, discussions with a number of leading CRM and strategy consultancies, and many individual and group discussions with corporate representatives at CRM seminars and workshops. The authors started by identifying 5 Key CRM Processes: Strategy Development Process, Value Creation Process, Multi-Channel Integration Process, Performance Assessment Process, and Information Management, that constitute the main basis of their CRM Strategy Framework, that will be considered as the main theoretical structure in which to base the CRM Strategy implementation framework for KontaGion Hub Ltd in this work.

Further ahead, from a technological point of view, relevant CRM Systems (or software solutions) were reviewed, and main products and suppliers introduced, as well as the main considerations to have when choosing this technical solution. Then, also the nature of SME and their distinctive characteristics and specifications were revised.

Research showed that SME play a vital role in economic development and growth across Europe, and their distinctive characteristics, include the lack of human and financial resources, a management style usually centred in the CEO/owner, flexible company structure and a low degree of technology involvement. Additionally, customer service is seen as one of their main sources of competitive advantage.

Furthermore, the specificities of CRM implementation in SME were also discussed. Even if the adoption of CRM has proven to be rather slow among the SME sector so far (due to the outlined specifications/constraints), these have already started to consider CRM adoption, looking to improve their customer service and retain competitive advantage, therefore representing a great market growth potential in a near future.

2.6.1 CRM Theoretical Framework

In summary, and as stated by Injazz and Popovich (2003, p.672), “Customer relationship management (CRM) is a combination of people, processes and technology that seeks to understand a company’s customers. It is an integrated approach to managing relationships by focusing on customer retention and relationship development”. These are the three main pillars in which all the CRM initiatives will be based, influencing and conditioning any CRM implementation strategy and further activity. And therefore, the core basis of the Theoretical Framework of this work, that can be reviewed below in Figure 13.

The “People” pillar focus on the top management involvement and how they engage with staff involving them in the CRM program, keeping them informed and providing proper training.

The “Technology” pillar focus on the system choice, architecture design and the way the data are structured and administrated in a database approach.

Finally, on the “Processes” pillar it has been incorporated the CRM Implementation Framework developed by Payne and Frow (2013) around their 5 Key CRM Processes that represent, on a simultaneously strategic, operational and analytical level, an organised set of processes or activities that constitute the basis of any CRM implementation process. Starting with the revision of the company’s strategy (Strategy Development Process), and finishing with an improvement on the business results and shareholder value (monitored through the Performance Assessment Process), always bearing in mind that the competitive advantage comes from the creation of value to both customer and company (through the Value Creation Process), and that all CRM activities require the collection and intelligent use of relevant data (Information Management Process), to

excel at customer experience, the touch point where customer and supplier interact (within the Multi-channel Integration Process).

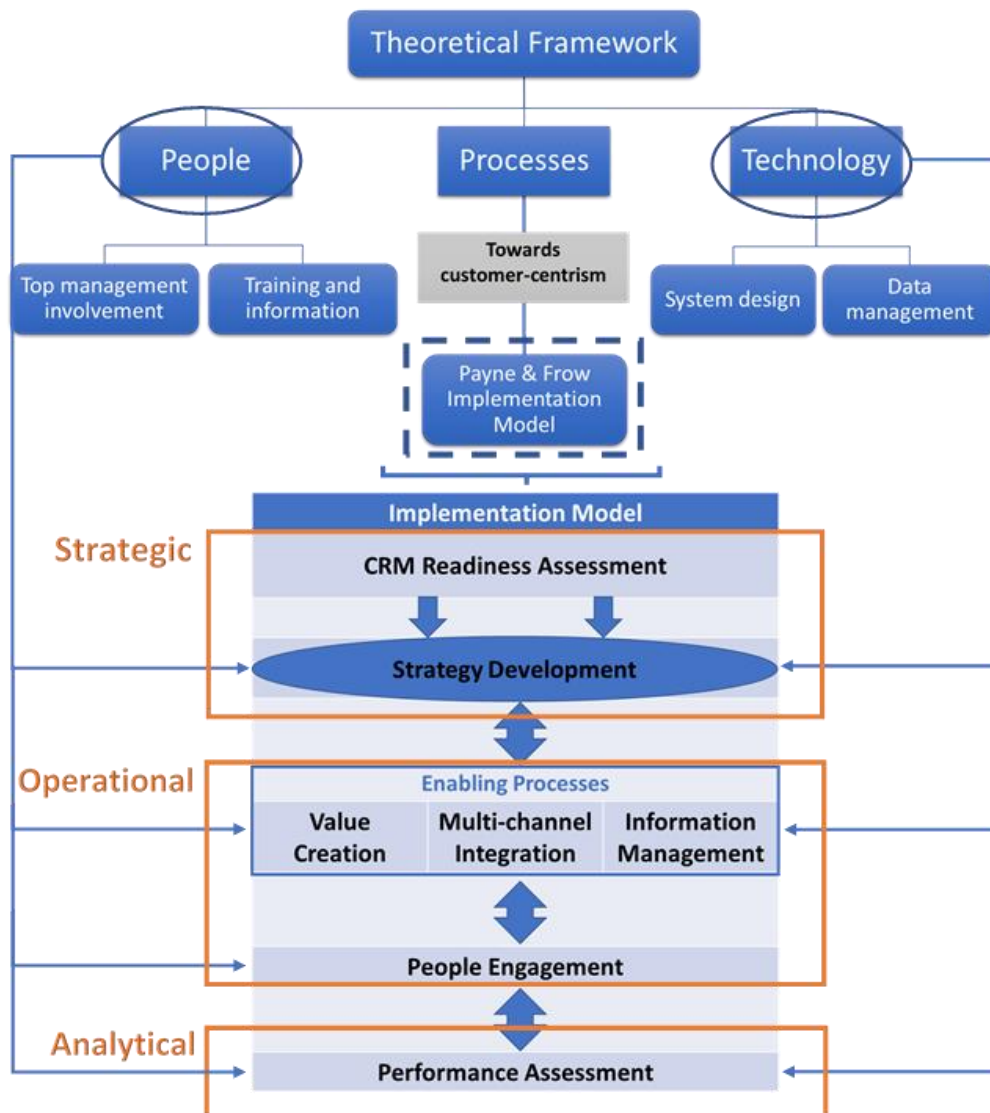


Figure 13 - Theoretical framework for CRM implementation (own source)

The Research methodology – that complements this theoretical framework introduced above, is outlined and developed in the following chapter, in order meet the research question identified earlier in the beginning of this report: how to lay the ground for CRM implementation in SME context – more specifically applied to the small company KontaGion Hub, Ltd?

Moreover, key concepts that constitute the research model, as well as the methodology approach and tools are also introduced, and the data collection and analysis processes are furtherly developed.

Chapter III – Research Methodology

Since the overall objective of this Project is to develop a CRM implementation framework applied to SME context, the previous theoretical part investigated the Customer Relationship concept development, key perspectives, levels, processes and implementation frameworks, also analysing the implementation of CRM as a system, its selection considerations and its application into SME context. Overall as an attempted to establish a complete theoretical foundation for the following empirical study, based on hermeneutic processes: pre-understanding, understanding and explanation, combined with an action research approach (Dul & Hak, 2007; Fachin, 2001; Landim, Lourinho, Lira, & Santos, 2006; Lincoln, 2001; Olsen, 2004), as illustrated below in Figure 14.

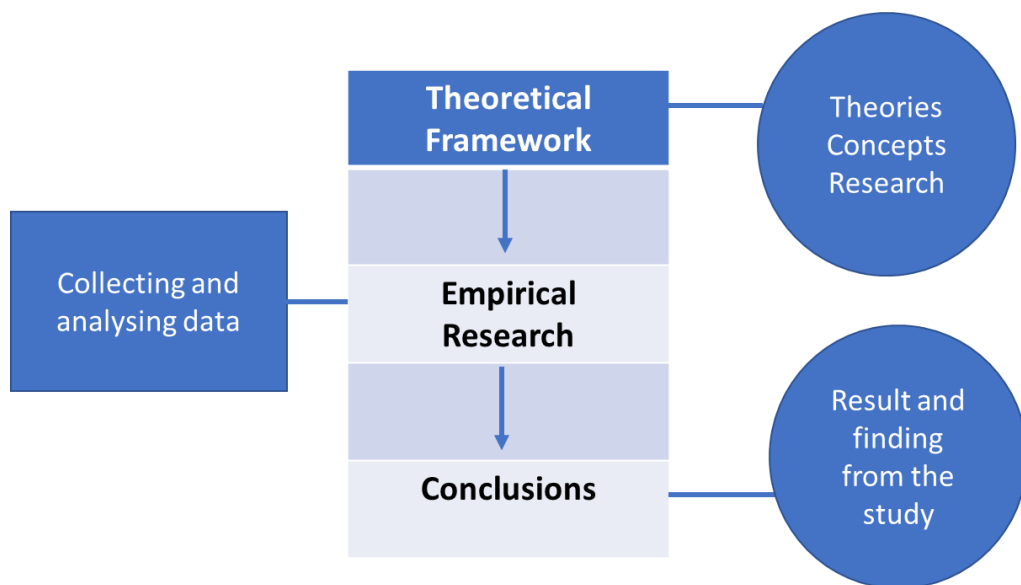


Figure 14 - Research methodology illustration (own source)

Each study has its specific goals and research questions that will drive the selection of the most appropriate research methodologies to be applied. This chapter will introduce the main aspects underlying the methodology that was used for this empirical study, substantiating all the decisions according to the adopted methodological options. It begins by stating the Project goal, approach and tools, introducing the most adequate techniques and methodologies selected for its development, including the used method for the qualitative data collection and analysis.

3.1 Approach and Tools

This Project aims to overcome a relational marketing challenge identified at KontaGion Hub, and faced by many other small businesses, that consists in the difficulties to manage all the gathered and available information about costumers to improve their relationship with them, influencing business retention and ultimately increasing profits.

Regarding the literature review, this was developed by recurring to the use of scientific articles and books, edited works, monographies and some relevant websites. In terms of the empirical research, the most appropriate scientific methodology to use for this type of problematic was the qualitative approach, more specifically the exploratory case study, with the support of semi-structured interviews, informal conversations, document analysis and observation as data collection tools (Dul & Hak, 2007; Fachin, 2001; Landim et al., 2006; Olsen, 2004).

Each research methodology has its advantages and disadvantages, according to the type of investigation question, the investigator control on the object of study and the focus on contemporary or historical phenomena. The case study is an investigation strategy appropriate to study more contemporary events, in its natural context (Yin, 2003). The case study considers the nature of knowledge and relates to the experience of the parties involved and the type of knowledge that we will be working with. Introducing complex and holistic descriptions of reality, through global observation and informal reporting style, and by clustering large sets of data, then presented in the form of illustrations, metaphors and comparisons more implicit than explicit (Lincoln, 2001).

This research is also defined as exploratory in nature, with the aim to provide an insight into limited previous research available on CRM implementation studies applied to small businesses (Yin, 2003). It's based on a single-case study methodology, as the object to be investigated is a new phenomenon, which is underdeveloped, and therefore exploratory by nature.

Even a single-case study can often be used to pursue an explanatory, and not merely exploratory (or descriptive), purpose. The analyst's objective should be to pose competing explanations for the same set of events and to indicate how such explanations may apply to other situations (Yin, 2003, p.5).

An investigation using the case study as a qualitative research method is widely observed in technology related studies and is claimed to be the most appropriate to understand the interactions between IT innovations within organisational context (Darke, Shanks, & Broadbent, 1998).

The current investigation was, therefore, developed as an exploratory single-case study, carried-out on a small company in the UK, with the main objective to build an adapted CRM implementation framework that would allow to solve the investigation question raised by this Project, and eventually allow the generalisation as a framework reference to another SME.

In terms of the case study structure, this was developed in 3 main phases: planning, data collection, and data analysis (Dul & Hak, 2008). In the planning phase it was defined how the investigation would be carried out, through the selection of the company object of study and the data collection method, which fell on semi-structured interviews as being the most appropriate, and finally the creation of the interview scripts itself. These were created by considering, not only this project goal, but also the company reality, in order to increase the confidence in the final results for this investigation.

Interviews are considered as one of the primary data gathering techniques, often practiced in qualitative research method as it allows to collect countless information and data from different targets with distinct roles. Semi-structured interviews use previously prepared questions but don't imply the close follow-up of questions' order, and allow new questions to emerge spontaneously during the interview, providing increased flexibility and an opportunity to better understand the research topic (Myers & Newman, 2007).

The semi-structured interview scripts were developed having as reference previous investigation works from Harvey-Jordan and Long (2001); Myers and Newman (2007); Qu and Dumay (2011), that highlight the wide use of semi-structured interviews in qualitative research to understand why people act in a particular way, by exploring participants' perceptions, experiences and attitudes. With the established questions only creating a starting point for the interview, that can then vary and adjust according to the profile of the interviewee and the conversation flux.

In this particular case, the scripts were drawn up having in mind the need to understand the specific context and company's requirements in terms of CRM adoption, and were mainly divided into 3 sections: CRM Strategy Vision, CRM Operational Definition, and CRM Analytical Definition, looking to cover all the company requirements, simultaneously on a strategic, technological and human level.

In the following section it is introduced the data collection tool, the sample and the interview scripts as well as the analysis procedure.

3.2 Data Collection and Analysis

The data collection has privileged qualitative characteristics, with special attention to processes and meanings, as opposed to quantitative ones that places special emphasis on objective measurement and quantification of results (Miles & Huberman, 1994).

As a data collection method, interviews are thought to be a very flexible option, since they allow the interviewer to clarify and repeat the questions and adjust their order in case of need, allowing for significantly broader and more in-depth answers (Harvey-Jordan & Long, 2001).

It was crucial for this research that the selected interviewees were able to give a complete insight to the study results by answering questions regarding the CRM vision, and both operational and analytical processes definition. The chosen interviewees were in different levels of positions. Interviewees were chosen from different position levels and selected based on their involvement in the decision-making level of the company and/or direct involvement in the CRM implementation, plus as future daily users of the tool once the implementation process is complete. Based on that criteria, there were three selected interviewees in total, all of them holding different job functions and levels of involvement in the CRM implementation process.

The semi-structure interview scripts were therefore applied to the company Chief Operations Officer (COO), and two sales people that also accumulate this role with both research and administrative tasks (including marketing and customer support). And the same basic interview structure was used for all the interviews, with some slight modifications made according to the position held by the interviewee.

The first interviewee (A – Table 3) is the company COO, initial founder and only owner, who is responsible for all the management and business development related tasks, holding in himself the key decisions regarding the CRM implementation in the company.

The second interviewee (B – Table 3) is the sales manager, who worked in this position for over one year and was able to provide great insight in terms of his perspective on strategies to manage customer relationships.

The third interviewee (C – Table 3) is the sales executive who provides support to both COO and sales manager, and whose daily work is mainly situated in the customer interface, being able to provide great insight in terms of how those relationships are currently managed in practice and how she thinks they could be improved.

Interviewee	Position held	CRM role
A	Management – Chief Operations Officer	Key decision maker in terms of CRM strategy design, adoption and implementation
B	Sales Manager & Researcher	Key CRM user on a sales force automation and account management perspective
C	Sales Executive & Admin	Key CRM user on a marketing and customer support perspective

Table 3 - Interviewees by position in the company and CRM role (own source)

Interviews were performed through conference call (via Skype), on a one-to-one basis, and the length varied between around 1h30 for the COO – main responsible for the CRM adoption, and roughly 1h for the other 2 employees – two of the main generic users, much depending on the questions covered, and the interviewee’s explanations and opinions on the questions being asked.

Even though notes were taken, the interviews were recorded, allowing the interviewer to concentrate in the conversation with the interviewees, in order to increase the situation understanding, and the interviews transcription permitted a detailed information revision later on. To facilitate the data analysis, it was also used during the interviews an annotation structure that allowed to register nonverbal observations, or any other notes considered relevant for the purpose of this study.

The researcher also relied on the direct observation as part of the data collection process, having this being conducted in 2017 during the Project developed in the company. During that period, it was possible to observe directly the internal processes in place, as well reviewing documented files

such as company's description, services, presentation slides, etc., using it as part of the earlier observation and generating relevant field notes. In order to increase confidence in the collect data through the use of multiple sources of evidence – through triangulation (Olsen, 2004), some further additional documents were also requested, and some available communication channels like their website were also reviewed, as support for this analysis. The resource to multiple data collection methods allows to perform a triangulation, which is a method that helps to increase the case study validity and accuracy (Olsen, 2004).

The data analysis began with the interviews recording been transcribed manually into text and the transcripts and notes taken during the interviews read about four times, in order to get the main ideas and avoid missing any relevant details.

Then the collected data was organised according the three generic categories used to divide the script initially: CRM Strategy Vision, CRM Operational Definition, and CRM Analytical Definition. The original script can be reviewed on the Annexes section at the end of this work, and basically looked to cover the most relevant questions on all the main CRM implementation requirements on a strategic, technological and human level – or, as presented by Injazz and Popovich (2003), the 3 key areas for any successful integrated implementation: people, process and technology.

The original transcript texts were simplified to form short but thick descriptions of the content in order to facilitate further analysis. Following this, all the descriptions were tabulated and organised into matrices and it was confirmed the existence of the link between the created description and original quotation, which allowed moving back to the original transcript material when needed (Miles & Huberman, 1994).

The thick descriptions were written using quoted material from the interviewees in order to support the findings and during data verification, the conclusions drawn were reflected against the raw material from the interviews to validate they were well supported.

Prior knowledge and theory guided the data collection and analysis but did not rule it, however, there was a need to keep in mind the preliminary research question and to focus on the data related to CRM implementation challenges and requirements. As Lincoln, (2001) indicates, there is usually lot of interesting findings in the qualitative research data, but it is important to concentrate on the research problems and not to get side-tracked.

Chapter IV – Case Study: KontaGion Hub Ltd.

This chapter starts with the presentation of the case company and the introduction to its background and specifications.

Then the results of the empirical study are presented and further reviewed with the aim to identify how customer relationships are currently managed and the company specificities in order to develop a strategic customer relationship management implementation framework applied to its context.

The objective is to develop, with the support of the theoretical background previously reviewed, a CRM implementation process specifically applied to small businesses, and hopefully be able to add some further relevant information to future CRM implementation processes in this specific SME context.

4.1 Company Presentation

The case company of this Project, KontaGion Hub Ltd, is a Market Research start-up, privately held, and founded in 2016, with headquarter (HQ) based in London. The company is specialised in providing market intelligence for businesses in Energy and Building Construction sectors, with focus in Smart and Advanced Smart Technologies.

With the change in market drivers and disruptive technologies moving fast and beyond borders, KontaGion Hub claims that business intelligence today requires new insights, methodologies, tools and interaction. And that any global, regional, or local business need to worry more than never about their customers, competition and market drivers. This pushes for increased research and analytical capabilities in order for any business to succeed, and the first step will be to ensure that companies stay on top of all the latest developments in the market they operate. That's how KontaGion Hub can make the difference to businesses, by providing insight from market intelligence to business and competitive intelligence.

KontaGion Hub is specialised in market intelligence studies for businesses in Energy and Construction sectors, with the focus on M2M (Machine-to-Machine) learning and Smart Technologies. The company is based in the UK with operations in Portugal and services provided worldwide, operating in the B2B sector and focusing on building relationships with agents that are simultaneously clients and information providers.

KontaGion Hub has a team of 3 professional researchers who aim to make a difference in the IoT (Internet of Things) intelligence research market by providing exclusive insights into the advanced smart technologies. Following the most up-to-date techniques and methodologies, the researchers deliver first class reports, data reports and insights that aim to make a difference to any business development strategy. The company delivers reports, that can be acquired online through e-

commerce or delivered by post, also provides specific market data insights under subscription, accessible through their website. And finally, also provides bespoke consultancy studies according to specific customer requests, as we can see below in Figure 15.

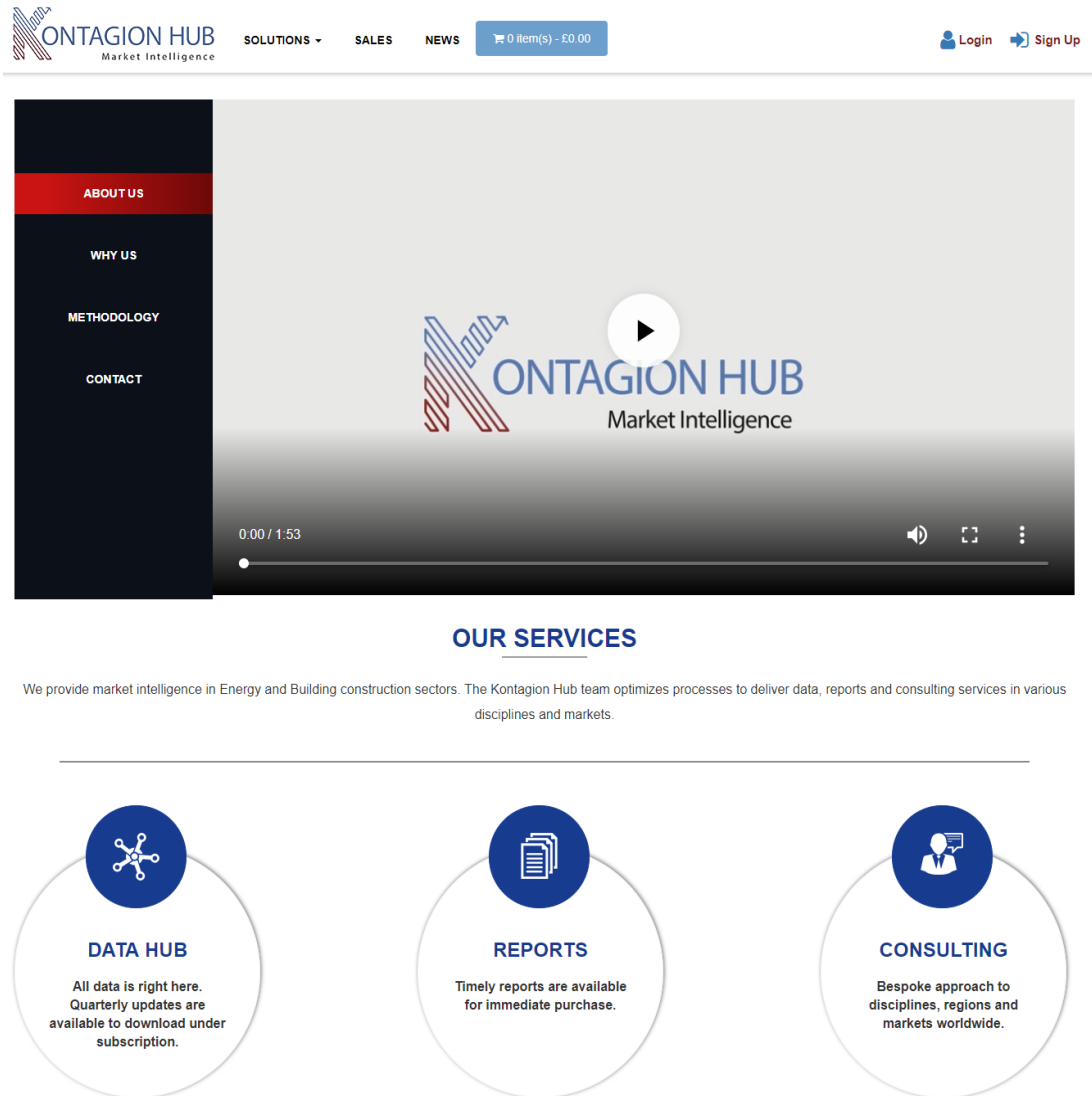


Figure 15 - KontaGion Hub main services webpage (KontaGion Hub, 2016)

These services can be purchased online via their website, by registering or logging in with a previously registered customer profile, that allows the consultation of a determined level of information according to what is selected (and therefore paid) by the client. There is also a webchat feature available to reach out directly to sales or for any support query, available 24/7 – details can be reviewed below in Figure 16.

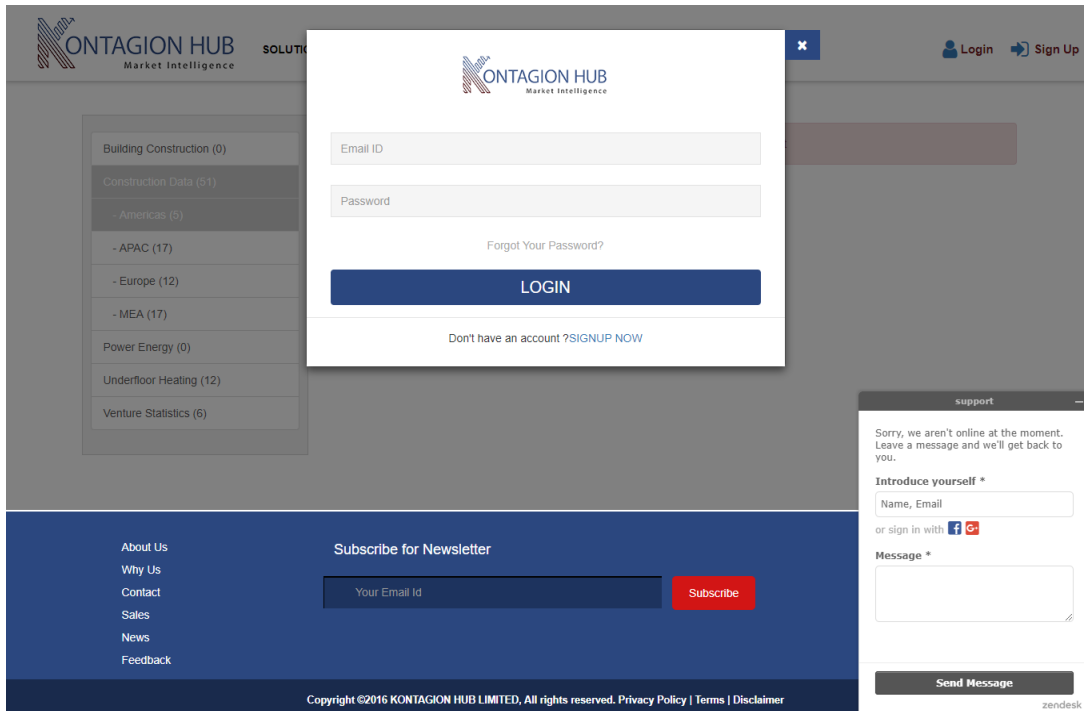


Figure 16 - KontaGion client login and webchat details (KontaGion Hub, 2016)

In terms of Social Media, the company uses LinkedIn to promote its presence in these media channels as a direct point of communication with potential customers, and the company profile can be reviewed below in Figure 17.

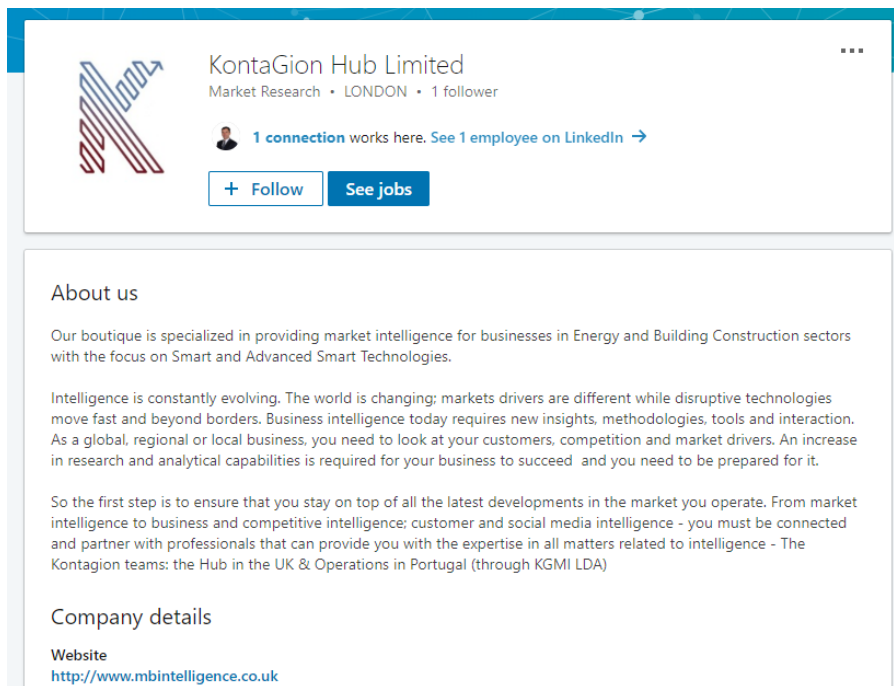


Figure 17- KontaGion Hub LinkedIn Profile¹

¹ www.linkedin.com/company/KontaGion-hub-limited retrieved on 27/09/201

4.2 KontaGion – Empirical Results Specifications

Now the results of the empirical study are presented and further analysed, looking at the company CRM implementation specificities from a conceptual – or holistic strategy perspective, operational – mainly involving processes automation, and analytical perspective – providing insights from the gathered data to improve business decisions.

The starting point of the interviews was to understand how the interviewees saw CRM defined, how did its adoption come up, its position in terms of the company strategy, and the main expected benefits. After reviewing the company strategic vision of CRM, both operational and analytical CRM perspectives are analysed, and further results presented.

4.2.1 Strategic CRM

As introduced previously above in the theoretical framework chapter, and early defended by Payne (2005), CRM should be seen as a holistic strategic approach to manage customer relationships in order to create shareholder value. And companies should start any CRM implementation process by defining its strategic perspective in order to ensure the best ROI (return on investment) and avoid unnecessary resources to be wasted (Nguyen et al., 2007).

The current case company claims that customer-centricity is one of their main differential advantages in terms of business strategy. According to interviewee A (company COO) even though customers are positioned at the centre of the business strategy, there isn't a defined customer relationship management strategy yet.

“Our customers are the soul of the business and we totally work to and for them, but currently there isn't a proper process or strategy in place to manage them, and that's what I want to change.”
Interviewee A

The third interviewee (C) provides support to the customer interface, and in her opinion the customer-focused thinking is well visible all the way from top management to the business strategy. She claims that customers' needs are always analysed, and the main goal is to make the customer happy.

“I think that we really do customer first. At the end it's them who pay our salaries. Even though in some places this might be just a slogan, I really think that here we are very customer-orientated.” – Interviewee C

According to the gathered data, customer orientation seemed to be considered as the main differential advantage regarding the competition and is reflected in decisions made by the sales team according to customer requests and specificities. However, none of the interviews recognised this as part of a specific and properly defined customer strategy. Consequently, and despite being present in their business strategy, it is unsurprising that their focus is now to implement a system that strategically support this customer-centricity in terms of relationship management.

In terms of CRM strategic goals, both interviewees B and C claimed that the company was merely focused on old customers' development and retention and developing, and both thought the focus should be moved into getting new customers as well.

Top management (interviewee A) assumed that the process to acquire new customers is not currently defined well enough and stated that he is planning to assume a more active role focusing in customer acquisition, which according to both previous interviewees was a step forward in managing customer lifetime value. In this case the missing customer strategy that was mentioned earlier could also benefit the company's aim to acquire new customers. Yet as literature proves companies often forgot the planning of acquisition in budgeting which results in poor management of customer acquisition (Iriana & Buttle, 2006).

In terms of CRM adoption motivations, top management (interviewee A) realised that the current rudimental database system (Google spreadsheets) wouldn't be enough to support and keep track with the ongoing updates of potential and existing customer and agents. The drive to replace this basic system as it couldn't handle more complex customer data and information were also mentioned by Interviewee B and C.

According to Interviewee B, some main benefits from CRM use could be that customer information would be formatted in a more sophisticated way that could help to ease the sales process and strengthen the relationship with customers. Furthermore, it would enable them analyse customer's purchasing pattern in order to improve sales forecasting, cross-selling opportunities and retaining the best existing customers.

"One thing is that it helps getting a more structured customer relationship that can fix the customer relation process, in the sense that currently we might have forgot to call some customers for a long time to see whether there is anything to be sold or something like that, and a CRM system can help with that." – Interviewee B

Finally, Interviewee C also mentioned that in her point of view a proper CRM software would assist in identifying and updating customer's database, as well as categorising it into groups based on criteria such as location, products, active or passive customers' status and existing or new customers that would allow for better target services.

"The main benefit is that we can know more about our customers and what they are doing, and hopefully get to know them better, so we can communicate better with them and tailor our services, instead of just having - let's say - a more passive relationship." – Interviewee C

4.2.2 Operational CRM

As reviewed previously in Chapter II – Theoretical Framework, and according to Xu and Walton (2005), operational CRM automates customer-faced processes such as sales, marketing and service functions, also integrating back and front office applications to improve customer

knowledge within the organisation (later reflected on the analytical outputs). Therefore, at this stage it made sense to inquire about the currently used processes to manage customer data, communication channels in use and their integration.

Interviewee C started by explaining that *“In our case, we can most likely argue that Google spreadsheet is our CRM in a way. But for me CRM should be more like a separate system which is a bit more intelligent than just having a spreadsheet with all the customers.”*

Top management (interviewee A) claims that currently this system (Google spreadsheet) is very limiting and he’s looking for a ‘relationship management process’ that allows *“not only to communicate with them but also keeping track of them. Who are our customers, what services they have purchased, what are their preferences, and so on.”* - Interviewee A

According to the 3 interviewees, this limiting system works more as a sales tool without any additional feature that allow saving relevant and/or historical customer information. Interviewee B also felt that sales missed a system that would allow to collect, in his words, *“soft information”* about customers’ wishes and behaviour, that could be highly beneficial when managing that relationship.

Top management (interviewee A) claims the main requirement would be a system that allows to record customer detailed contacts and further information. Additionally, he adds: *“I would like to find a CRM system that would ideally integrate with our current website backoffice, where all the invoicing details sit – including pricing and orders details. So that sales team can easily find out about customers’ latest purchases, invoicing or credit status”*.

Interviewees B and C both stated that, in order to succeed, the system has to improve the processes and be able to collect more detailed information about customers’ specifications and their special requirements and needs.

“Currently there isn’t a place to add customers’ specific needs except when making an offer to customers, in the internal quote sheet. A CRM (system) would give us the opportunity to add that sort of information.” – Interviewee B and C

According to interviewee A, the new CRM system should also allow for both Sales, Account management and SFA (Sales Force Automation), as well as Marketing management. The system should allow them to manage leads and opportunities from existing and new customers, with the ability to track customers status, open opportunities, open leads throughout all the stages in the sales funnel and marketing campaigns.

In terms of communication channels, according to interviewee B there is only a few online channels available. First channel is the website that allows customers to find information and order services online, that is managed through a backoffice system. The other channels are social media (LinkedIn), telephone and email.

Both interviewees B and C stated that one of the biggest advantages of the CRM system would be the continuity and availability of the customer information. They claimed that currently much of the relevant information was still kept in emails and personal hard drives, resulting in it not being accessible to everyone, which sometimes can create significant issues whenever an employee is off or needs to leave the company unexpectedly.

In terms of customer issues, according to interviewee C, the information flow between sales management and herself was not always easy and adequately managed, which diffculted her work.

“The information doesn’t always run smoothly especially from the direction of sales and top management to myself that currently look after customer-related matters. Sales people might speak to customers and acquire important knowledge but don’t always remember to share of that relevant information with me, which makes my life harder and can be a real pain.” – Interviewee C

4.2.3 Analytical CRM

Since analytical CRM focus in the consolidation of information towards the definition of customer knowledge (Xu & Walton, 2005), it made sense to try to understand how the company in study currently managed this customer information.

At the moment, the back office from the online shop allows them to store and find data such as customer’s geographical location, contact person, previous sales, current contracts and pricing methods. The system also stores information concerning customers’ credit status and balance, which are accessible to all the employees though back office applications but that currently don’t sync to any relationship management system.

All three interviewees agreed that storing more information about customer would likely improve the service that customers currently receives, hereby increasing customer’s value.

“The motivation is that we can know more about our customers and what they are doing and hopefully we know better what they are using our services for. Then we would be able to communicate better with them instead of just having let say more passive relationship.” - Interviewee A

According to Payne and Frow (2005), companies must be aware of how valuable their customers are, namely which ones can increase the value for the organisation and more importantly, its profit.

Interviewee B stated that currently the value of a customer is measured merely by sales margin, and its segmentation mainly done by their line of business which then allocates them to distinct groups according to their yearly purchasing volume.

“Even though an unknown customer could profit us more, we often value a previous customer more and don’t pay so much attention to a new one. It could be a cultural feature within the organisation.”

– Interviewee B

Both interviewees B and C thought that the case company was mainly focused on old customers’ and their retention and development. Both also thought that the focus should move more to generating new customers but claim there aren’t enough resources available and the process of acquiring new customers is not well enough defined.

According to top management (interviewee A) there is an attempt to focus on the process to bring new customers that is being developed by himself, going to focus specifically on new customer acquisition, which according to both of B and C interviewees was a step forward in customer lifetime value management. In this case the missing customer strategy that was mentioned earlier could also benefit the company’s aim to acquire new customers.

4.2.4 Empirical Results Overview

As mentioned above, this section of empirical results aimed to introduce an overview on the results of the case company interviews and below there’s a review on the key findings to retain from this empirical study, that will be used to build the CRM implementation proposal for KontaGion Hub.

Mainly, interviewees mentioned that customers are identified as the number one focus in the company business strategy. However, they also mentioned that, despite that, the systems currently in use do not support the defined strategy.

When discussing the subject during the interviews it was also possible to realise that it might be necessary to define a specific customer strategy for CRM. Namely in the process of customer value that can help the company to develop the knowledge about its customers, which might improve simultaneously both customer and shareholder value.

In terms of Strategic implementation drivers, it was possible to understand that the company is aiming to build long-term relationships in order to retain the existing business as well as developing new opportunities. Currently, the company has minimal interaction with partners and customers.

In Operational terms, top management and employees agreed that the existing system in place (shared excel spreadsheets) is unable to cope with the growing business complexity, and a proper CRM software is needed to handle the customer database and sales activities. Which in terms of analytical CRM, will also allow them to consolidate customer’s data and information such as email threads, phone conversations, and remarks into a single source or platform for sales, marketing, reports and services, so all employees are able to instantly access the relevant information. As well as to have a proper marketing campaign process that allows them to generate potential prospects from the database such as leads, opportunities and be able to track that progress in terms of ROI (Return on Investment).

Finally, even though the case company is strongly described as customer focused in terms of strategy, both operational processes as analytical tools for measuring the data collected are pretty much based on profitability and business volume according to the 3 interviewees. And interviewees B and C felt that the company could benefit from gathering more data about the specific needs and behaviour patterns to provide better customer experiences to current clients, and better target new ones.

In a nutshell, Table 4 summarises the key findings and critical factors identified from the analysis of the empirical material.

CMR Area	Key Findings
Strategy Vision	<ul style="list-style-type: none"> - CRM adoption comes from the need to manage an increasing amount of customer data (knowledge management). - Looking to centralise all the data, making it available across the company and improve the contact with customers. - Comes up as a management decision but employees were informed and asked to provide feedback. - Lack of IT skills and system complexity presented as biggest eventual constraints regarding the implementation.
Operational Definition	<ul style="list-style-type: none"> - Currently customer information is kept in a shared spreadsheet file saved in the cloud (Google Drive) and contains basic demographic and geographic details. - CRM implementation focus will start with account management and SFA, then look to expand to marketing and customer support, and finally to include analytics. - Looking to improve and automate internal processes with the system and CRM strategy implementation. - There isn't an official complaint management process and cases are reviewed on an ad-hoc basis. - Marketing is mainly performed through word-of-mouth from previous satisfied customers.
Analytical Definition	<ul style="list-style-type: none"> - Current basic segmentation in place differentiates customers by sales revenue YTD (year to date). - Most profitable accounts have a special, more personalised treatment than less profitable ones. - CRM is seen as key tool to collect meaningful information from customers, keeping it centralised and available to everyone, to provide better insight about customers, their profiles and needs, helping to improve relationships.

Table 4 - Key findings from the interviews' data analysis (own source)

These key findings, featured in Table 4, fall into the three main CRM segments (people, processes and technology) and specific areas (strategic, operational and analytical), deeply reviewed above in

Chapter II and that constitute the basis of the Theoretical Framework developed, which will be the mainframe for the CRM implementation proposal developed for the case company.

4.3 CRM Implementation Proposal for KontaGion Hub

The key benefits from Payne and Frow (2013) Strategic Framework for CRM, previously introduced in detail in the Theoretical Framework Chapter, and used as the main processual pillar for this work (cf. Figure 13), is that it can help organisations to identify and address some of the main CRM issues that can prevent them from achieving a better CRM performance. By considering each of the five CRM processes introduced by these authors, this project developed a CRM Implementation Model adapted to KontaGion Hub specific small business context, that can be reviewed in Figure 18.

This model comprehends the conceptual strategic perspective of CRM and both operational and analytical levels, including the following key steps to the Implementation Process adapted from Payne & Frow: diagnostic assessment, or situation audit; definition of the CRM vision and strategy development (strategic CRM). Customer relationship management (including channels); internal processes (including human resources management and engagement); database and information management (operational CRM). And, finally, monitoring and improvement from a performance perspective (analytical CRM).

In this model, the definition of CRM is directly related with the Strategy Development, going through the company's point of view in their own CRM definition and how CRM suits their business strategy and context. The company should begin by evaluating the business strategy and the future business plan, having a strategic CRM approach included in their business, which is in line with the previous literature suggesting that a successful CRM implementation starts with the evaluation of the overall business strategy aligned with CRM (Nguyen et al., 2007). From KontaGion small business perspective, the need for growing the business along with rapid changes in the global market and increased competition triggered the need to establish and foster relationship with the customers.

In terms of the strategy development stage, the main questions that KontaGion Hub would need to address are: where they stand in terms of CRM and what they want to achieve? Who are the customers they want to target, and how would they segment them?

Following the implementation model for this Project, proposed below in Figure 18, this initial stage would comprise three main steps: the situation audit, the CRM vision definition and the strategy development itself.

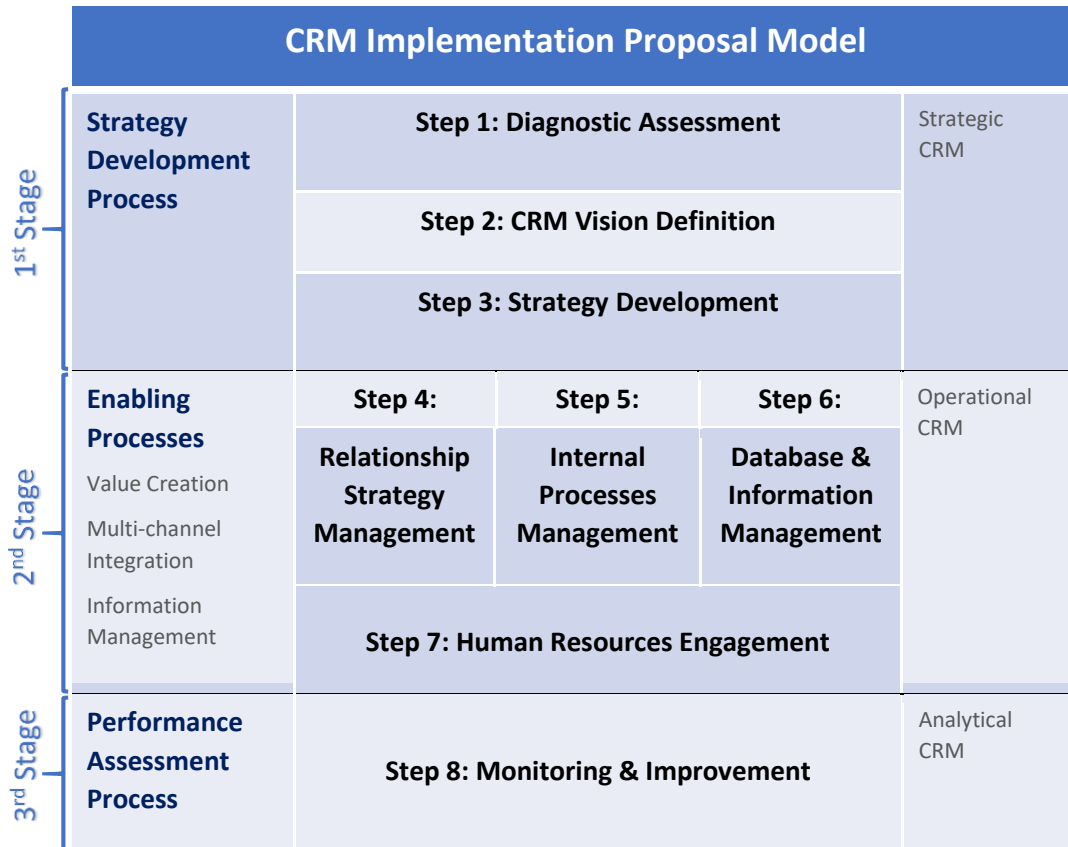


Figure 18 - CRM Implementation Model Proposal applied to KontaGion Hub (own source)

Step 1 – Situation Audit or Diagnostic Assessment: The first step of this model refers to the performance of a situation audit, so the case company could understand its current situation in detail. The need for this assessment is justified with the difficulty to carry out a project without knowing what needs to be changed, what is being done efficiently, and what can be improved (and how). It is also important to understand the characteristics of the surrounding environment and the specificities of the business, so the CRM implementation can be tailored to this organisation. In the audit phase, it will also be important that KontaGion evaluates its CRM capabilities, which are usually related to both human and financial resources, and for them to perform a market research around the technological solutions according to these requirements initially identified and the capabilities and/or limitations in terms of human and financial resources. At section 2.4 of this report, this technological review was performed in order to provide the company with the most meaningful CRM system options currently available in the market.

Step 2 – CRM Vision Definition: This step of the model refers to the definition of the objectives related to the CRM implementation itself. At this stage it is important for KontaGion Hub to define the objectives and guidelines to be carried out, that is, the levels of retention rate, loyalty, customer satisfaction and financial results to be achieved. Here the top management plays a very important

role, not only because its commitment will help to bring the project to the end, but also because its power allows to carry the project more rigorously in order to avoid deadlines and budgetary drifts.

Step 3 – Strategy Development: After collecting customer's transaction history and their preferences it will be possible for the company to trace their profile. At this stage the KontaGion will hold enough knowledge about its customers to be able to segment them, which means, to divide them into groups, in which to focus in order to create tailored services and experiences. Here the company should seek to create groups similar characteristics, so it can know exactly who they are and how to plan a CRM action that meets their expectations in terms of relationship with the company.

The second stage of this model refers to the enabling processes, and in terms of value creation, the company should question how to deliver value to their customers and maximize their lifetime value. The Value Creation is based on value assessment to the customer, from the customer and co-creation with the customer. It is similar with Swift (2001) knowledge discovery process where the company analyses customer information in order to identify business opportunities, marketing planning and suitable strategies based on historical information. According to the empirical result, all the interviewees mentioned 'gaining knowledge about the customer' in the CRM definition, this reflects the importance of having a better understanding about the customer, increasing the ability to forecast business opportunities and identifying the market changes. Although the company is small, it doesn't mean they can't seek the opportunity to obtain knowledge and value from customers, which is already been practiced by most larger organisations. For example, learning their needs and requirements, current market trends and even engaging in certain projects with clients can be some interesting techniques. Based on the interviews and observations, KontaGion Hub management hierarchy is small and lead by the owner, thus the support and focus of the CRM implementation is highly prioritised in the firm, which is in-line with the theory studies reviewed, where top management support is one of the important drivers for a successful CRM implementation.

Then in terms of multi-channel integration, it comprises the selection of the right or most suitable communication channels to deliver the right messages, simultaneously adding value to the specific targeted groups. Similar CRM processes have been suggested by Swift (2001) and Parvatiyar and Sheth (2001) whereby the aims were to create marketing and communication channels with the customer in order to identify investment opportunities and executing and managing customer interactions with relevant and timely information to enhance mutual value. Based on the held interviews and early stage observations, it is thought that the firm needs to engage more than just sending emails to customers. Comparing to larger organisation, small firms have limitation in establishing multiple communication channels due to financial and human resources constraints. Nevertheless, small companies like KontaGion Hub need to select other suitable communication channels to communicate with customers, in this specific case, some suggestions would be for

instance participating in trade-shows and partnering with strategic clients in development projects to develop further co-value with them.

Finally, in terms of information management, they should consider the best ways to organise customers' information, and how to 'replicate' their mind, using it to improve their CRM activities. This process involves gathering and analysing customer information for learning more about them, and according to Winer (2001) findings, companies are realising the importance of customer databases and attempting to obtain as much information as possible to gain competitive advantage in the market. Based on this case company, data can provide a clearer sight in terms of integrity and information gains throughout the customer database. On another hand, the knowledge derived from employees and customer's purchasing pattern enable the company to understand the needs of the customer and helps planning the company's business strategy. The major challenges of this process are the tedious manual work organising customer databases into a systematic order and mapping out information to the correct fields.

Following the implementation model proposed above for this project (Figure 18), the second stage that has been briefly introduced before will comprise 4 main enabling processes: customer relationship management; internal processes management; database and information management; and the human resources management and engagement, that 'touch' all of the other mentioned processes.

Step 4 – Customer relationship management: At this point, KontaGion Hub must already hold good theoretical bases and enough knowledge about what to offer to its customers, but will need to define how to do it, which means, to set a relationship process. This phase is related to the concept of relational marketing, since it is not enough to have a high-quality product that satisfies the needs of the customers, it is essential that they know it. The company should keep in mind the need to provide customers with a relevant product or service in their context, and to have as main concern the creation of value for the customer through the satisfaction of their needs. Thus, they need to use their database in order to verify what type of contact each customer prefers and what type of relational proposal is the most appropriate.

Step 5 – Internal processes management: This step concerns all that relates with customers in terms of internal capacity to attend their requests and needs, in the most efficient way. The audit phase will allow KontaGion Hub to understand its strengths and weaknesses, allowing them to better optimise internal resources according to the strategy previously defined.

Step 6 – Database and Information management: For KontaGion to be able to create a truly customer-centric strategy, there's a need for segmentation and this can only be done through a deep understanding about their customers. Therefore, the company should gather the most information possible, based on previous contact history details. The data source should be identified (whether it is separate files or distinct software applications) and a database model should be implemented. It is important to note that the company should worry here with data

privacy considerations and rules (namely GDPR – General Data Protection Regulation), to avoid further legal constraints or customer dissatisfaction.

In terms of information management, the database management system (DBMS) implementation will complement and “bring to life” all the steps previously described. It is a centralised database and respectively DBMS that will allow the company to integrate all their communication channels, helping them to provide a better and quicker reply to all the customers. Not to mention the opening of new horizons and business opportunities from the process of data mining and information interchange. The technological implementation also forces the company to adjust and adapt their internal processes, which makes training an essential. It is important to highlight that this stage also comprises the technical system selection adapted to the social environment, where the company should analyse and choose the CRM tool that best adapts to its specifications and requirements, in order to ensure they are all addressed and fulfilled.

Step 7 – Human Resources Engagement: Human resources are the main basis of any company in terms of customer relationships, and without their collaboration it will be very hard for any implementation plan to succeed. Therefore, the employee’s engagement should be incentivised straight from the start of any program, along with the CRM vision definition. Involving the staff on the CRM program from the beginning, not only help to stimulate their engagement and collaboration, but also to save the company some additional expenses in terms of having to fight change resistance. Human resources end up being transversals to all the implementation processes and one of the most important influential agents for the implementation success.

Step 8 – Monitoring and Improvement: Should be understood as a very dynamic process, and in order for the company to continue investing on its improvement, top management will need to confirm if their investment has been lucrative, and if they increased value after this implementation. In that sense, it is important for them to analyse these results in two main perspectives, the increase of profits and the increase of shareholder value. It is important to evaluate organisational performance indicators such as profitability and other financial results, and it’s also important to evaluate the customer’s retention rate, loyalty increase and lifetime value. This Performance Assessment stage comprises a set of important processes to ensure CRM objectives are in the right track in order to achieve the target set at the beginning of the program, and it’s crucial to evaluate it from time to time to help ensuring it is moving towards the right direction. According to the reviewed studies, the progress of the implementation is easier to monitor in small companies when compared to larger ones, as it is closely observed by the management team. Lastly, it’s also worth noting that it should be in this phase that standards and evaluation metrics would be set up in order to measure results and define what needs to be improved.

In summary, following the CRM implementation model proposed, mainly based on Payne and Frow Strategic CRM Framework and integrating other meaningful processes reviewed along the initial theoretical research, proved to be more practical and better suited to understand the CRM

implementation process from a small company perspective, like KontaGion Hub. In that sense, the findings of this study are very similar to the previous existing academic studies already performed in this field and reviewed for this work.

In the next chapter we will look more deeply into this work conclusions, as well as its main challenges and limitations, also looking into some recommendations in terms of future studies.

Chapter V – Conclusions

CRM implementation allows companies to improve their relationship with customers, increase satisfaction and increment their loyalty, consequently contributing towards business results' improvement (Buttle, 2004). Hence the purpose of this project, to help smaller companies to have an opportunity to improve their results by adequately implementing a CRM strategy in their business.

Overall, the main goal of this work was to develop a CRM implementation proposal applied to the case company organisational specificities and SME context. The interest was also to understand how the 3 key CRM components – strategic, operational and analytical are applied in the implementation process, what challenges need to be addressed, and what major benefits can be obtained. Since SME present very distinctive characteristics from larger companies, it was fundamental to cross the initial theoretical framework, developed from the most well-known CRM frameworks, with the exact specifications from this kind of companies. The theoretical results from the literature research are combined with the empirical results from the case study, to better understand how the research goals were achieved. According to the results of the qualitative interviews and observation, this study highlights the common findings between the literature studies and the practical perspective of CRM implementation process in a small firm.

Mainly, the study started with the revision of the most relevant literature pieces and similar research studies around CRM and its implementation in SME context. As introduced in the beginning of this work, managing customer relationships is now more demanding than ever, mostly due to the competitive landscape and continuously changing economies (Boulding et al., 2005; V. Kumar & Reinartz, 2012; Nguyen et al., 2007). Furthermore, the numerous definitions of CRM found in the literature revision indicate that the outset depends on several factors, like for instance, the company size, organisational situation, type of customer base or industry it operates in (Buttle, 2004; Chalmeta, 2006; Lombardo, 2003; Ngai, 2005; Payne & Frow, 2005, 2006). Then, a theoretical framework was built, looking at the CRM implementation in small companies, and integrating with the most adequate CRM processes for this context.

On another hand, the importance of the strategy was stressed out in both literature (Arthur, 2001; Buttle, 2004; Iriana & Buttle, 2006; Lombardo, 2003) as well as in the empirical results from the interviews. Without defining the reasons behind the implementation, how it will be done and what the expected outcome will be, it was possible to conclude that it will be more difficult to succeed. Therefore, the strategic CRM should be the outset of the implementation as it defines all the rest. By defining what type of information is needed and gathering that information through operational channels, the organisation can then develop the most adequate analytical tools to understand the value of its customers, and this valuation process is essential to learn which customers are the most valuable and which are worth retaining. Even though retention and development of relationships are currently already used within the case company, despite of being done in an ad-

hoc way, the planning of acquisition is not currently in place according to the interviewees, and these strategic decisions need to be defined so the company can also be able to measure its results.

According to the case company main drivers for CRM implementation, the key motivation is to have a suitable CRM system that would be able to cope with the expanding business operation, customer database, nurturing relationship with customers and align with the business objectives. Mainly, it was possible to understand that interviewees believe that if the implementation succeeds there are enormous benefits that can be accomplished through CRM, as they feel that the customer information will be more accessible throughout all the sectors of the organisation. As per the literature revision, increasing the data share enables knowledge management (Injazz & Popovich, 2003), which can improve customer satisfaction as customers will likely receive a better service, what can then result in the reduction of serving costs and ultimately, the increase of customer value. So, overall, the empirical data from this study is in line with the findings from academic literature for both benefits and challenges in CRM implementation (Miia Hannola, 2016; Parvatiyar & Sheth, 2001).

In summary, small companies should begin by identifying the reasons behind their need to implement a CRM strategy, starting by reviewing business objectives and identifying key drivers for the implementation. Then, during the implementation process, they should look at the importance of the data quality, the value of customer information, software capabilities and implementation timeframes. Finally, after the implementation, they should evaluate whether the initial standards and requirements have been accomplished, and what sort of improvements should be considered by the company in future terms.

Lastly, it is to note that the propose implementation model, introduced by this Project, can guide KontaGion Hub through the CRM implementation process in order to better ensure its success. And additionally, further similar companies can also take advantage of the proposed model to use as reference in their very own implementation process in the future.

5.1 Challenges and Limitations

Similarly to most of the research studies, this one also had its own challenges and limitations. To start with, the fact that CRM a rather recent concept that still doesn't gather consensus among several authors, generates a diversity of definitions and understandings regarding CRM implementation and related processes, which emerged as quite a big challenge in the process to identify the most suitable definition and implementation framework to follow as main foundation for this project.

Secondly, this work was based in a particular case study of a small company in the UK, and the industry of the company sits under market research and consultancy fields, which are different when comparing to some of the previous academic research case studies that are majorly focused

in retail industry so far. Although the case study specifications cannot be generalised and applied across as small companies' perspective, the findings are still relevant for future reference based on the industry and data collection methods.

Lastly, the methodology used in this study allowed to provide interpretations and descriptions based on personal observation which might not be scientifically 100% accurate. Despite trying to remain neutral throughout both interviews and observation activities, there is always a small possibility of falling into partiality that needs to be considered.

5.2 Recommendations for Future Studies

Customer relationship management is a very diverse area and there are endless studies around it, even though very little in terms of the implementation process itself. This study, on the other hand, focused exactly on that implementation process, more specifically applied to a small business context. The aim was to prepare a CRM implementation process adapted to a specific small company context and specifications, and for the time being, the customers' perspective was left out of this study. Yet, in terms of future research this would be something interesting to be furtherly developed and investigated.

Additionally, it could also be of interest for future research to follow up how the actual CRM implementation works out within the case company, and to further investigate its results and implementation success measurement.

Furthermore, this study was developed based on a small company context. If another study would be made within a larger, big organisation within the same industry, it would possible to provide an opportunity to compare further research results. Consequently, more generalisations could be made from other perspectives of CRM and its different levels of impact in the implementation process.

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Annexes

Annex I – Semi-structured Interview Scripts

Script 1: Applied to key participant in the adoption and use of CRM – Chief Operations Officer (COO)

Generic data about the company and the interviewee

1. Year of constitution of the company
2. Number of employees
3. Organisational structure
4. Business Strategy – B2B context
5. Products or Services
6. Number and type of customers (dimension, location, channel or direct sell)
7. Number and type of suppliers
8. Main issues faced by the company (better quality, bigger volume, seasonality, competition, cost, etc.)
9. Job Role; Number of years with the company; Academic background; Professional experience;

CRM Strategy Vision

Related with the retention and/or customers' acquisition, used technology, structure and purposes, processes integration and management.

1. What is the differential advantage that makes customers to choose your company instead of competition?
2. How did the CRM adoption process come up (from a technical need or business need)? And why?
3. What is the main purpose of the company with this implementation? Are there short, medium and long-term goals (or both)? What are you looking to achieve?
4. What do you consider to be a negative impact factor in the adoption process?
5. What is the main factor of influence in the selection of the CRM system? Will the application management be left with the company or kept with the system supplier?
6. What are the main benefits that you expect from the CRM use?
7. In your opinion, what is needed for the CRM implementation to be successful?

CRM Operational Definition

Related with the operational management of sales, marketing and customer support.

1. Up until now, without a CRM system, where did you use to keep customers data? And how did you manage it?
2. Was there any previous information saved in old informatic archives or paper (demographic, psychographic, etc.)? And in which formats – database, excel spreadsheets, others?
3. What were the main limitations of that “management process”, and why did you decide to change?
4. What are the communication channels available? And at what moment is the customer data collected? Is there a data privacy agreement in place?
5. What CRM components are you mainly looking to implement or focus on: Account management? SFA - Sales Force Automation? Customer Support? Marketing? Analytics?
6. Is there any process that won't be able to work in case the CRM system is inactive? Like for instance: marketing campaigns management, sales follow ups, tendering proposals management, complaints management, etc?
7. What other data management tools are used regarding relationship management processes, like: ERP, Datawarehouse, etc? Does CRM implementation replace any of those tools?
8. How will the sync between those tools and CRM system be made? And how regularly?
9. Currently how are customer complaints followed up, managed and resolved?
10. How are the company services promoted or marketing campaigns managed? And are they mainly done massively or in a target way?

CRM Analytical Definition

Related with analytical aspects of the customer management.

1. Do customers have different profiles? How is the segmentation done?
2. How is the relationship management done? Is there a different treatment according to each account type?
3. Do you believe in the importance of an effective customer relationship management strategy as critical to your business success?

Script 2: Applied to key participant in the effective use of CRM – Sales Manager and Senior Researcher

1. Job Role; Number of years with the company; Academic background; Professional experience;
2. In your opinion what is the differential advantage that makes customers to choose your company instead of competition?
3. Do you know how did the CRM adoption process come up (from a technical need or business need)? And why?
4. What goals do you consider that should be achieved? Or issues addressed?
5. What do you consider to be a negative impact factor in the adoption process?
6. How do you classify your generic IT skills on a scale from 1 to 5 (1 being poor and 5 excellent)?
7. What are the main benefits that you expect from the CRM use?
8. In your opinion, what is needed for the CRM implementation to be successful?
9. Up until now, without a CRM system, where did you use to keep customers data? And how did you manage it?
10. In your opinion, what were the main limitations of that “management process”?
11. What are the communication channels available? And at what moment is the customer data collected?
12. Is there any process that you look after that won't be able to work in case the CRM system is inactive? Like for instance: sales follow ups, or tendering proposals management, etc?
13. What other data management tools do you currently use regarding relationship management processes, like: ERP, Datawarehouse, etc? Does CRM implementation replace any of those tools?
14. Do customers have different profiles? How is the segmentation done?
15. How is the relationship management done? Is there a different treatment according to each account type?
16. Do you believe in the importance of an effective customer relationship management strategy as critical to the business success?

Script 3: Applied to key participant in the effective use of CRM – Sales Executive, Researcher and Office Admin (Administrative)

1. Job Role; Number of years with the company; Academic background; Professional experience;
2. In your opinion what is the differential advantage that makes customers to choose your company instead of competition?
3. Do you know how did the CRM adoption process come up (from a technical need or business need)? And why?

4. What goals do you consider that should be achieved? Or issues addressed?
5. What do you consider to be a negative impact factor in the adoption process?
6. How do you classify your generic IT skills on a scale from 1 to 5 (1 being poor and 5 excellent)?
7. What are the main benefits that you expect from the CRM use?
8. In your opinion, what is needed for the CRM implementation to be successful?
9. Up until now, without a CRM system, where did you use to keep customers data? And how did you manage it?
10. In your opinion, what were the main limitations of that "management process"?
11. What are the communication channels available? And at what moment is the customer data collected?
12. Is there any process that you look after that won't be able to work in case the CRM system is inactive? Like for instance: marketing campaigns management, sales follow ups, tendering proposals, complaints management, etc?
13. What other data management tools do you currently use regarding relationship management processes, like: ERP, Datawarehouse, etc? Does CRM implementation replace any of those tools?
14. Currently how are customer complaints followed up, managed and resolved?
15. How are the company services promoted or marketing campaigns managed? And are they mainly done massively or in a target way?
16. Do customers have different profiles? How is the segmentation done?
17. How is the relationship management done? Is there a different treatment according to each account type?
18. Do you believe in the importance of an effective customer relationship management strategy as critical to the business success?

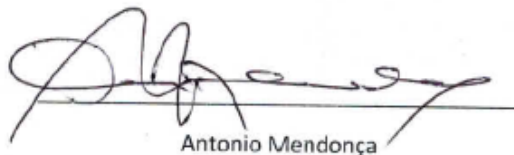
Annex II – Interview Authorisations

Semi-structured Interview Authorisation

Kontagion Hub, Ltd.

Antonio Mendonça – Chief Operations Officer

I hereby declare to authorize this interview to be recorded and the data to be used, anonymous and confidentially, for scientific purposes only, as part of Vania Pinho Final Project “Strategic Customer Relationship Management: Laying the ground for CRM Implementation in SME context”, part of the Master’s in Marketing from ISCA – UA.

A handwritten signature in black ink, appearing to read 'Antonio Mendonça', is written over a horizontal line. The signature is stylized and cursive.

Antonio Mendonça
(COO Kontagion Hub, Ltd)

Semi-structured Interview Authorisation

Kontagion Hub, Ltd.

Michael Keeney – Sales Manager & Senior Researcher

I hereby declare to authorize this interview to be recorded and the data to be used, anonymous and confidentially, for scientific purposes only, as part of Vania Pinho Final Project “Strategic Customer Relationship Management: Laying the ground for CRM Implementation in SME context”, part of the Master’s in Marketing from ISCA – UA.



Michael Keeney
(Sales & Research Kontagion Hub, Ltd)

Semi-structured Interview Authorisation

Kontagion Hub, Ltd.

Elaine Bradford – Sales Executive & Junior Researcher

I hereby declare to authorize this interview to be recorded and the data to be used, anonymous and confidentially, for scientific purposes only, as part of Vania Pinho Final Project "Strategic Customer Relationship Management: Laying the ground for CRM Implementation in SME context", part of the Master's in Marketing from ISCA – UA.



Elaine Bradford

(Sales & Research Kontagion Hub, Ltd)