University of Sopron - Alexandre Lamfalussy Faculty of Economics

The perception of customer relationship management by customers versus managers as a critical success factor.

DOCTORAL DISSERTATION

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CRM - The equal importance of human elements, processes and technologies as a prerequisite for success in a constantly changing environment.

Dissertation to obtain a PhD degree

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List of Abbreviations

B2B	Business-to-Business
B2C	Business-to-Consumer
BSC	Business Scorecard
CRM	Customer Relationship Management
DSG	Datenschutzgesetz
ERP	Enterprise Resource Planning
FOG	Forschungsorganisationsgesetz
GDPR	General Data Protection Regulation
IT	Information Technology
LTV	Lifetime Value
mCRM	Mobile CRM
MMS	Multimedia Messaging Service
NPV	Net Present Value
OECD	Organization for Economic Cooperation
RFM	Recency, Frequency and Monetary
SFA	Sales Force Automation
SPSS	Statistical Package for the Social Sciences
SMS	Short Messaging Service
TKG	Telekommunikationsgesetz
USP	Unique Selling Proposition
WAP	Wireless Application Protocoll

Abstract:

Introduction: Considerable changes in the past, ongoing developments in the present and uncertain future prospects pose significant challenges to companies as well as customers. Companies need to be particularly responsive to changes that occur in the markets, changes coming from developments in technology and in the status and behaviour of customers. In this changing environment, companies value the importance of long-term customer relationships and consider it a great opportunity to achieve stability and predictability. Customer Relationship Management (CRM) promises support. In this context, CRM must not be understood only as a software installation. CRM is a strategic instrument that aligns a company with its customers. Although CRM has been developed since the 1990s and implementations are widespread among companies across all sectors, the fail rate is still very high at up to 75%.

Objectives: Researchers and academics investigated in success factors to mitigate the risk of failed CRM projects, but the fail rates did not drop considerably. Most CRM studies have mainly focused on internal company processes, neglecting customer interests. The aim of this study is to investigate CRM issues, with a focus on the customer´s perspective, to find out if there are misunderstandings between company and customer perceptions. Results should provide practical added value for the benefit of the customer and subsequently also for the health of the company.

Research Questions:

1. Are the focal points of the investigation with customer, people (management and employees) and technology recognised as important topics from customers and managers?

2. Is there agreement or discrepancy between customer perception and management perception?

3. How can potential differences be explained using subgroup analyses?

4. What immediate measures can be derived from the study?

Methods: The first part of the study concerned literary research. Then a survey was administered to customers and management of five different brands of car dealership. The survey included a set of questions split into four topics (process, people, technology and customer). The purpose of this approach was to determine deviations in answers from management and customers.

Results: There is no one-size-fits-all or straight forward explanation why so many projects fail. A holistic approach (overall median) does not reveal significant difference, but

statistical tendencies are recognised. Additional analysis of subgroups indicate that age and gender effects could have an impact on customer relationships as well as a differentiation in business customers and private customers. Findings from the survey and the conversations and observations made during the survey were listed in a structured way and can serve as suggestions for management.

Keywords:

CRM, CRM projects, fail rates, customer retention, customer loyalty

1. Introduction

The marketing mix was an important guideline in the marketing literature for companies for a long period. The realization that neither the past nor the future of a customer relationship was considered in the marketing mix initiated a development away from transaction marketing towards long-term relationships. The assumption that long-term customer relationships are more promising, motivates companies to investigate Customer Relationship Management (CRM) intensively. The main focus of CRM is on the customer. However, the importance of customers for business success is not a new insight. The principles for customer relationships have been the same for former grocery shops. Grocers around the corner knew their own customers personally and tried to respond to their wishes (Elbeltagi et al., 2014, pp. 129–130).

Relationship management changed considerably in the 1990s when companies rediscovered the importance of customers and the relationship with the customer (Zineldin, 2006, p. 431). Unfortunately, Customers are still not getting the attention they are promised through CRM. The "C" in CRM makes an explicit appeal in this regard (Kale, 2004, p.44).

1.1 Description of the current situation

A CRM implementation confronts companies with large and diverse challenges. Fail rates at a consistently high level (up to 75%) prove that the implementation of CRM requires appropriate efforts. Projects can be classified as failed projects, if goals defined at the beginning could not be achieved. Competitive markets demand a lot from companies; winning and keeping loyal customers is becoming increasingly difficult. Technological developments are further complicating the situation for companies, because products and prices are transparent on a global market. Furthermore, customers are well informed about product descriptions and available services. In such unsettled times, CRM offers a concept that promises to stabilize customer relationships. This assumption is related to a consistent orientation in the company towards the customer. Extensive data collection and the analyses derived with IT support helps companies to proactively identify customer trends and behaviour to offer tailored products and services. However, the promising effects of a CRM initiative cannot hide the fact that many CRM projects still fail. Considerable, sometimes unexpected, costs and a lack of positive effects have a massive impact on companies that already face difficult times because of highly competitive markets. The fact that it has not

yet been possible to significantly reduce the proportion of failed CRM projects appeals particularly to researchers in the field (Farhan et al. 2018, pp. 398).

Unfortunately, CRM initiatives often end up unsuccessful or even with a loss at the bottom-line. Sometimes, CRM projects even end up in disaster (Rigby et al., 2002, p. 103).

Customer relationships require different approaches in B2C compared to B2B. Literary research provides more insights into customer relationships with consumers rather than with organisations. Private customers generally take less time to make a purchase decision than companies do. In companies, decisions are analysed and evaluated objectively before a decision is made, whereas emotional aspects play an important role for private customers. While purchasing decisions for companies are usually made within a defined group of people, decisions for private customers are made by individuals. It is important in terms of customer management that corporate customers, unlike private customers, tend to maintain long-term customer relationships (Foscht, Swoboda, 2011, p. 278). The focus of this thesis is on B2C business relationships.

1.2   Objective of thesis

Extensive literature on the topic of CRM provides an insight into the most diverse approaches to the topic. Despite many success factors identified by researchers and academics, the majority of CRM projects are still not successfully implemented. The facts give a clear answer with fail rates of up to 75%.

Company investments in a customer-oriented setup and the related technology require careful evaluation to ensure the costs are covered by corresponding added value, such as long-term customer relationships.

While there is a great deal of literature on various approaches to the topic of CRM project implementation, success factors and failed projects, there is rather little reported on differences in perception between customers and companies on the topic of shaping the customer relationship.

The primary aim of this study is to question whether clients and companies have a common understanding, particularly with regards to upfront defined areas. There is a wide range of success factors that have been identified by researchers and academics for successful CRM

projects. The knowledge acquired has not yet led to any significant improvements in the success rate. It is not the aim of this investigation to question other success factors or to define implementation steps. Technical errors in the implementation of a CRM initiative are also not examined.

In the empirical part, the study starts with the implementation of a survey. The survey is targeted at customers and management and compares the responses per company. This approach implies a natural imbalance in the number of participants in the two cohorts. Despite this imbalance of participants, the objective is to gain scientific knowledge. The inductive approach will be used to seek new insights that can be used in further research in specific other targeted cohorts.

For this investigation, the car industry and especially car dealers that are classified in the premium segment were used. The intention of this selection was to observe customer behaviour within one segment but with different brands.

Investigations on the perceptions of customers as well as companies on the same topics shall contribute to implementing sustainable CRM initiatives. The investigation topics derived from literature are people, processes and technology. The customer was chosen as the fourth main topic due to their importance.

1.3 Research methodology

The present study employed a quantitative approach to investigate at different levels. One part involved collecting feedback on the critical factors identified upfront (process, people and technology). In addition, the survey was conducted with two different groups, the customers and the management.

The research process forms the basis for evaluating the understanding of customers and companies in regards to the customer relationship. With this approach, the following research questions will be answered.

1. Are the focal points of the investigation, customers, people (management and employees) and technology, recognised as important topics by customers and managers?

2. Is there agreement or a discrepancy between customer perception and management perception?

3. How can potential differences be explained using subgroup analyses?

4. What immediate measures can be derived from the study?

A survey has been conducted within the automotive industry. This industry was selected based upon the fact that their customers not only have a lot of consultation meetings and interactions before purchase, but also subsequent services or aftercare requirements. Long-term customer relationships are of significant importance in this industry. The subjects of this study consisted of participants from five car dealerships positioned in the premium segment.

1.4   Structure of thesis

The procedure for the study adheres to the following structure with six main sections:

Factors influencing the economic activities of companies are manifold. In addition, there are increasingly permanent changes that require a high degree of willingness to adapt on the part of companies. Change flows have an impact on customer relationships and are described in Chapter Two.

CRM raises expectations and increases competitive pressure on companies to achieve sustainable success in times of change. The development of CRM is described in Chapter Three. Strengths, weaknesses and fundamental challenges are discussed.

In the next step, four main topics are derived from the abundance of success factors for a successful CRM introduction. These four main topics are dealt with in separate chapters (Chapter Four to Chapter Seven). These topics also provide the framework for the empirical study. In the Chapters Four to Seven, the influence of people, processes and technology on successful CRM implementations is elaborated. The customer occupies an exceptional position in this regard. Therefore, customers are the fourth element in the research. People, processes, technology and customers subsequently form the basic areas of the questions addressed to the target persons in the empircal section of this study. The development,

implementation and analysis of the survey is then detailed. Findings from analysis are documented, research questions are answered and recommendations for action are derived.

Finally, the essential points of the thesis are captured in the conclusion chapter. The main points are summarised and the most important findings for further research are mentioned.

2. Challenges for organisations due to ongoing changes

Companies are in constant competition with others. The challenge is to find solutions that allow the company to survive against the competition. Successful business relationships are difficult to maintain over time. Rapid technological progress in particular creates transparency and thus comparability in the market. With CRM, companies try to create a competitive advantage by maintaining long-term customer relationships. When the company in question is an e-business, it is even more difficult to maintain long-term customer relationships. This makes it all the more important to successfully implement CRM in this area in the form of Electronic Customer Relationship Management (eCRM). (Kimiloglu, Zarah, 2009, p. 246).

The five forces of competition illustrated in Figure 1. have been defined by Michael Porter. Porter published the Five Forces design in the Harvard Business Review 1979 (Bruijl, 2018, p. 1). New market entrants are one of the threats highlighted. They can have an impact on prices; these will probably decrease to compete with newcomers to the market. Barriers can exist or be created to make it difficult for new participants to enter. Economies of scale pose problems for newer businesses who are disadvantaged by small quantities of product. Another barrier is the differentiation of the product. Existing firms have an advantage due to their already established products. Customers are not likely to revert from one brand of product to another less familiar product without some persuasion. The customer may incur switching costs that deter them from dealing with newer businesses. Depending on the industry, new participants in the market are often required to secure large financial investments before establishing themselves – yet another factor working against newcomers. There are countless disadvantages that new entrants may encounter that are independent of scale, like the unavailability of patents, or perhaps established companies already own the best industrial locations. Government can create barriers via the limitations on licences in some areas (Porter, 1980, pp. 3-13).
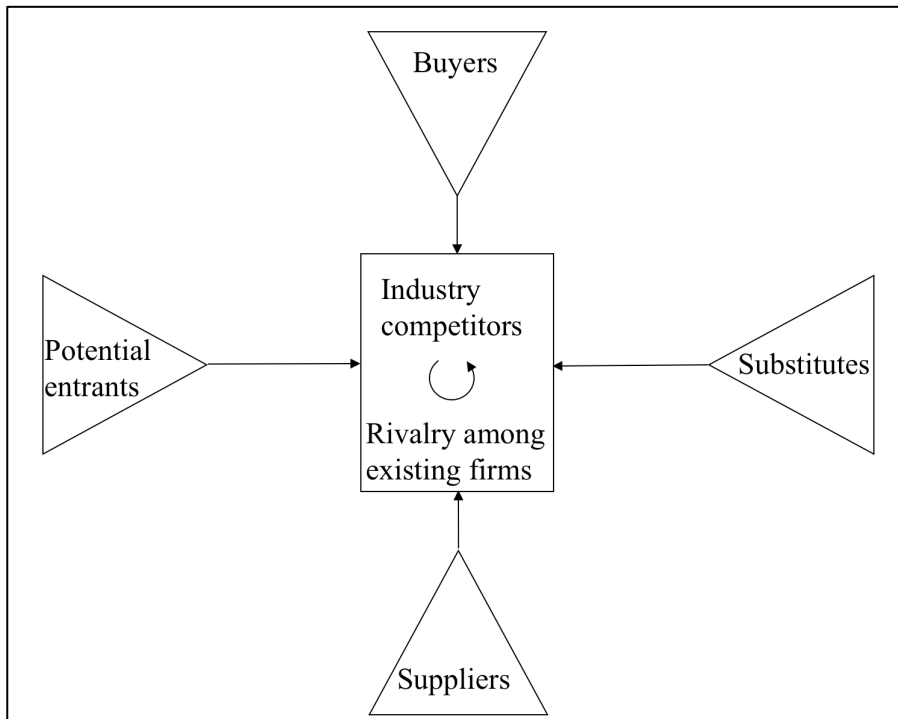
Figure 1. Forces that are driving the competition in industry.
Source: Porter, 1980, p. 4, own figure.

The next threat to consider is the impact of existing competitors. Competition is defined by pricing, product innovation and the extent of customer service. Companies are in permanent competition with each other. If companies constantly undercut or try to outbid other companies through various activities, this can lead to an entire industry suffering.

Substitution of products is another risk and is the third of the five forces described by Porter. The next competition threat is the bargaining power coming from suppliers. If suppliers are very powerful, they might either increase prices or reduce quality of products. In such sectors, there is a danger that excessive costs in procurement will lead to reduced earnings in sales. Finally the power of the buyer is a threat for companies. When customers take a position of power in a market situation, they get bargaining power with which they can demand better service or lower prices. Gaining information about products or pricing can lead to more bargaining power. (Porter, 1980, pp. 17–27).

In the environment of a company, the intensity of the five forces has an impact on the profitability of a company. This is relevant in industries where a company is competing against others. Consequently, this situation reveals what possibilities a company has when defining a strategy. Restrictions need to be considered for the strategy. The forces outside the industry have an impact on all companies within an industry. Depending on how

intensely the five forces act on a company as a whole, there may exist more or fewer opportunities to generate profit (Porter, 1980, p. 3). Companies are always in competition, the extent of which depends on various influences. Companies should therefore examine the influences of the five forces in order to accurately assess their own opportunities and possibilities accordingly. In this way, the company can identify its own strengths and weaknesses in the competitive environment.

The five forces show that competition in a broader sense does not only refer to competitors. These five forces represent a competitive situation for companies. Depending on how exposed a company is to the various forces, there are more or less opportunities to plan for strategic success. The forces must always be considered in their entirety. Even if one of these dangers is not relevant, it may be that one or more other forces are all the more dominant, which in turn reduces the company's chance of success (Porter, 1980, p. 3).

With barriers, sellers can make it difficult for customers to switch to other suppliers, but this approach can have a negative impact on the customer relationship. To avoid this lock-in function, companies tend to try to retain customers by generating benefits for customers through loyalty programmes or by offering service benefits, or reduced prices (Slater/Olsen, 2002, p. 19).

Many economists are asking themselves whether Porter's model is still valid as it has not been further developed since 1979. Particularly critical is seen in the model, that a static market structure is assumed and small and medium-sized enterprises are valued with the same model as large enterprises. Other strategic models like the RBV (resource-based view) or the blue ocean strategy as well as for example the delta model have been developed and can be considered in addition to the model from Porter (Bruijl, 2018, pp. 5-10).

2.1   Changes in technology

The 90s saw the start of digitalised data-keeping. The creation of everyday mobile devices, the ability to store large volumes of personalised data combined with the new technology used to deploy and utilise it lead to new developments on the market. Information from various channels can be linked in real-time. Thus, customer needs can be considered rapidly. Tendencies are to provide individualised and fast customer service. Digitization is a trend that is independent of the industry and takes place in all processes of a company. The consequences are grave and are often described as the fourth industrial revolution. New

distribution channels are a consequence of the new technology. Sellers are able to communicate more frequently and more directly. This ease of communication influences the customer relationship, and providers need to be prepared to deliver on several channels (multi, omni channel distribution) (Meffert et al., 2019, pp. 72).

Long before the term CRM was created, companies tried to achieve customer satisfaction and build customer relationships. Enhanced technology is supporting the CRM deployment. Technological developments provide opportunities for companies to maintain individual business relationships with a large number of customers, which was not feasible before. The technological achievements also help to process large amounts of data efficiently and effectively. Nowadays, there is no limitation in storage capacity for collected data. Despite the huge amount of data, analysis can be achieved immediately. Insights derived from data analysis can support companies in adapting products or services to customers' needs. The constant development and expansion of the technical range of services leads to favourable prices for technical purchasing (Payne, Frow, 2006, p. 136).

Opportunities coming from the technological development of the internet are manifold. Even production concepts like mass customisation and personalisation of products are supported by the internet. Personalisation enables customers to design a product according to their own wants and needs within defined frames. With this approach, a unique product can be created that is quite different from products coming from mass production. It was not possible to implement these processes in the past because of technical restrictions (Pires et al., 2006 p. 945).

There is a danger that CRM software salespeople will increasingly act as CRM consultants. This will have an impact on the way CRM projects are set up, which will then tend to be IT-focused. Process design and the involvement of people often do not receive the necessary attention afterwards. It can be explained by the fact that CRM has evolved from Sales Force Automation. In this situation, IT has helped considerably in facilitating work through technical support activities like managing reminders for customer calls (Elbeltagi et al., 2014, p. 146).

Finally, Mobile CRM (mCRM) supports customer requirements quickly and easily fulfills customer needs. Basically, mCRM is defined by three main factors: customer loyalty endeavours, customer service and analysis of information. The accessibility of information

and its rapid analysis ensure quick responses to customer enquiries and allow for companies to present offers that are suitable and specific to the customer. Mobile devices create new opportunities for customers, for example, they can easily collect bonus points on customer clubcards (loyalty programmes). Mobile devices provide considerable convenience. Customers can send technical inquiries, support inquires or requests concerning orders to companies, very flexibly. Another advantage of the mobile service is the on-demand service requests for products. Information sharing is provided permanently and customers are able to get quick and easy feedback. In addition, applications can be installed for more convenience. Areas of application are manifold and range from evaluations of recorded customer data and availability of operation manuals, to reminder functions for important appointments (Holland, Koch, 2015, pp. 95,96).

Despite its many benefits, the introduction of mCRM poses even more challenges for companies than the introduction of a traditional CRM (without internet) already does. Social media integration harbours a considerable risk, as experiences are discussed openly on the Internet and can easily escalate and end up in shit storms (Grässel,Weinberg, 2015, p. 112).

Enhanced technological developments provide new possibilities. This is also an enabler for new market entrants to quickly succeed on the market and endanger existing companies. Such developments are increasing competition and are forcing well-established companies to encourage new customers and establish long-term customer relationships (Mendoza et al., 2007, p. 915).

Not only are individual companies experiencing changes due to new developments like cloud technology, mobile internet and 3D printing, but even entire industries are feeling the change. The Organization for Economic Cooperation and Development (OECD) sees the promotion of such innovative technologies as a way to create sustainable prosperity. Developments such as the mobile internet also have an impact on customer behaviour. Customers are much better connected and able to obtain information any time and anywhere, which is then used specifically to inform their purchase decisions and sales negotiations (Kotler et al., 2017, pp. 45–46).

2.2   Changes on the markets

Reasons for changes on the market are numerous. A main driver of this change is the development of new technology. The technology is now accessible to all and this provides new possibilities. Newcomers on the market are another trigger for changes on the market They get better chances to enter a big market without considering the old established market leaders due to the platforms technology provides. Every newcomer has the chance to start a business right from the beginning on a global market. The global market and the transparency of price and conditions increases the knowledge of customers and expands their awareness of brands, products and prices. Customers share their knowledge and experiences with others. This is supporting the power shift from sellers to customers (Pires et al., 2006 p. 938).

Buyers have experienced an increase in market power because of technological developments and their impacts. This opens up significantly more opportunities for buyers to obtain information. The rise in knowledge strengthens their negotiating power. Marketing strategies need to be reviewed and management needs to prepare for new developments on the markets. Customer behaviour is changing and marketers need to adapt rapidly. The continued technical development is a huge challenge and seems to further strengthen the customer's role (Pires et al., 2006 p. 946).

In regards to history and the progression of industry, it has become clear that companies constantly need to adapt to the demands of the market in order to remain successfull. After the Second World War, it was evident that companies focused mainly on products and production and not on customers. This was the situation in the 1950s and 1960s. At this time, demand exceeded the supply and this moulded companies that prioritised production optimization and delivering on time. This was the beginning of the transformation from a seller market to a buyer market (Rothlauf, 2014, p. 40).

The situation changed slightly in the 1970s as competition increased, and the power converted further over to the customer. As a consequence, customers demanded better services and individual or personalised treatment. Market segmentation was necessary in the 70s and target groups were analysed to concentrate on specific customer groups. Competition became fiercer in the 1980s as new suppliers established themselves and products became more similar. As a countermeasure for this challenge, companies increased

their efforts to generate an Unique Selling Proposition (USP). In the 1990s companies rediscovered the importance of the customer and started with customer focused activities that tailored services to fulfil individual customer requirements (Bruhn, 2016, pp. 4–6).

The speed of change has increased in social environments and companies need to quickly respond to new requirements. Starting with the 2000s complexity has increased and companies need to consider their own competitive advantage as well as other factors like the dynamic market situation. Continuous improvements and adjustments of management decisions are necessary (Meffert et al., 2019, pp. 7–9).

The scarcity of products ended in the middle of the twentieth century, due to the beginning of mass production and the appearance of new competitors. Due to this upscale in industry, the quality of the sales process and the relationship between seller and buyer got somehow lost. Customers were reduced to a kind of an account number with considerable consequences. Vendors lost contact with their customers and subsequently ignored the customers' needs. Nowadays, there is a tendency for companies to revert back to the more personalised method of service. Vendors are competing with others to find and maintain long-term customer relationships and formulate an understanding of customer requirments and behaviour (Chen, Popovich, 2003, p. 672).

The situation in the markets forced suppliers to review their business strategy in regards to customers and adapt to cater for customer requirements. The power shift from seller to buyer was clearly visible (Rothlauf, 2014, p. 40). Companies had to realise that it was more difficult achieving differentiation from competition via products, other means had to be utilised to attract and keep customers. Hence, an improved customer service and the ability to react rapidly to changing customer requirements were identified as USP that would attract customers and build long-term customer relationships (Helmke, Uebel, 2013, p. 5).

The fact that the market now focused on the requirements of the customer meant that other changes were necessary. Methods of marketing had to be adapted, from transaction marketing to relationship marketing. Companies made an effort to engage with customers on a long-term basis to ensure their business relationship is a long and prosperous one rather than a one-off transaction. Long-term customer relationships require continuous monitoring of customer requirements. A consequence of this development is a paradigm shift from product to customer orientation (Bruhn, 2007, p. 6f.).

In a market situation where the seller is more powerful than the buyer (seller´s market), vendors are in a position to determine the terms and conditions of contracts. They may dictate, for example, price or delivery conditions. In this case, the customer would have to accept the terms of the contract defined by the seller due to the lack of alternatives offered. In a market situation where supply exceeds demand, customers have a stronger bargaining position and can therefore have more influence on the terms and conditions of contracts (Bartels, 2012, p. 2).

Global political developments have a major impact on the markets. Political changes opened the door to market capitalism in a global context. From the political perspective, Eastern Europe and the Soviet Union dissolved, while China and India opened their markets. New opportunities arose and companies responded to evolving market needs where buying habits are no longer limited to the local or national market (Belk, 2007, p. 147).

Furthermore, globalisation is intensifying the competition with the emergence of new market participants. Markets are becoming largely saturated. Product life cycles are becoming constantly shorter and companies have to decide quickly, sometimes without any market research, in order to have products ready for customer needs. Good products are not the only guarantee for success, because of fast changing markets. Market needs might have changed in the time it takes to produce a quality product, or product substitutes are suddenly available with considerable influence on the success of a company (Essinger, 2001 p. 1).

Historical experience reveals a change from transition marketing to relationship marketing with an increasingly stronger focus on the customer. Increased competition forces companies to build long-term relationships and to pay careful attention to the wishes and needs of customers (Bruhn, 2016, pp. 7-8).

The challenges in highly competitive markets are constantly increasing. New entrants increase competition. In addition, overcapacity as well as new competition from global participants is influencing business success considerably and strengthening the position of the customers. A rapid drop in prices is an inevitable consequence. Companies try to succeed with countervailing activities like cost reduction, pioneering innovations or improving profiles and customer loyalty schemes. The economic situation of the customers has a direct impact on the suppliers, because a rise in unemployment triggers uncertainty among the sellers (Belz, Bieger, 2006, pp. 61–62).

Since market changes are unavoidable, companies need to adapt accordingly. Thorough planning and profitability projection is necessary. Product and production orientation are no longer enough to be successful in the market. It is more important to focus on profitable customers and try to fulfil customer requirements. Instead of mass production, companies need to follow their customers and adjust processes rapidly according customer needs (Kehl & Rudolph, 2001, p. 89).

Companies need to react to the growing complexity of the market environment. Quick responses to developments on the market are mandatory, because customers are changing purchasing patterns often and abruptly. A further challenge is posed by the fact that products are imitated quickly, which results in innovations not being as successful or coveted for as anticipated. Product imitations are the reason why products are similar. Differentiation in terms of quality or price is nearly impossible because customers take it as a given that they can purchase products of good quality for the best available price (Essinger, 2001 p. 37).

Companies need to understand that a brand is no longer under the control of just one company. Due to the shift in the balance of power, customers have much more influence on how products and brands develop (Kreutzer, 2015, p. 12).

2.3   Changes in customer behaviour

Changes in the market sometimes result from changes in terms of the customer; these may be related to demographic and behavioural facts. Demographic changes can be recognized by the aging of the population. The population is older partially because the birth rate is falling. In addition, immigration, as seen in Europe, leads to a diversity of cultures. Individual consideration of consumers is necessary, because households are made up of an ever expanding variety of demographics. An obvious and extreme alteration in consumer behaviour is that of women. 60% of women are now in full time work, even if they have children (Kumar, Reinartz, 2012, pp. 6–7).

Many different social developments are accelerating changes. Size and composition of households are changing because of the trend of more single households. In addition, the changed role of women in society is having an effect on buying patterns. Furthermore, customers experience a permanent lack of time and therefore want to buy on demand and appreciate top services from companies that save them time (Berger, 2015, p. 119).

The transition of power in the markets is not a new situation. Historically, there have always been attempts by customers, but also sellers, to achieve a stronger negotiating position (Pires et al., 2006 p. 938).

There was a big change in customer behaviour at the beginning of the 21st century with huge implications concerning the business dynamic and trade. Since then, customers do not act in predictable ways, but in a manner that is based on various aspects like emotions, prices, or their geographic location at the time of shopping. This unpredictable behaviour makes it increasingly difficult for suppliers to make a segmentation in the market and prepare a communication concept with specific target groups (David, Hilpert, 2016, p. 189).

Changes in the diversity and behaviour of customers are difficult to manage. This is also an argument for a strategic CRM implementation. Diversity itself is changing in nearly all industrialized nations. This changed situation leads to changed market participants and thus changed requirements from the market. Suppliers are forced to respond to the needs of new markets. Customers are more time sensitive, they expect twenty-four-seven support. Communication and interaction between company and customer must be short and efficient. Furthermore, customers are expecting top service and do not accept bad service quality. The reason for that is the development of the internet and the growth of consumer knowledge.

Customers are well informed and know what they can expect for their money. Unfortunately, there is a trend of disloyalty recognised in the modern customer (Kumar, Reinartz, 2012, pp. 6–10).

There is another trend observed called multi-option society. Due to the wide range of products and services offered, customers are granted a multitude of options to choose from. This is on the one hand a comfortable position for customers – a kind of opportunity for self-realisation – but on the other hand it creates an attitude of cognitive dissonance on the customer side. The large selection of options puts additional pressure on companies when it comes down to improving relationships with existing customers.

It is evident that life is getting faster and people are longing for a deceleration. A kind of non-stop lifestyle is predominant, however, and induces new approaches and strategies for achieving sustainable success from the vendors point of view (Belz, Bieger, 2006, pp. 59–60).

Environmental influences also inspire customer behaviour changes and companies have to react to these accordingly. When considering the impact of environmental influences on the four Ps (product, price, place, promotion) the following issues must be addressed and incorporated into a company's marketing strategy. Product development is becoming more complex because the composition of materials is significant in terms of the footprint they leave behind. Particular attention is paid to the product packaging, which should be biodegradable. The price calculation must take into account regulations regarding environmental protection. Companies point out the environmentally friendly aspects in their services. Customers are willing to spend more money on environmentally friendly products. The location of the company's buildings also has an impact on the environment and thus on the attention paid to customers. The aim is therefore to produce close to the sales markets. Advertising is increasingly shifting from the print version to the online version. This saves paper production, which benefits the environment and ensures sustainability (Kotler, 2011, p. 133).

However, this study intends to critically examine customer perceptions while exploring what the companies belive in regards to their customer relationships. Figure 2 details the results of a customer survey that was carried out in Austria in 2016 which identifies deviations.

In which industries is the understanding of customers particularly important to you, the customer, and to what extent do you feel understood?

Industry	Perception of understanding	Desire for understanding
Industry	2,6 %	14,1 %
Media companies	3,1 %	20,3 %
Construction and…	3,2 %	27,3 %
Advertising /…	3,5 %	22,3 %
Transport / traffic	3,8 %	22,5 %
Energy	5 %	27 %
Agriculture,…	5 %	28 %
Automobile	6 %	28 %
Pharma / Medicine	6,2 %	53,5 %
Telecommunications	6,5 %	27,2 %
IT / Electronic	6,6 %	21,8 %
Trade	6,7 %	36,5 %
Lawyers, tax &…	6,8 %	49,1 %
Banks, financial…	7 %	52,1 %
Tourism	8 %	40,2 %
Food	9,6 %	48,3 %

■ Perception of understanding ■ Desire for understanding

Figure 2. Empathy report 2016.

Source: Reference Marketagent, Strategie Austria, Statista, 2016

In the survey, large differences can be identified between the customer's desire for a more customer orientated approach and the actual customer orientation. The evaluation proves that there are definitely differences in the various sectors with regard to the customer's desire for more attention. What is sobering is that, according to this survey, the customer's perception of the industries' understanding of them is consistently very low. In any case, the percentage describing the perceived customer orientation is always below 10%. A look at the data in the automotive industry shows that 28% of customers would like to see the

industry become more customer orientated, which contrasts with the 6% who perceive adequate customer orientation. There is a very large potential for companies to improve as customer orientation seems to be far from being fulfilled (Bruhn, 2016, pp. 4–6).

Customer orientation requires companies to anticipate what their customer really needs. Companies need to react and provide quality answers, solutions and services that exceed expectations. This will help them establish a one-to-one customer relationship. Close customer relationships are success factors for companies and therefore require appropriate attention (Peppers, Rogers, 2001, p. 47).

3. Customer Relationship Management

CRM was introduced in the 1990s as a tactical marketing tool that allows companies to formulate strategic marketing plans. Its spread in various industries was particularly driven by the expansion of the internet.

The evolutionary process can be divided into four phases. In the first phase, starting in 1990, CRM emerged from sales support with sales force automation (SFA). While SFA is primarily concerned with the preparation of a sales transaction, the term CRM also includes follow-up support, i.e. customer service and support (CSS). In the second phase (beginning around 1996) CRM development was characterised by the fact that CRM compensated for the recognised weaknesses of Enterprise Resource Planning (ERP) systems. During this period, the pressure of expectations was very high, and CRM was not able to bring about the business success it had anticipated. In the third phase (2002), the internet provided a huge boost to CRM development. Companies recognised opportunities to use CRM strategically and to achieve their goals.

From 2008 onwards is the fourth phase that is characterised by speed and adaptability. CRM has become more agile. Due to the increasing strength of the customers in the market, specific customer wishes have to be considered. This requires more flexibility on the part of companies. Social media integration is indispensable. In addition, the customer is offered more opportunities for self-service (Kumar, Reinartz, 2012, pp. 16–18).

Customer orientation is a common buzzword in many companies. The objective is to emphasize the importance of the customer for the business. Reality shows a different picture. Instead of abiding by the promising announcements of customer-orientated business, the majority of entrepreneurs still focus on the production of goods, meaning they act in a product-oriented manner. A lean production process and production methods get more attention than the cultivation of consumer analysis and customer relationships. With this mindset, customer behaviour remains a black box. Customer churn and the reasons behind it are nearly unknown. Already existing data from customers cannot be analysed in order to derive knowledge from it. Customer purchase patterns are not recognised so necessary changes can not be executed. The maturity of a company can be identified via their state of development from production-oriented to customer-oriented, the more mature having established a business plan that is focused on the customer. A change in thinking is required.

Rather than asking "how do we produce a product with less costs?" companies should ask "why are customers buying our products?" and "how can we increase customer satisfaction?" Companies are forced to listen carefully to customers, to existing ones as well as to those who have left the company. Through these interactions companies get to know their customers and they learn to align their processes with the customer (Gentle, 2002, pp. 51–52).

CRM is a discipline that supports companies in their endeavours to be successful in highly competitive markets. It starts with a commitment to focus on the customer. Data collection is important to understand purchase patterns, learn from them and support customer needs. During a CRM initiative, a change may occur that provides an opportunity for savings to be made due to the process improvements that ensue. It is important to accept changes and use them as an occasion to improve your products or services to increase customer satisfaction. If a company succeeds in improving inhouse processes, the impact on customer satisfaction could be positive (Rigby et al., 2002, p. 115).

Customer relations are not a one-way street. If the topic is taken seriously and focus is placed not just on their own advantage, but on the advantage of the customer then the project will be successful. A win-win situation should be strived for. The customer is the measure of everything and a partnership-oriented cooperation fosters the ideal dynamic of a customer relationship. Benefits for the customer can be better support or better service (Zineldin, 2006, p.432).

A CRM implementation comprises of much more than the installation of software. CRM software enables and supports the CRM initiative but cannot function independently as the solution for more customer understanding and success. Basically, CRM is the implementation of a strategy with which sustainable, long-lasting customer relationships can be managed successfully. This will impact the profitability of the company (Payne, Frow, 2005, p.169).

Customer relations are often described in the literature using very similar terms (Leußer, Hippner, Wilde, 2011, p. 19). Figure 3 provides an overview on the differences in relationship terms.
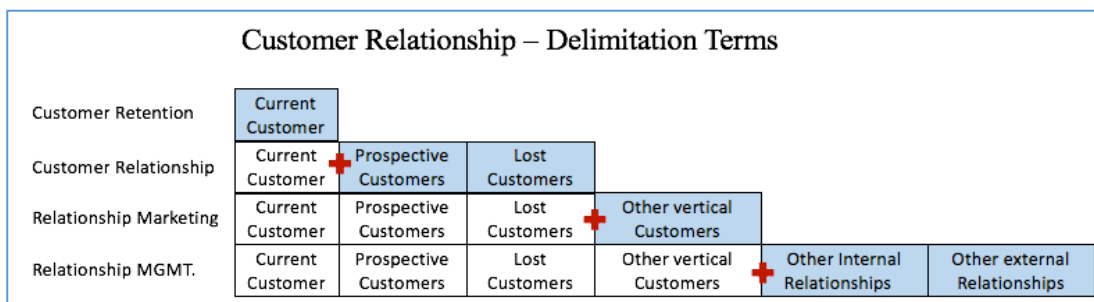
Figure 3. Relationship definitions.
Source: Leußer, Hippner, Wilde, 2011, p. 19, own figure

The term customer retention is applicable to current customers only. Current customers are accompanied by potential new customers and lost customers when considering the customer relationship. CRM developed from a subset of relationship marketing . This took place in the 1980s. Relationship marketing has a broader view and includes customers and suppliers, nevertheless the focus is mainly on customers. The next level is described by the term relationship management, in which all kinds of relationship are considered. This means horizontal, vertical and lateral relationships are managed here (Leußer, Hippner, Wilde, 2011, p. 19).

Not only in the analogue world, but also in the digital market, there is the assumption that maintaining existing customers is more lucrative and profitable than acquiring new ones. According to estimates by the Boston Consulting Group, the cost of servicing existing customers on the internet is about $6.80, while the acquisition cost of new customers on the web is about $34 (Hildebrand, 1999, p. 7).

For a long-term relationship, customer loyalty is important. Customer loyalty is a strategic discipline with the aim of adding value to the customer relationship. Focus must not be on the success of a short-term or single transaction, but on a long-term business relationship. Analysis of customer behaviour will help companies learn about customer needs and improve customer satisfaction. Customer dissatisfaction could lead to customer churn which has to be avoided, and immediate action is necessary to keep existing customers (Reichheld, Teal 2001, p. 302).

In the past, companies of varying sizes and different industries have tried to improve customer relations. The most promising models have been improved and finally summarised under the term CRM. What is essential in these models is the change from an orientation towards the product and production to an orientation towards the customer. The implementation of CRM models requires a differentiation according to the place to use. Small and medium-sized enterprises (SMEs) for example, often need special features that are not provided in standard models designed for large companies (Galvão, 2018, p. 707).

3.1   CRM development

The expression customer relationship management was first mentioned in media in 1989 (Rigby et al., 2002, p. 2). Even though CRM was mentioned in media relatively late, the relationship with the customer and how to attract the customer has inspired marketing ever since. The interest in customer relationships is therefore not a new development. What is new is the enhanced technology that suddenly brought new chances to reach the customer directly. These opportunities pushed activities towards the customer under the name of CRM (Hippner, Rentzmann, Wilde, 2004, p. 15).

CRM is one tool companies may use to tackle present and future challenges and ensure sustainability. CRM was once set up to rediscover the main driver for business – the customer. CRM is a package of measures with a clear target to better understand and support individual needs of customers. For this purpose, the ingredients for the CRM package consist of motivated and trained employees, insights on the competition, and availability of a CRM software to strategically manage relationships for a longer time. At the beginning, the focus was mainly on the IT perspective with the goal of gaining further insights into customer behaviour, not on internal processes. Technological developments coming from the rise of the Internet in the 1990s, brought a lot of improvements in communication with customers.

Ambitious goals could not obscure the fact that investments often did not pay off in reality. The CRM hype quickly lost momentum and companies hesitated to invest in CRM implementations, because they didn´t believe in increased business opportunities as a result of CRM activities. On the other hand, there was a growing request from customers for excellent service. Global investments in CRM systems are still rising. The interest from top management in CRM systems is unabated (Smith, 2006, p.87). Profitable customers will ensure the survival of companies. The development of the marketing concept brought more

attention to customers with the effect that firms started to review their inhouse processes in the 1950s and 1960s. They meant to improve their setup in order to achieve a competitive advantage – with the focus on the customer. The importance of customer behaviour to a company´s health must be part of a company's strategies (Utzig, 1997, p. 1; Ose, 2011, p. 27).

Mainly industrialised nations demonstrated a different behaviour in the 1970s. There was a movement that encouraged a change from a material minded culture to a culture within which people preferred a healthier lifestyle. Since then, a growing number of people engage to protect the environment and embrace a greener lifestyle on a day-to-day basis. This development was reflected in setups and guidelines governing firms (Inglehart, 2015, pp. 3ff).

Technical improvements in the SFA accelerated the developments of CRM. With newly developed solutions, it has become possible to address single customers and create personalised marketing schemes, something that was not possible earlier. CRM should support companies in stretching customer relationships to the maximum, thus creating more loyal customers (Chen, Popovich, 2003, p. 674).

With eCRM, there are enhanced possibilities to create a fully comprehensive view of the customer. Through technical developments, data collection, data analysis and data management are simplified and companies can create a competitive advantage (Dehghanpouri et al., 2020, p. 1840).

3.2   Definitions and segmentation

There are many different definitions and interpretations of CRM. The definitions are varied and Iriana & Buttle collected examples from various publications. The overview in Figure 4. reveals, that some researchers believe, that CRM deals with one main topic and the options are manifold. In addition other researchers believe that a combination of focal points better describes CRM. This overview makes it obvious, how important a uniform definition is (Iriana/Buttle, 2007, p. 24).
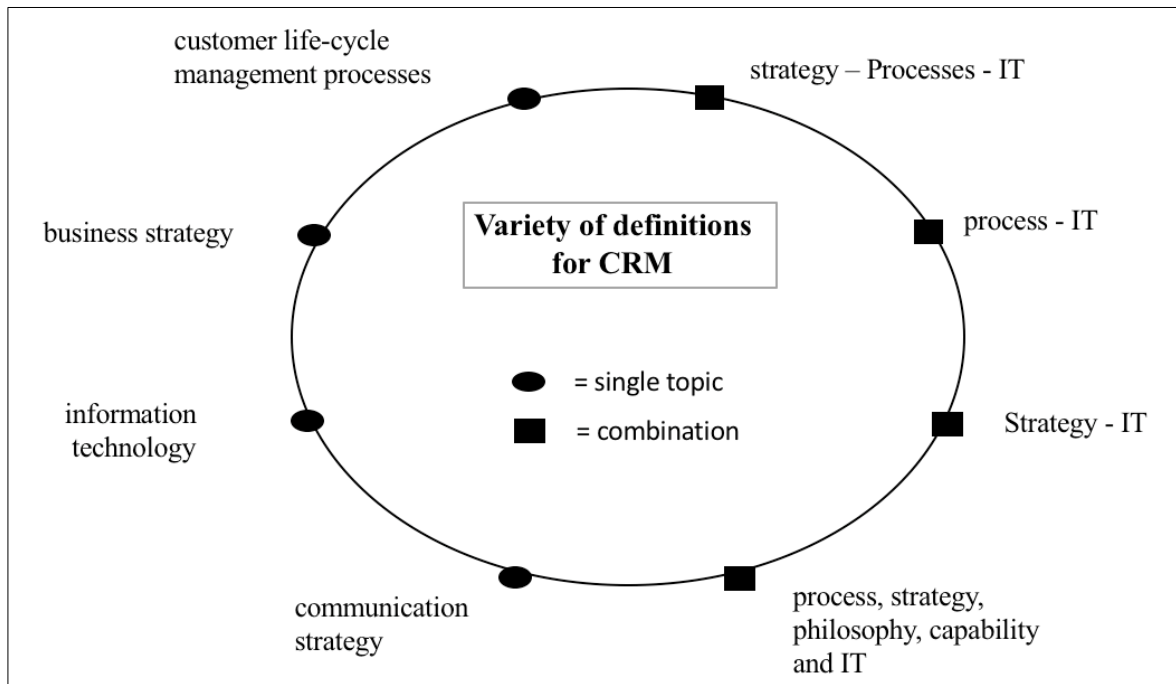
Figure 4. Variety of CRM definitions
Source Iriana/Buttle, 2007, p. 24, own figure

One possible segmentation is operational, collaborative and analytical CRM. Operational CRM supports the day-to-day business in dealing with customers. The focus here is on increasing the efficiency of work processes. Areas such as marketing or sales are supported. When it is a matter of exchanging information with customers via different channels, it can be summarised under the term collaborative CRM. All channels of communication are considered here, from direct communication with the customer to voice communications, but also exchanges via web stores or e-mails.

Customer relationships generate a large amount of data. In order to be able to draw conclusions about customer needs from this data, or to derive strategic decisions, corresponding data warehouse solutions are required. Solutions in this regard can be titled under the term analytical CRM (METAGroup, 2001, p. 5).

A similar form of segmentation splits the tasks of CRM into strategic, operational and analytical CRM. Strategic CRM is concerned with the sustainable development of processes and value creation. The processes should be defined in such a way that they serve the basic positioning of the company. This involves the orientation of the company, the segmentation of customers or how the customer service is designed. In this definition, operational CRM includes all exchanges of data and information, but also the physical transfer of goods.

Finally, analytical CRM uses all data material to improve the customer relationship. In addition, it is emphasised that all three categories support each other across processes (Payne, Frow, 2005, 169).

A further possibility of differentiation is grouping according to defined goals that are aimed at with a CRM initiative, such as reducing the churn rate or increasing customer satisfaction (Iriana, Buttle, 2008, p. 26).

A CRM strategy requires appropriate planning and a concrete definition of objectives. CRM programmes can be divided into four distinct stages: operational CRM, analytical CRM, collaborative CRM or eCRM. Depending on the strategy to be pursued, it is crucial to determine what to do at the beginning so that the appropriate steps can be taken. The objective of the operational CRM is to collect as much customer data as possible. Information can be gathered across all communication channels like mails, social media, call centre records or sales processes. All information is stored centrally and made available to all employees in the company. In this way, the information available can help to provide the best possible service to customers. Analytical CRM assumes a more sophisticated use of existing data. A more in-depth analysis is made to determine buying habits, enable customer segmentation or support marketing strategies. The collaborative CRM is closely integrated with existing enterprise systems. The integrated approach allows the integration of additional company data and avoids issues coming from interfaces. eCRM provides information on all possible touchpoints; even data from external partners is provided. The data is exchanged via the intranet and the internet, thus improving communication on all channels (Xu, Walton, 2005, p. 957).

According to literature, CRM can also be categorised into the operational and strategic approach. The strategic approach is analysed more frequently. The strategy definition – in the name of strategic CRM – refers to a long-term orientation towards the customer. The main objective is to acquire new customers, build long-term relationships with them and maintain existing ones. Customer and company equally contribute in this cooperation that is mutually beneficial (Elbeltagi et al., 2014, pp. 130–131).

A CRM strategy that focuses on data accuracy reducing transaction costs is covered by the operational CRM. That position is very limited, because the benefits of CRM are not fully exploited with operational CRM. However, in addition to savings, value creation is also

included. This definition includes front-office support like sales, marketing and service. Automation of those processes allows an increase in performance and communication with the customer, because responses are faster and better quality. Though, it can be misleading if the focus is only on automation, because this alone does not necessarily require technology (Elbeltagi et al., 2014, pp. 130–131).

However, IT developments brought improvements for the old, established CRM and additional possibilities with the new CRM. Old CRM can be explained as customer relationship management without CRM software, and is thus executable in every company. Activities in this regard are, for example, data collecting, data-mining, cross-selling, call centre management or the installation of a learning library. On the other hand, the new CRM requires CRM software which can then support customer segmentation, remove unbeneficial customers, or allocate a dedicated person to a predefined customer (Elbeltagi et al., 2014, p. 132).

A comprehensive evaluation, detailed in Table 1, reveals that research has different perceptions of focus on CRM topics (Neumann, 2014, p. 159).

	1. Customer oriented (overall-) strategy CRM-implementation strategy, CRM-concept	2. Sufficient basis of customer information	3. Organizational design	4. Top management	5. Employee	6. Technology
Alt, Puschmann (2004)	✓		✓	✓	✓	✓
Arens (2004)	✓			✓	✓	✓
Behr (2001)	✓		✓			✓
Bella Ada (2002)	✓	✓	✓		✓	✓
Benendorf, Janke (2004)	✓	✓	✓			✓
Bose (2004)	✓					✓
Boulding et al. (2005)	✓		✓		✓	✓
Campbell (2003)		✓	✓	✓	✓	✓
Chen, Popovich (2003)	✓		✓		✓	✓
Croteau, Li (2003)	✓	✓	✓	✓		✓
Homburg, Sieben (2000)	✓	✓	✓		✓	
Kale (2004)	✓	✓	✓	✓	✓	✓
Kehl, Rudolph (2001)	✓	✓	✓	✓	✓	✓
Keller (2005)	✓		✓	✓	✓	
Ling, Yen (2001)	✓			✓	✓	✓
Ocker, Mudambi (2002)	✓		✓		✓	✓
Oracle (2006)	✓			✓	✓	✓
Payne, Frow (2010)	✓	✓	✓		✓	✓
Rapp (2000a)	✓		✓			✓
Reinartz et al. (2004)	✓		✓			✓
Rigby et al. (2002b)	✓		✓		✓	✓
Roberts et al. (2005)	✓		✓			
Rosen (2001)	✓		✓	✓	✓	✓
Schaller et al. (2006)	✓					✓
Schneider (2004)	✓		✓		✓	✓
Schwetz, Fuchs (o.J.)	✓			✓	✓	✓
Stauss, Seidel (2002)	✓			✓		
Töpfer (2004)	✓		✓		✓	✓
Winer (2001)	✓	✓				✓
Wilson et al. (2002)	✓		✓	✓	✓	✓
Wolf (2002)	✓	✓	✓			✓
Total: 31	30	10	23	13	20	27

Table 1. CRM focus of different authors.

3.3 Challenges with CRM

The approach that prevails in companies is one that assumes higher profits can be achieved through cost savings. A study reveals that it is far more effective to strive for improved customer loyalty. The positive effect on performance is five times higher coming from an increase in customer retention, in comparison to a 1% cost reduction (Gupta et al., 2006, p. 142).

Careful planning is a basic prerequisite for the successful implementation of a CRM project. The basis is a clear strategy that should be defined upfront and communicated accordingly. Then the necessary resources should be planned, and processes that are aligned with the strategy should be defined and implemented. Finally, the necessary technology is evaluated and implemented (Rigby et al., 2002, p. 13).

Technology was the accelerator for more market power for customers. Easy access to a wide range of information has led to well-informed consumers at the point of sale. Nowadays customers know exactly what they want and what they can get for their money. Personalized product requests reveal that customers are no longer willing to buy products from mass assembly lines. Customers demand respectful treatment and avoid companies that approach customers impersonally. A good service is regarded as a basic requirement. Companies must learn to deal with this new situation. Companies have to learn to understand their customers better, because this is the only way to achieve a sustainable and profitable customer relationship. Sustainable customer relationships are more necessary than ever for companies.

CRM projects can help companies better understand and learn from customers to build successful long-term customer relationships. Continuous learning and further development of the customer relationship offers far-reaching advantages for companies. It becomes easier to encourage customers to buy again or to buy other products (cross-selling, upselling). A very important opportunity for more sales is positive references from customers with the additional advantage of saving advertising costs. Fairness, trust and data protection are very important for customers. Fairness is particularly important with regard to a balanced creation of value on both the company and the customer side (Nguyen, Mutum, 2012, p. 410).

In the future, it will become more and more important to effectively use electronic devices to meet the needs of customers in respective situations. In this context, localisation tools are important to support customers in connection with mobile devices. For example, if there is

a car accident, the insurance company will provide the customer with the necessary forms and support in a simple way (Steimer, Steimer, 2008, p. 116).

Even if there are valuable arguments for the implementation of CRM in a company, decision-makers must carefully weigh up all the risks, as the failure of a CRM project can result in considerable costs and cause considerable damage to the company. Powerful software alone will not be a final solution to the diverse challenges of a CRM implementation. It is questionable whether upcoming costs can be covered by additional profits. Can employees succeed in convincing and inspiring them for the project? Will there be an unexpected cost explosion during the introductory phase? Will the added value be recognizable to customers? Can the complexity and resource requirements by estimated accurately? (Chen, Popovich, 2003, p. 675)

The basis on which a successful customer relationship is built is trust. There is a correlation between customer satisfaction and the trust that customers place in a company. In both offline and online businesses, trust is the key to whether customers will close a deal (Dehghanpouri et al., 2020, p. 1840). Companies are challenged to build trust by treating customers fairly. This includes being customer-friendly in the course of business. Returns and complaints handling represent a particular challenge but also an opportunity to improve the company's reputation and customer satisfaction (Dehghanpouri et al., 2020, p. 1841).

4. Human interaction in customer relationships

The human factor in the customer relationship is very essential for a CRM strategy. People act as buyers and sellers, and this interaction also has an impact on processes and technology (Mendoza et al., 2007, p. 915). A CRM project includes many stakeholders coming from inhouse departments but external stakeholders have to be considered too. External stakeholders include investors, suppliers, and in any case customers (Shum et al., 2008, p. 1347).

The human component in a CRM project is considerable, because people are involved in business interactions in various roles. The counterparts to the customer are people who represent a company and its products or services. Due to the considerable differences in the tasks and in the contact behaviour of customer relationships, it makes sense to differentiate between the leadership roles and the role of employees. Employees are usually in direct contact with customers and more intensively involved in operational CRM activities than the management level. The discussion of the human component on the company´s part is therefore considered from two angles, once from the management perspective and once from the employee perspective. The most important human stakeholder is the customer.

4.1   Customer importance

The uncertainty on the markets makes it difficult for companies to develop sustainable strategies for successful customer relationships and to predict customer behaviour (Pires et al., 2006 p. 938).

For many years academics have communicated that a customer-oriented business approach is necessary, a fact that the practitioners are in agreement with. Highly competitive markets increased this claim and companies have been striving for profitable customers and long-term customer relationships. Where is the transition from transactional activities to a customer relationship? There are many different perceptions and definitions existing from many authors. Explanations range from a sequence of transactions, through to a sequence of transactions where buyer and seller interact socially and instances within which the relevant costs determine the classification of a customer (Heinrich, 2005, p.710, 711).

Customers, regular customers most of all, provide companies stability in future challenges. Neglecting the issue of CRM and customer needs has a negative impact on the entire

organization. Service and support should therefore be of great importance to companies. The CRM approach supports this effort and can thus contribute to the financial success of companies (Payne, Frow, 2005; Javalgi et al., 2006).

Some developments have resulted in careless treatment of customers. Changes in the market environment and in business techniques, such as Web 2.0, have led companies to underestimate the value of long-term customers who focus instead on new customers. It was tempting for vendors to sell products in this huge market to the inexhaustible number of potential new customers a global environment offers, whilst ignoring existing customers. Thankfully, the situation has changed considerably. Companies are again prioritising long-term customer relationships, because of the positive effects they have on the company´s success. Loyal customers are recommending businesses based on their positive experiences, which has of course lead to additional sales. Cost analysis proves that acquiring new customers costs five times more than looking after existing customers (Schüller, Fuchs, 2013, p. 11).

Changes in the market and subsequent power shifts have constantly occurred over the decades. Apart from the obvious impact these developments have, the power shift from seller to buyer creates new challenges for the supplier. Suppliers have felt the change of the seller–buyer dynamic drastically. During the 50s, suppliers held a comfortable position within the market due to the relative scarcity of products. Following the war, suppliers focused on mass producing items that were little in number and in high demand (Meffert et al., 2019, pp. 7-9).

Developments show that markets are saturated, and it has become increasingly difficult for companies to retain customers on a long-term basis. It depends on the customer whether a customer relationship can last , a fact that poses considerable challenges for marketers (Heinrich, 2005, p.712).

Loyal customers are more profitable because their behaviour allows the company to work more economically. Loyal customers do not change suppliers easily, only for a better price might they be persuaded. Such customers like to pass on positive recommendations to others and require less administrative effort on the company's part as they are already familiar with their needs and requirements. Research shows that it is costlier to acquire new customers than to maintain existing customers. Although such statements about loyal customers are a

well-communicated sales argument for CRM software suppliers, they should nevertheless be carefully examined. Findings show that even loyal customers can change their provider of goods if they are presented with a better offer or product (Reinartz, Kumar, 2002, pp. 4-7).

4.1.1   Valuable long-term customer relationships

Since the first market came to fruition, the relationship between vendors and customers has been an obvious focus but only in the twentieth century did this relationship inspire specific business approaches. Since the development of CRM and its related concepts, customers are only satisfied when sellers provide them with quality goods quickly and with professional and friendly service. However, the idea of developing long-lasting relationships with customers was born many years ago, as is evidenced by the first book on double entry accounting, published in the thirteenth century (Geijsbeek, 1974, p. 147).

The importance of a long-lasting customer relationship may not be underestimated. Especially in times of change, it is essential to achieve stability. Robust customer relationships protect companies in times of challenging market changes. These relationships cannot be achieved with nice advertising activities alone. Relationships must be based on mutual trust. The aim is to establish loyal customer relationships where customers feel compelled to stick with their supplier. Loyal customers are a great asset for companies and will add value to the company (Zineldin, 2000, 2005).

The development of a long-term customer relationship is also associated with costs that are covered by profits generated. At the beginning of a customer relationship, the costs aren't usually covered. Figure 6. compares the utility function with the cost function. The diagram in Figure 5. shows that a relationship will not provide any financial return until the intersection point at activity level A is reached. Only then does a profit accrue, which reaches its maximum at activity level C. At activity level D, the costs again outweigh the profit, which means that economic success is no longer achieved (Bruhn, Georgi, 2010, p. 654).

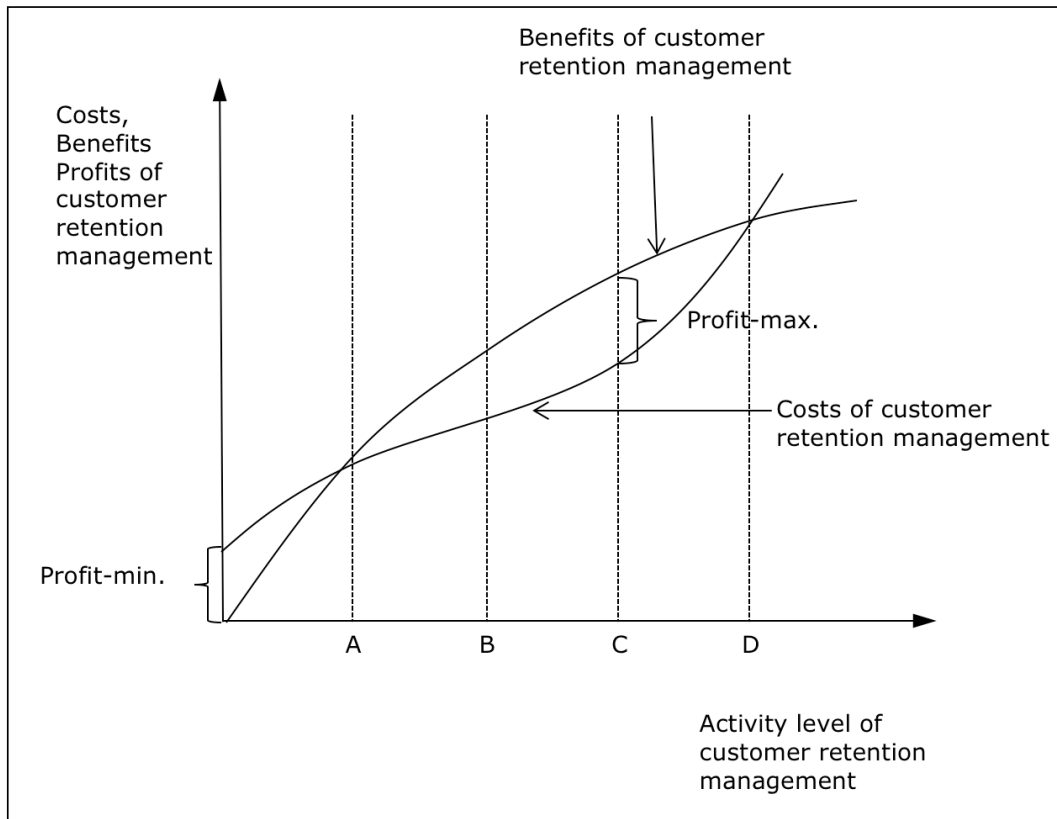**Figure 5. Determining the profitability of customer retention.**
Source: Bruhn, Georgi, 2010, p. 655.

Figure 6 shows how the profit of a customer relationship develops in a favourable manner. It can be seen that positive effects, which do not only consist of monetary components, increase over the years.
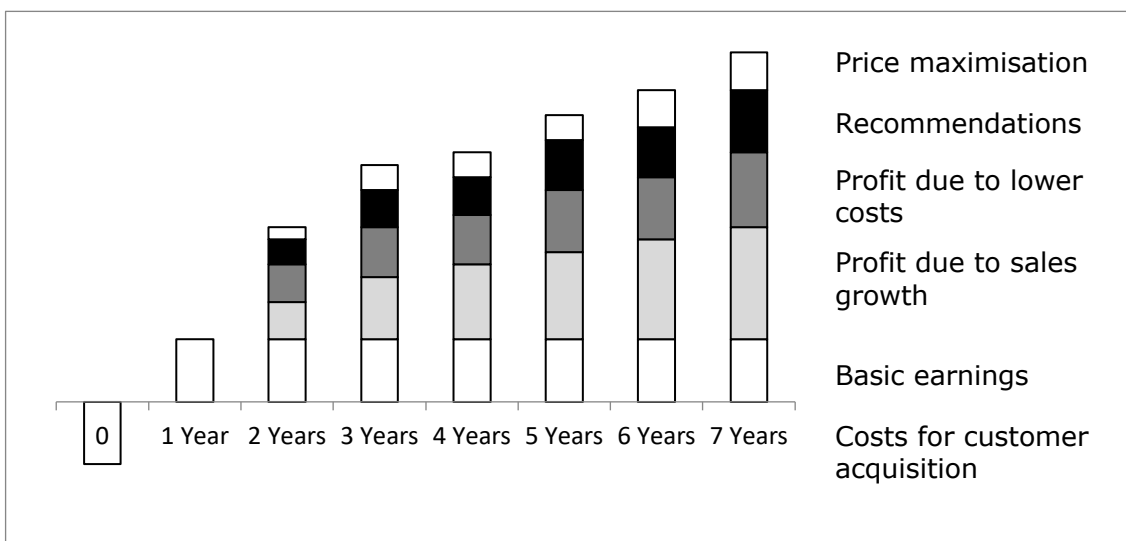

Figure 6. The profitability of loyal customers.
Source: Reichheld, Teal, 2001, p. 39.

The main task of CRM is to take care of the existing customers and encourage long-term customers to develop them further. Companies therefore strive to achieve customer satisfaction in order to maintain the loyalty of their customers. In the best case scenario, this loyalty should be reflected in repeated buying activities. Customer loyalty is essential because it is more economical to look after existing customers than to acquire new customers at considerable costs (Zineldin, 2006, p.432, 433).

In the face of constant competition, companies are looking for strategies to succeed. In the desperate search for added value, for a USP, many focus on producing products more cheaply. This cannot be a strategy, because all competitors are also striving for this. It is therefore only a question of time until other suppliers deliver the same quality product at a cheaper price. As a result, the presumed added value disappears. Dynamic markets require sustainable approaches, which should be the foundation of a company. Long-term customer relationships create added value. This foundation helps companies weather stormy times. Companies that maintain resilient relationships with their customers can count on their loyalty even in difficult economic times. The goal should not be outdoing the competition but to cultivate one's own customer base. Customers cannot often be stolen or replicated by other companies so they stand a business in good stead within the market. CRM offers enormous support for this approach. It allows a company an understanding of customer data and helps them identify customer needs. An adequate implementation also creates good, stable customer relationships. With such a foundation, it is easier to survive in turbulent markets than through product price reductions. In this sense, CRM is a way to create stability. Stable customer relationships can last a lifetime, while markets, products and prices are very volatile (Zineldin, 2006, p.431).

It has been noted that products are becoming increasingly similar and thus more comparable to the customer. Consequently, companies come under pressure to find ways to differentiate themselves from other suppliers, otherwise profitability will suffer. Customer retention is an opportunity to be successful with profitable customers for as long as possible (Helmke, Uebel, 2013, p. 5).

Long-lasting relationships encourage more adaptable and easy behaviours from the customer. Findings reveal that loyal customers are easier to manage – they are less complicated, ask fewer questions and cause fewer problems. Such advantages lead to a significant increase in lifetime value (Zineldin, 2006, p. 433).

Companies are still very often production-oriented. Such setups concentrate mainly on products and production processes. Customer needs play a subordinate role and this hinders the business and the seller–customer relationship. Product-oriented companies react immediately to a 10% drop in sales and initiate measures right away, while the same company may not even notice a 10% customer churn (Gentle, 2002, pp. 50–51).

It is necessary to rethink the focus on the common concept of a product life cycle. After the power shift from a seller to buyer market, it is more important to focus on customer requirements. Consequently, it is the customer's life cycle which needs to be considered to increase profitability. The product life cycle concept focuses on tracking product developments and supporting products in defined phases of the product's life. Every product has to pass through the phases of a product life cycle: growth, maturity and degeneration. Companies strive to stretch the overall lifetime of a product in order to obtain maximum benefits from any product development. In the meantime, market developments lead to shorter product life cycles. The concept of life cycle management is now adopted for customer relationship monitoring. Rather than stretching a product's life, companies focus on stretching their relationships with customers (Stauss, 2000, p15). The reason behind this development is related to changes on the market; product life cycles were shortened. Hence, the importance of a long-lasting customer relationship is all the more significant, and monitoring of the customer life cycle is recommended (Leußer et al., 2011, p. 19).

The phases of a product life cycle can be compared in many aspects with the phases of a customer life cycle. Customer management focusses on the needs of a customer and not on the product. Customer life cycle management must not be seen as an alternative to product life cycle management though. Both are mutually dependent. Customer relationships cannot be successful without successful products and vice versa. It is at least important for companies to perceive the key role of customers for sustainable success. If the management of a company considers both themes, the product life cycle and the customer life cycle, it triggers appropriate signals to the employees. Formerly product-oriented employees learn that the company can never be successful without profitable customers (Stauss, 2000, p. 15).

A holistic approach is important for creating a long-term customer relationship. It is recommended to consider the lifetime value of a customer. This approach is more promising than the exploitation of individual business transactions. To create a lifetime supply of loyal customers and avoid customer churn, companies must do the following.

- Define groups of existing customers.

- Assess yearly costs for marketing, services and support for those customers.

- Cost for additional sales to already defined customers.

- Sum up annual revenue for respective customers.

- Consider revenues minus costs (yearly net contribution)

- Discount expected cash flow for upcoming years with methods like the net present value (NPV).

- Consider the outcome of the discounted cash flow. This needs to be divided by the number of customers defined earlier. The result is the loan-to-value (LTV) per customer (Zineldin, 2006, pp. 434–435).

Companies are striving to generate long-term customer relationships. Preferably, profitable customers should be motivated to make repeated purchases. There are, however, developments that pose chalnges such as the globalisation of markets, the multitude of technical advancements, and the increasing similarity of products. Such developments often impede an economic upswing for companies. On the other hand, these developments strengthen the position of customers. This situation allows customers more flexibility in their purchase behaviour in transparent markets. Loyal behaviour and long-lasting relationships with companies are not intended (Rothlauf, 2014, p.40).

Customer loyalty essentially refers to the willingness of customers to maintain the business relationship and make follow-up business. Loyalty can also be deceptive, however, because customers can be loyal to several providers at the same time. Companies are challenged to constantly improve customer loyalty, because customer retention is a key success factor for a company. Defensive and offensive marketing strategy demonstrate two ways of addressing customers. While the defensive method attempts to make profits with existing customers, the offensive marketing strategy assumes that new customers offer better chances of success. The defensive method is becoming more important in business today. Keeping customers as long as possible has priority, but customers should not be tied to the company by massive switching barriers, because that could have a negative effect. Customers could feel like prisoners if they are tied to the company. This could lead to dissatisfaction and customer churn might then be a consequence (Zineldin, 2006, pp. 432–433).

Keeping customers as long as possible is a benefit for companies, because it is more expensive to get new customers. Even with online customers the acquisition costs for new

customers are quite high – $100 for Amazon or up to $500 for Furniture.com for one transaction (Inc.Tech, 2001, p. 48). Another benefit of long-lasting customer relationships is the increase in the company's value which helps minimize costs for further business with existing customers (Kotorov, 2002, p. 222).

The definition of the term 'loyalty' is widely drawn and can be applied to customers, suppliers, products, brands, systems and many more areas. Depending on the perspective you consider, both customer and supplier loyalty are relevant. It is customer loyalty that is focused upon because it is particularly important for those who sell products or services (Stahl, 2006, p. 87). Loyalty can be categorised into three shifts as depicted in Figure 7.
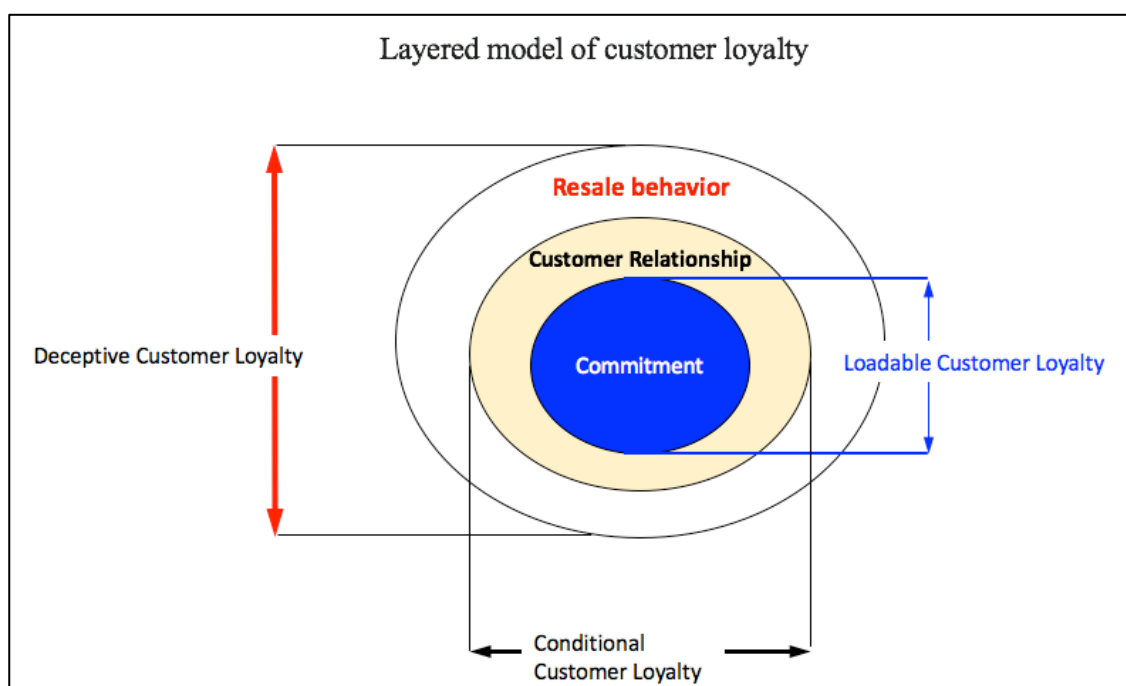
Figure 7. Model of customer loyalty.
Source: Stahl, 2006, p. 89.

At the centre of this model stands commitment and it describes a resilient customer loyalty. Customers are satisfied and supporting the company actively with recommendations to friends, family and others.

Conditional loyalty is the next category, where customers act in a loyal manner but expect certain questions to be answered and conditions to be met. The last group in this model is deceptive customer loyalty wherein it´s not quite clear if repeated sales may happen. It seems as if the customer is satisfied, but it is just an assumption (Stahl, 2006, p. 89).

Deceptive loyalty can be easily identified based on purchases from the past. Above all, loyalty is not guaranteed, because the reason for the purchases is not known. The misinterpretation of these purchases is possible, because purchases can be made for convenience, accidentally, for practical reasons, or just because there were no alternatives available at that point. This is what is meant by deceptive loyalty (Stahl, 2006, p. 89).

Conditional customer loyalty describes customers who are not only interested in the product and its quality but also the calibre of the company, i.e. its services, ethical practices and location. Customers who show conditional loyalty tend to admire the product and the company. These customers behave loyally, but only as long as they do not receive a better offer from the competition. Satisfaction alone is not a reason for customers to be loyal to a company. Customers appreciate being satisfied with a company, but they are also willing to seek that satisfaction from other suppliers (Kumar, Reinartz, 2012, p. 27).

Suppliers try to strengthen this loose bond in a certain way, by erecting barriers to switching. Such barriers to switching can be emotional barriers, knowledge-based barriers, or the application of legal ties. These barriers reinforce the basic risk aversion already existing among customers, accompanied by inertia. The strength of customer loyalty can be tested using various tools. Such tools are, for example, the evaluation of the customer's active contacts, the consistency of recurring purchases, the relationship between demand and turnover, or even through surveys (Stahl, 2006, pp. 92).

Commitment describes the bond in terms of loyalty. There is an additional factor here, namely morality and the customer's sense of duty. Customers who belong to this group remain loyal to the suppliers, even if there are better offers on the market. A change of supplier is therefore deliberately avoided. In order to avoid cognitive dissonance, customers create their own justifications for remaining loyal to the company despite better comparative offers (Stahl, 2006, pp. 97). Loyal customers are particularly important for companies because purchasing behaviour is different, i.e. their rate of re-purchase is higher, cross-selling and upselling can occur, and they are less price-sensitive. In addition, loyal customers are often willing to support product development and product improvements through constructive feedback (Schüller, Fuchs, 2013, p. 41). As aforesaid, a committed customer incurs less costs and allows companies to plan and calculate for the future. (Homburg/Bruhn 2010, p. 510).

A further advantage of loyal customers is their payment behaviour. They generally pay on time and cause less administrative costs (Schüller, Fuchs, 2013, p. 41). An intact customer relationship within which repeated purchases are made offers companies economic advantages that are generated by saving costs. Costs for acquisition can be saved. It is also easier to motivate regular customers to buy new products (Matzler, Stahl, Hinterhuber, 2006, p. 10).

4.1.2   Characteristics of customer behaviour

Transparent markets and available product information have contributed to the expansion of the customer knowledge base. Customers utilise all the information available to make informed purchasing decisions. In this way, customers are well equipped to determine the product or service quality they can attain for the lowest price. In addition, consumers have very limited time for shopping activities. Pressure is on the company to impress and this situation is not expected to be reversed or to ease up in the near future (Kumar, Reinartz, 2012, p. 8).

Consumer behaviour has been discussed, analysed and researched a lot. Obviously, there is a change or a transition occurring concerning culture and the possibilities and rights of consumers. Customer consumption has huge effects in a global context. The economy is nowadays driven by consumption. The extent of perceived consumption is fostering transformation in different forms and as such initiating social and political developments. Multinational companies are successfully operating in a global environment. Supported by enhanced technology, information sharing is accelerating new business developments. From an economic perspective, affluent nations increase their efforts to exchange commodities with other countries. Affluent economies can be described as societies in which consumers have a dominant role in the economy. There is a substantial impact on the global economy via the political developments of a nation, because those may promote or prevent free market policies. The capacities of the free market have a significant impact on customer behaviour, in such a way that customer behaviour is becoming unpredictable. In spite of all pronouncements from producers of commodities, manufacturers are not controlling the purchasing behaviour of customers any more, even if they wish to. Customers are not simply adopting what producers are delivering; customers are more selective than ever (Miles et al., 2002, pp. 1–3).

Increased customer empowerment is a result of possibilities that arose, first for suppliers, out of the ever-expanding global market. Information was transferred to customers and with this new knowledge, and other possibilities provided by the internet, the position of customers has been strengthened. Less mass production and other developments further enabled customer empowerment (Pires et al., 2006 p. 943).

The complexity of customer segmentation arises from the unpredictable paradox of customer behaviour. It was once easy to categorize customers according their salaries. Later, it became more difficult because segmentation was made according to sociodemographic factors such as gender, age, education, marital status, or cohabitation. The next important challenge for companies was the occurrence of the so-called smart shopper. A smart shopper makes their decisions in a deliberate manner. Decisions are fact oriented and based on upfront collected information. Customers are well informed enough to compare different suppliers. This has caused price erosion. Smart shoppers are defined as customers who collect information before the purchase activity; this is often described as research shopping. With the invention of Web 2.0, customers are able to exchange information in regards to their experiences or research to influence others by electronic word-of-mouth (eWOM) (Meffert et al., 2019, pp. 72–73).

The next category of customer is the hybrid who combines many different behaviour mentalities. The presence of such a paradoxical customer poses major challenges for sellers and makes it even more difficult to establish long-term relationships (David, Hilpert, 2016, pp. 189–190). Hybrid customers do not follow a consistent buying pattern. Categories of customers are difficult to define now. Drivers of luxury cars, for example, cover their basic needs at discount stores. This kind of behaviour is a challenge for retailers to predict and impedes their marketing efforts (Kracklauer et al., 2004, p. 3).

Multi-optional customer behaviour:

Multi-optional behaviour describes a new kind of customer behaviour. These customers do not follow consequent buying patterns, but act more flexible and differently. This results in markets with multi-optional buyers. These markets are more unstable, fragmented and dynamic. In such an environment, it becomes increasingly difficult for sellers to build long-lasting relationships with beneficial customers. The growing complexity and turbulence of the markets catering for multi-optional behaviours is creating a permanent acceleration in competition (Essinger, 2001, p. 1).

Due to ongoing changes on the market, in technology and various other factors, society has been affected by altered customer behaviour. Especially in developed countries, a tendency towards an event society shows that people are interested in an overall experience. The products on the market are becoming more similar and interchangeable, which means that companies have to pack emotions and experiences into products in order to distinguish themselves in a highly competitive market environment. Customers expect a positive shopping experience and entertainment (Belz, Bieger, 2006, p. 59).

A change of attitude has been recognised within customers regarding how to hold products. Is it necessary to buy and own products, or is it more efficient to rent them? Such considerations require new business models. A growing number of people love to share products rather than having outright ownership. In such business models, the provider remains the owner and consumers just pay for the usage of products within a defined time frame (Rifkin, 2002, pp. 10). This kind of business requires a rethinking of existing processes within companies. The new strategy for such requirements must be to increase the time products can be used by as many customers as possible. Previously, it was sufficient to sell as much as possible. Shorter product life cycles have a negative impact on revenue, and this new business model could be a chance to increase profit. This nature of business complements the service approach, so companies can support and cooperate with customers to stretch that relationship. This is generating new opportunities in a highly competitive environment (Belz, Bieger, 2006, pp. 61-65).

4.1.3 Customer expectations

Customer relationships sometimes follow a certain automatism. It is a natural for a customer to make a second purchase from a company they are familiar with, rather than seeking out

an unknown company. This puts the respective company in an extremely advantageous position, in which it can nurture that relationship to ensure future purchases. Even if the customer is not 100% convinced of the company, that first purchase opens the door for a lifelong customer relationship. Companies can, for example, reward customer loyalty and in this way deepen customer loyalty (Zineldin, 2006, p. 433).

It seems that all endeavours in a CRM project have a central starting point. It is mainly the customer. Despite all the promises of customer centricity, the customer perception of CRM activities is nearly unknown. It is not yet proven if customers appreciate CRM activities and if they really recognise the advantages of CRM implementation. It is not quite clear if CRM activities really motivate customers to maintain relationships with a company. It has also to be questioned whether analysis of CRM tools do really match with customers perceptions. It seems that the customer has somehow got lost during CRM activities. Involving the customer in this regard could be a success factor as well. Customers can provide valuable insights for a more purposeful implementation of CRM. It is not necessary for the customer to understand CRM processes in order for them to provide valuable feedback and help the company maintain the relationship (Kim et al., 2012, pp. 84–85).

Developments show that customers are more involved in company processes than ever. The customer is recognised as part of the internal environment and companies strive to serve their customers, because they are the reason for all activities within a company (Kietzmann et al., 2011, p. 243). Companies need to understand the importance of CRM as an overall philosophy, and as a strategic concept. In a new customer relationship an open dialogue engaged in at eye level is preferred in order to really understand the customer (Greenberg, 2010, p. 412).

It is not quite clear what is the most appropriate organizational structure to achieve maximum customer engagement. What kind of structure is preferred by the customer? It is not surprising that customers have a clear message; they don´t care about the organizational structure of the supplier. What is much more important for customers is the quality of the support. What matters in this regard is the response time in case of problems, and the problem-solving skills of the employees and their competence in decision-making (Kotorov, 2002, p. 219).

Companies should be aware that satisfied customers do not hesitate to buy from the competition if they offer better price options. Satisfaction alone is therefore no guarantee for a lasting customer relationship. Only if a loyal customer behaviour is determined, a provider change cannot be identified so easily anymore. Therefore, it is advisable to make a distinction between satisfied and loyal customers (Griffin, 1997, p. 1ff).

Customer satisfaction can be analysed with the KANO-Model described in Figure 8. The name comes from the inventor of the model and it shows how the satisfaction of customers develops when the intensity of certain influences is changed.
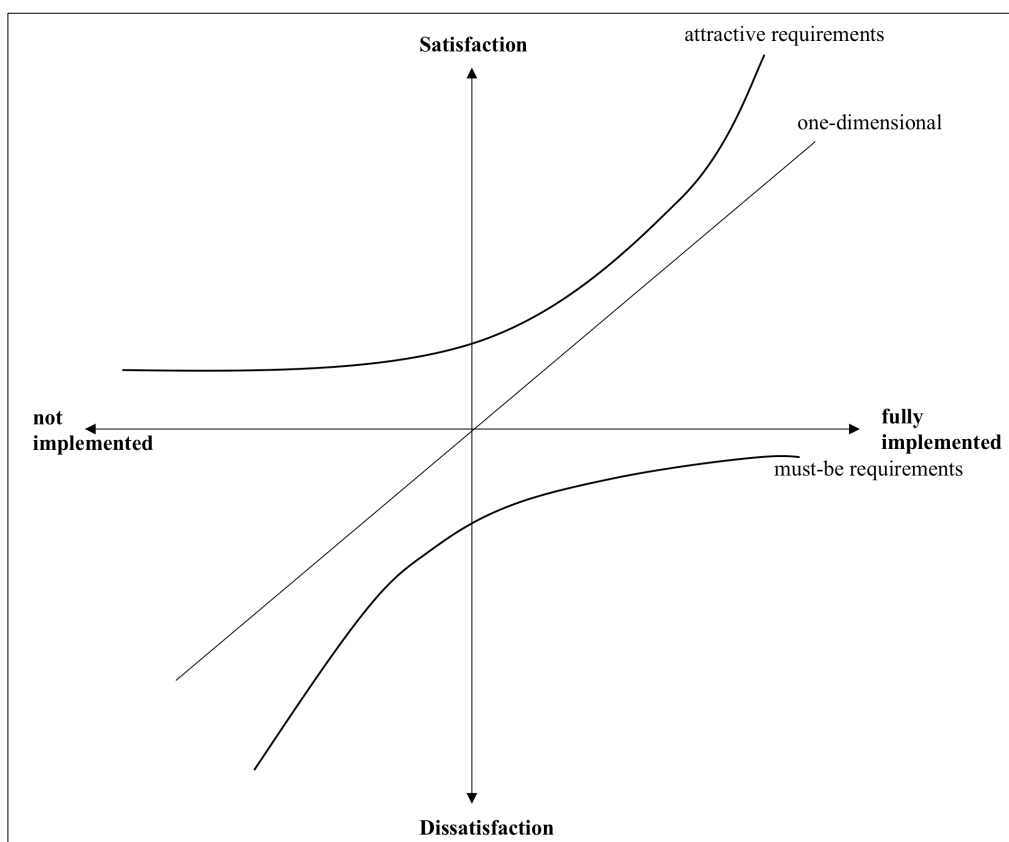
Figure 8. Customer satisfaction model.
Source: Kano, 1984, p. 39.

The model distinguishes between three different factors that can influence customer satisfaction. Must-be requirements are the first category. From the customer perspective, these services are regarded as basic requirements. If these factors are not met, the customer is dissatisfied. It should be noted that even a high level of fulfilment does not trigger customer satisfaction. If these factors are fulfilled, the customer's perception is neutral. One-dimensional requirements achieve customer satisfaction with increased fulfilment. The more

these are fulfilled, the higher the customer satisfaction. Performance factors develop linearly and can also cause dissatisfaction if they are not fulfilled. Attractive requirements differ from one-dimensional factors as non-fulfilment will not trigger dissatisfaction in the customer. The degree of fulfilment shows a disproportionate trend with regard to satisfaction (Schneider, 2008, p. 41).

Another trend is to act in a service-oriented manner, create new customers and keep existing ones. The product itself is in any case relevant, but there is extra service necessary to ensure customer loyalty. Active and transparent communication supports a service-oriented approach. Service orientation is comprised of internal process alignment and the willingness to invest in customer relationships. Service is necessary for product support after purchase. Customers want to feel comfortable with their decision to buy products. If they can expect first class support in case of problems or adjustments, their comfort will be assured. Customer orientation is necessary to consider through the production process (Vargo, Lusch, 2004, pp. 2–15).

Self-service activities are becoming an ever more popular form of purchase. Especially with the advent of online markets and the ready supply of information, customers can appreciate their ability to actively participate in the transaction and production process. E-commerce is an area where customers enjoy the freedom to execute transactions without any employee. Experiences are exchanged openly with other customers (Roosendaal, Esch, 2007, p. 15).

An implemented CRM strategy provides customer benefits by allowing companies insights into their customers' needs and wishes. This can result in adjusted products or services, tailored to the needs of the customer. Customers can expect better treatment and better, transparent communication and information (Kassanoff, 2000, p. 62).

4.1.4   Customer service setup differentiated/segmentation

The original idea behind CRM was to provide personalised customer care. Personalised means differentiated treatment. Customers will not get the same offers, but will automatically see prices calculated for their respective customer group. According to customer segmentation, customers may be classified depending on their potential. With this approach, companies can better organise themselves and allocate relevant internal resources

to appropriate customer groups. Depending on the categorisation criteria, customer groups will be equipped with appropriate resources or price reduction possibilities.

However, customer segmentation can also produce negative effects if customers are offended by what they perceive to be discrimination. The so-called CRM paradox can therefore have negative effects on a company and its reputation. Customers might consider this type of differentiation as an unfair discrimination and use it as an opportunity to terminate relationships. However, there are business situations where customers feel that it is fair for customers to receive better treatment for certain reasons. It is important in this context that companies are very careful to ensure positive customer perceptions; negative customer behaviour is consistent in instances they consider fairness and trust betrayed. Reactions from customers could harm the business, existing customers might stop active collaboration or, in the worst case, terminate the relationship all together (Nguyen, Mutum, 2012, pp. 410–411).

It can be argued that profitable customers are contributing more to a company's success so segmentation is advantageous. Hence, it is understadable that profitable customers receive a better service. Consequently, it is also necessary to consider how to deal with customers who are not profitable. Management must decide if further investments are worthwhile or if it would be in their best economic interests to terminate the relationship (Rigby et al., 2002 pp. 2–3). Loyal customers are valuable to the organisation, but it can be deceptive to focus on the numbers of loyal customers in comparison to the churning customers. Even loyal customers might not be the most profitable. A key success factor is to assess the profitability of customers. Loyalty is therefore not enough. Especially with regard to resource assignment, there is an in-depth and thorough evaluation necessary (Collings, Baxter, 2005, p.26).

The customer base of a company can be segmented so that differentiated support can be provided. A subdivision can be made, for example, with regard to the purchasing behaviour of customers. Relationship customers trust in the quality of the products or services. Transaction customers, on the other hand, make purchases on an occasional basis, to take advantage of price reductions or other offers. Furthermore, transaction customers are not interested in a long-term customer relationship. Analysis of purchases from the past can help a company identify transaction customers. In any case, a distinction should be made with regard to the intensity of service provided to these two customer groups (Newell, 2000, pp.

38–40). As long as relationship customers receive the appropriate quality, they remain loyal (Zineldin, 2006, p. 432).

You could segment your customers according to Pareto´s law. Pareto´s law suggests that a company can benefit from 20% of its customers; this 20% is said to be responsible for 80% of the company's revenue. Companies can quickly identify those customers and strategies can be set up according to these insights. Resource planning can be set up accordingly and profitable customers could be provided with more attention and support than less profitable customers. This may result in the churn or complete termination of customers that are not financially beneficial to the company (Newell, 2000, pp. 41–42).

Another possibility is the classification of customers into one of these four categories. The category of strangers that are neither loyal nor profitable is one subgroup that a company should not be investing time or money in. A second category, butterflies, are not loyal customers either, but are classified as profitable based on the purchases made. When dealing with butterfly customers, companies should take every opportunity to upsell, as these customers do not bind themselves to a company and change suppliers often. True friend customers are the most popular customer group, because these particular customers are very loyal and profitable. Barnacles are the fourth customer category from this scheme. This group denotes customers that are loyal but not profitable. Companies work to increase sales by focusing on purchases in this group; they already have an affinity for the company so should, in theory, be easy to encouraged to make further purchases.

Segmentation offers the possibility of structured customer care that addresses the categories identified. This differentiation of customers is reasonable, because of the immense effort it takes to serve all customers equally. Active relationship management requires strategic action in the sense of corporate goals. Segmentation allows companies to decide, for example, that certain customer groups receive services free while others have to pay for them. In addition to determining the service level to specific customer groups, it is also possible to identify customers who are not profitable for the company. The company might decide to restrict their benefits, adjust the prices available to them or a termination of the business relationship may be considered (Huldi, 2007, p. 112). These measures could also motivate affected customers to increase their buying behaviour. If not, terminating the business relationship must also be an option (Stauss, Seidel, 2007, p. 18).

There is another proven method to successfully categorize customers. The Recency, Frequency and Monetary value method (RFM) recommends a classification of a customer's purchases into time ranges. The first range includes purchases within the last six months, the next range includes purchases within the last twelve months and the last range includes purchases made more than twelve months ago. This is followed by an analysis of the frequency of purchases made in the previously subdivided areas. This reflects the term Frequency. In the course of the analysis, not only is the number of purchases recorded but also their value, reflecting the term Monetary. Customers can then be grouped according to the collected data (Reinartz, Kumar, 2002, pp. 4–7).

4.2 Management involvement

Management plays a key role in adapting company processes to the suit the clients' needs. Management has the power to organise, trigger and facilitate activities that contribute to the common goal of customer orientation. Short-term measures as well as long-term measures need to be initiated. Management can motivate employees to participate actively in the agreed approach. If needed, training programmes can be installed to transfer the required skills to employees. The recruiting of motivated staff with customer-oriented behaviour contributes to the necessary team spirit. The goal must be to have a dedicated team with a better understanding of customer behaviour who are able to predict customer purchase patterns (Homburg et al., 2000, p. 475).

Speed is, in times of changes, a challenge, and management is forced to find appropriate compromises for launching new products quickly. Sometimes, it is more important for companies to be the first on the market, even though products have not been developed 100%. This is a paradigm shift away from the well-structured production process with recurring quality checks towards a fast development and swift market entry. Speed is in this way a success factor (Belz, Bieger, 2006, pp. 59–60).

4.2.1 Executive board involvement

Top management has a special responsibility. If the organization needs to be customer-oriented, then the processes must be carefully evaluated. A silo mentality hinders customer-centric organizations and should be avoided. Customer data has to be available for all related processes to ensure the best service. An interdisciplinary working method is necessary to

share information and know-how across departments. It is evident that rivalries among colleagues or departments can be felt by customers and has an impact on customer satisfaction. Mutual support between employees in customer service activities is essential to satisfy customers. Such changes in behaviour require involvement and support, especially from management. The management creates the conditions for customer-oriented behaviour. Every employee is required to actively participate in this initiative. It is normal and inevitable that some members of staff will not be able to break away from old patterns of thinking. Management is required to express the importance of implementing relevant changes to reluctant employees. Process alterations are necessary in initiating a CRM objective. Nevertheless, it must be clearly communicated to employees that they can rely on the active support of management. Employee support with regular trainings, even after a CRM implementation, shall be offered to foster a customer-centric approach. Such trainings will promote staffs' enthusiasm and commitment to the customer and tackle their reservations or resistance (Chen, Popovich, 2003, pp. 685–686).

One main task of management is to convince and motivate all employees to dedicate themselves to the agreed approach. This approach will be part of the defined strategy and it will depend on the management's skills as to how well this strategy translates into daily operations. It is obvious that active support is necessary to motivate employees accordingly. If employees are left on their own in their struggle with newly installed processes and software, only moderate results can be expected (Almquist, Bovet, Heaton, 2004, p. 11).

Management is largely responsible for implementing the vision and strategy of a company. In addition, management defines the goals of a company and controls whether they are achieved with the necessary resources. In the event that market or customer requirements change, leaders must react immediately and take decisive action. Continuous revision of existing processes is initiated by management. The coordination of management and the employees is important here, because employees are the touch-point to the customer and immediately recognise changes in customer behaviour. This enables a company to react very quickly to changes and thus remain competitive. However, management should not only be involved from a strategic point of view, but should also provide operational support to employees (Gent, Kempster, 2002, pp. 64–65).

When CRM implementations fails, employees are often blamed. It is assumed that the employees have not observed the requirements defined by management and therefore the

CRM concept cannot be successful. However, management must be aware that an integrated CRM approach needs to be part of an appropriate company culture. Subsequently, processes must be revised and adjusted. Only if all necessary conditions are met, can employees be expected to deliver the appropriate results according to the CRM philosophy. Management is obliged to prepare the necessary infrastructure and training within the organization (Bruhn, 2002, pp. 18–19).

Managers often emphasize the importance of employees in successful customer care. Nevertheless, employees are involved at a relatively late stage of a CRM project. CRM is an interdisciplinary task that must be managed jointly. This understanding is important for a successful implementation. It is not particularly conducive for the marketing and sales department to be held solely responsible for CRM success. This requires a concerted approach beginning with the management (Schneider, 2008 p. 4).

It is the task of the management to work out the advantages of a CRM project. On the one hand, employees should recognise advantages for the company, but also for themselves. The enthusiasm for customer orientation should be transferred to all areas of the company. To a certain extent, internal marketing can be used to increase the importance of CRM in the company. A common understanding should be used to build enthusiasm which will inevitably have a positive impact on customer satisfaction (Buttle, 2000, p.143).

Transparent communication and information sharing are key success factors. Management is required to provide a constructive contribution. Collecting information is the first step. The next step is the conversion of available information into knowledge for the advantage of the company. The active participation of senior management is considerably important in this process. Another challenge in establishing transparent communication is the deployment of the company vision. It is the task of senior management to ensure that the company vision is communicated effectively, simple and comprehensible to the employees. Customer orientation is often emphasized in companies, but research shows that senior management is still very careless when implementing it into the reality of the company (Xu, Walton, 2005, p. 957).

4.2.2   Project management skills for CRM projects

The reason for the complexity of CRM projects lies in the interaction of many stakeholders and different approaches towards CRM. Customers, employees and management need to collaborate to achieve a common approach. A CRM project entails sustainable changes, not only in processes, but in the corporate culture. For this reason, top management is essential as middle management are not sufficient to successfully and sustainably implement the CRM strategy. It is recommended to appoint a CRM manager at the beginning of the project (Kehl, Rudolph, 2001, p.255).

CRM projects follow basic project management rules, with a significant difference in the definition of a project end. Project management defines projects with determined starting points and end dates. However, a CRM initiative is a permanent endeavour to continuously improve processes and customer relationship. Consequently, processes need to be reviewed and adjusted. Even though technological enhancements deliver new opportunities and improvements, the technological factor is just one aspect out of many in a CRM journey and it must never be understood as an IT project (Hippner, Rentzmann, Wilde, 2004, p. 15).

A CRM project depends upon the active collaboration of employees. Management usually tackle the commitment and dedication of employees at the beginning of the project. In practice, however, deviations are apparent, often resulting from poor communication at the beginning of the project. There is a lack of transparent communication in which the expectations and requirements of the employees before, during and after the project are clearly discussed (Shum, Bove, Auh, 2008, p. 1348).

At the beginning of a CRM project it is important that management prepare some essential facts. The current status of the company needs to be analysed. It is important to clarify which corporate culture predominates; do the departments collaborate openly and share experiences or in are they closed-off, with silo mentality.

Management should provide an overview of regular in-house training and the quality of regular trainings sessions. At the beginning of the project, current pRocesses should be observed and analysed. On the basis of the existing processes, you can determine the status of the company in regards to customer orientation. In this early phase of the project, current company guidelines should be included and the staff should be informed about ongoing developments and plans for an upcoming CRM implementation through meetings and

workshops. Motivated employees are essential for the project. After the as-is analysis has been completed, a comparison can take place in which the gap between the target and actual situation is determined. An implementation strategy can then be worked out on the basis of this result. This preliminary analysis is of particular importance for the next steps, because the result of the preliminary analysis represents a decision point. If the analysis shows that the gap between the target situation and the actual situation is too large to be implemented in time, it is necessary to rethink the project, otherwise the project may fail (Shum et al., 2008, p. 1348).

Projects must deliver economic added value, and CRM projects have the same requirement. CRM projects are costly and require careful evaluation. Management must justify the effort and calculate how successful or useful the project will be. Evaluating a CRM project's contribution to the company's success is difficult. Above all, the fact that CRM requires a long-term, ongoing approach sometimes prevents short-term clarity about the expected added value (Hippner, Wilde, 2004, pp. 60–61).

For a structured approach to the introduction of CRM, especially the first steps, should be clarified. The setup could follow the structure displayed in Figure 9. First of all, a clear commitment from the most important stakeholders within the company is necessary. The next step is to assemble the right team of professionals. Afterwards, the requirements of the business are to be determined, which are then adapted to the business strategy (Kumar, Reinartz, 2012, p. 41).
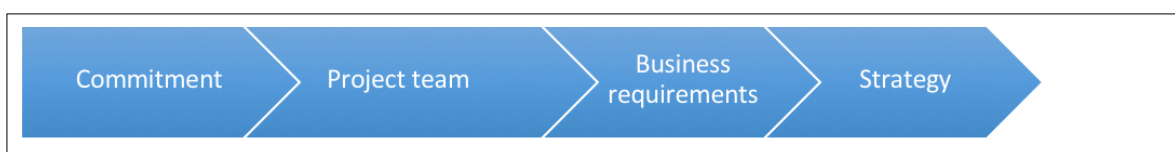

Figure 9. Project planning phases.
Source: Kumar, Reinartz, 2012, p. 41.

The introduction of a CRM project itself should also be organized in a structured way and can be divided into four phases as shown in Figure 10.
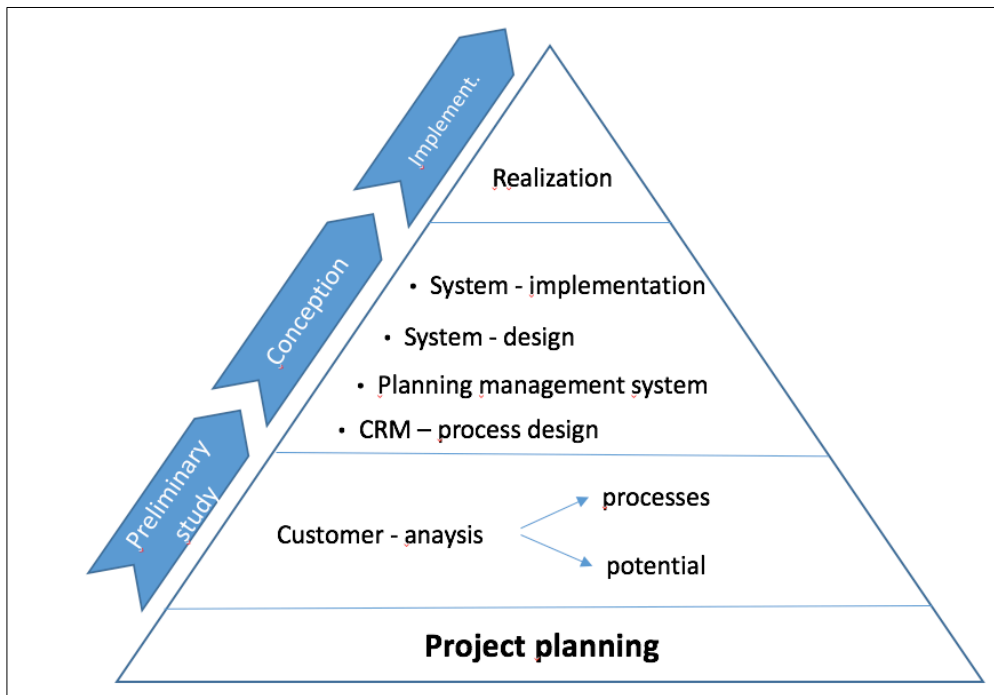
Figure 10. Structured implementation process.
Source: Schulze, 2000, p. 118.

These phases describe the project planning, the preliminary study, the conception and the implementation. In the first phase, preparations are made, which mainly concern project management activities. This involves the definition of the project goals and the most important milestones. The project regulations must also be installed. In addition, the members of the project teams have to be identified, and all necessary resources must be provided. In the next phase (the preliminary phase), the focus is on the customer; existing customers need to be analysed and they are segmented into categories. The conception phase deals with processes and how the current processes are set up. Additional activities that need to be considered for a CRM introduction and any process adaptations should be discussed (Schulze, 2000, pp. 118–119). Before a CRM project can be started, a careful analysis is necessary in which the expected costs are compared to the expected benefits. This pre-analysis is of crucial importance because a CRM project will significantly affect existing processes and could lead to considerable costs. An honest analysis should provide useful insights to inform your decision and determine whether a CRM project is viable. A negative analysis result means that the project must not be started (Hippner, 2004, p. 40).

It is also part of the planning phase that framework conditions are defined for a selection of CRM software. What are the requirements for a CRM software? Should it be a cloud solution or is an on-premise solution preferred? Considerations of costs, security and flexibility play

a role (Anderson, 2006, p. 48).

Adhering to a few principles in implementation can help companies save time, resources and money. The first principle is that a CRM project should not be an IT project because there is a risk that it will become too technical. The project management must insist that the people nominated to the project team are available full time for the project. In the composition of the project team, it is important to ensure that employees from different areas are involved. In the best case, no areas are excluded. This means that representatives from marketing and sales are just as likely to be in the project team as people from production, IT and customer service (Chen and Popovich, 2003, pp. 684–685).

CRM projects require the full attention and availability of the involved project team. Employees from the project team must be released from their normal work duties specifically for the CRM project. If team members cannot focus on the project permanently, the project is at risk of failing. Motivated team members are a prerequisite for successful CRM projects. Disinterested project members could endanger the project. Involved employees should be integrated into the project as soon as possible to achieve their active support. For that purpose, employees must understand the goals and benefits of the project. Some employees are touch points to customers and can thus supply valuable information and communicate positively to customers (Kehl, Rudolph, 2001, p. 255).

It should be clear to everyone involved (owners, investors, managers) right from the planning stage that a CRM project is not an ordinary project in the conventional sense with a defined end date, but a long-term corporate commitment (Kumar, Reinartz, 2012, p. 46).

4.2.3 Consider change management tasks

In times of change, employees are exposed to increased pressure from many sides. The demand for change can also arise from a new strategy like CRM. Effects can be considerable and impact processes or the daily work of employees. Uncertain and frustrated employees are pre-programmed. At this decision point, employees decide either to cooperate or to exit the change process (Gersick, 1991, p. 12).

Effective change management has a direct impact on the success of a CRM initiative. First and foremost, it is important to emphasize the importance of CRM for the success of the company. Here, top management in particular must be involved, because their instructions

are observed by the employees. Especially in critical project phases, top management can help to ensure that there are no delays arising from conflicts within the project. A clear attitude within senior management helps to reduce resistance from employees. Another important point is the clear communication of the defined vision to the employees. All forces within a company should be bundled and aligned. Finally, care should be taken to ensure that there is no silo thinking within departments. Employees should be encouraged to act across all processes. Cross-functional cooperation should be promoted (Payne, Frow, 2006, p.137).

Changes in existing processes always require the willingness of employees. Change management can help to prepare and coach employees during challenging times of change (Schwarz, 2010, p. 509). Change management can be seen as a constant requirement, because there are permanent changes in the markets and also in the customer behaviour. If changes are necessary, companies need to react quickly to such changes. Change management helps to critically question the prevailing behaviour of management and employees and makes appropriate adjustments. Managers must oversee the shift from lean management to customer-oriented management (Künzel, 2002, pp. 5–9).

Resistance from employees to a CRM project cannot be predicted in advance. Very often the resistance comes from the requirement that sales employees share their knowledge about regular customers with other colleagues. The employees consider this requirement an expropriation of property. Resistance and the negative effects it has on other employees can jeopardise a CRM project. Change management can effectively intervene here by trying to address such issues openly at a very early stage of a CRM implementation, taking away the employee's concerns and reducing the risk of resistance (Uebel et al., 2004, p.185). With the help of an internal marketing concept it is possible to reduce the risk of internal resistance and gain the trust and confidence of employees. Internal CRM marketing can then contribute much and ensure that the CRM introduction is smoothly and efficiently implemented (Kumar, Reinartz, 2012, p. 6).

Clear communication of the vision to the employees is expected from change management. Employees must understand the company's plans in order to support them. People generally shy away from upcoming changes. It is in the nature of things; people want stability. The fear of uncertainty has an effect on the implementation of projects, especially CRM projects. In change processes it is necessary to give the people involved the time needed for the

change. Employees need time to go through the different phases of change (Stanleigh, 2008, pp. 3436).

4.2.4   Corporate culture supports customer orientation

Customer orientation and the associated attitude should be anchored in the culture of a company (Kim et al., 2012, p. 90). For the introduction of a company strategy it is important that there is a close collaboration between management and employees. When introducing a strategy, it is helpful if certain tasks are carried out by management together with the employees. In this way, a common foundation is offered which will be noticed by customers and creates a competitive advantage. A company strategy that is supported by management and employees alike is a foundation for economic success. Even a carefully formulated strategy is worthless if it is not filled with life and not supported by the workforce. An organization can only be successful once committed employees work together towards a clearly defined goal (Pitts, Lei, 2003, p. 89).

The quality of cooperation in a company suffers, if goals are not clearly defined. Companies often lose themselves in sham discussions instead of developing the essential best-practice processes. A negative example is misguided discussions about the controllability of employees (Kehl, Rudolph, 2001, p. 255). It is important to create a culture in which employees are committed to a goal. A corporate mission statement provides orientation and guidance to the workforce when it comes to values and principles of conduct (Hanning, Krumm 2010, p. 479).

It is imperative that managers exemplify the company's mission statement in order to achieve the required effect. Lip service from managers make the company's mission statement worthless. Rules of conduct are only taken seriously by employees if their superiors also adhere to them. The behaviour has a corresponding effect on customer service, because it can happen that guidelines are not reflected in reality. At this neuralgic point, management is called upon to ensure that the company's mission statement is put into practice (Pulse, Craven, 2002, pp. 75–76).

The corporate culture of a company is defined by how the management works with the employees. The type of cooperation can be recognized, for example, in the method of conflict resolution used, how mistakes are dealt with or how feedback is given or accepted. A company culture is not something artificial, made up and written on the wall. Customers

sense what kind of culture employees work within. Consequently, this perception also influences the customers' buying behaviour. Training can help to improve cooperation between managers and employees, but also among employees, to improve conflict resolution. Improvements in this regard have a direct impact on customer relations (Hanning, Krumm, 2010, p. 494).

Especially in times of fierce competition, companies learn from and even copy products or technologies from other businesses. But it is impossible to copy the culture, the knowledge, the methods of collaboration or the team spirit. The continuous learning and development of the culture is unique to a company and cannot be imitated (Pitts, Lei, 2003, p. 501).

The definition of a clear strategy is a crucial task to ensure staff can implement CRM intiatives successfully. The company culture must be interaction oriented and staff learning must be encouraged for effective customer orientation (Kim et al., 2012, p. 84).

4.3   Employee – the interface to the customer

Employees have several functions in a CRM project. Which role employees take on depends on the situation, and several roles can be taken on at the same time. It is important to note that the commitment or rejection of employees has a significant effect on the success of the project. Roles taken by employees range from CRM software users to project sponsor. However, employees can also act as data procurers and informal knowledge carriers. Employees can also be the ones who have a decisive influence on the selection of CRM software. Of course, employees are very close to the customer and it depends on them how intensively customer orientation is implemented. Employees organise a customer relationship and they are bridge builders that create trust with customers. The roles they play can be in the front office as well as in the back office (Neumann, 2014, p. 246).

Within an organization, the marketing and sales departments are the areas that are traditionally most affected by a CRM implementation. However, CRM affects all areas of the company. This situation requires a comprehensive approach and the adaptation of processes with the help of technical achievements. Employees are particularly challenged in such situations and must develop their way of thinking and acting. Employees have a key role to play in the implementation of a CRM intiative, which means that their behaviour has a direct impact on the results of the project. In this regard employees are a critical success factor (Stanleigh, 2008, pp. 34-36). Despite this, there is little research in regards to their

involvment (Boulding et al., 2005, pp. 160–157). Therefore, it is particularly important for managers to interact with employees to fully understand their role within the implementation and the issues that arise. Employees need the support from managers in this phase. In return, employees offer their support, especially if they are involved in the CRM project at an early stage. Ongoing training courses help to ensure that employees have the necessary confidence. In addition, clear, transparent communication is required to ensure that the goals and the defined strategy are understood (Shum et al., 2008, p.1348).

McKean (2002) made eight recommendations in formulating a humane approach to sustainable CRM implementation. Basically, the company should try to be human; customers should be validated. Customers and their wishes should be respected by employees with the aim of building trust. Naturally, attention should be paid to the type and manner of customer communication. Employees should demonstrate consistent humane behaviour, a rule that must be applied in all processes within a company. Technology should be used to support employees in dealing with customers in a humane way. Employee engagement is a key factor for establishing superior customer experience. This can ensure lasting success (McKean, 2002, p . 67).

A clear, consistent company vision is especially important in an environment of constantly changing requirements. A company vision should therefore be carefully defined and not easily changed, because employees need an anchor to best cope with fluctuating targets and dynamic markets. In this context especially, SMEs are role models in that their company vision is usually valid for a very long time (Künzel, 2002, p. 156).

4.3.1   Direct contact with the customer

The importance of employees in the company is also due to the fact that they are the interface between the inside and outside of the company. They act as ambassadors of the company to customers, suppliers and other business partners. As such, they collect invaluable market data and function as the company's primary information providers. The information gained can be distributed throughout the company and used specifically for better customer service. Employees thus play a significant role and are not only supporters of the CRM project. They are vital in allowing a company achive any set goal (Pitts, Lei, 2003, p. 186).

Employees communicate actively with customers at various touch points. Communication channels can be manifold. This diversity should offer more convenience to the customer. As

the central point of contact for customers, employees must master and manage all communication platforms. Via this contact, they must create a reputable and friendly face to the customer and consider the appropriate representation of the company in all contact made with persons outside of it. Employees are also in control of what additional information the company can gather in relation to the customer and are consequently invaluable in collecting enough data to contribute to the successful workings of a CRM project. (Neumann, 2014, p. 196).

Employees who have direct contact with the customer, so-called front-line employees, work in a particularly sensitive position. At this point, where the interaction between the customer and the company takes place, employees bare a great responsibility. Their behaviour towards the customer demonstrates how well the customer orientation is actually implemented (Neumann, 2014, p. 222). Obviously employees are in much closer contact to customers than management. Nevertheless, they have been rather less intensively researched (O´Reill, Paper, 2012, pp. 866–867).

4.3.2 Employee satisfaction

The high fail rates in CRM projects mean that employees do not get the attention they need. Although the critical role of employees at the customer interface is well known, employees still do not get the necessary attention and support from management (Zeithaml et al., 2001, p. 120). Employees should receive the appropriate support but also motivation and rewards for supporting a CRM initiative (Reinartz et al., 2004, p. 295). Employee orientation has been defined as a term describing the respectful treatment of employees, who should be seen as partners by management. This approach is also intended to ensure that employees adequately and appropriately deal with customers (Hauser et al, 1996, p. 270).

Employee commitment is an essential part of CRM projects. Psychologically, there are three different levels of commitment. When employees approach the implementation of CRM goals with passion, this is called affective behaviour. These collegues are prepared to go the extra mile. These employees show continual commitment and are particularly driven to progress in or maintain their current role. When employees fulfil goals out of a sense of duty, this is called mormative commitment (Herscovitch, Meyer, 2002, p. 476).

Customer satisfaction is also promoted by dedicated employees. Employees are able to actively manage customers and stretch the duration of the customer relationship. Managers

understand the impact of employees on the overall success of the company. CRM implementations can support the successful work of employees. However, if the implemented CRM system is perceived by employees as a hindrance, the CRM project will fail. Employees then do not accept the CRM system and do not talk openly about it. In such cases, customers also notice the complaints. The dissatisfaction is then passed on by the employees to the customers (Po-An Hsieh et al., 2012, p. 1066).

The commitment of the employees is important during the entire CRM process. It begins in the project planning phase, throughout the entire project implementation phase and even after the project is live; motivated employees make the difference. This important insight should also be considered by change management. The value of motivated employees is becoming increasingly important for organizations. They know how to leave the best impression whenever they are in contact with the customer. Their behaviour as the interface to the company has a significant impact on business success. Employees can gain the trust of customers, establish sustainable business relationships and encourage repeated sales. Motivated employees go the extra mile to upsell and improve internal processes. It is therefore important to question the loyalty of employees, as global studies show that only 60% of employees feel loyal to their company (Payne, Frow, 2005). A further possibility to ensure that employees are motivated and committed is to prepare them for upcoming challenges and change (Chen, Popovich, 2003).

Companies need motivated, committed employees for a strategy. The core message is that the employees add value if they are actively involved in the implementation of the strategy. Motivated employees are valuable assets and make a significant contribution to the successful implementation of goals. Here they can absorb the market sentiment. This is of enormous importance for the company. Furthermore, employees make the company distinctive through their know-how and commitment (Pitts, Lei 2003, p. 361).

Findings prove that motivated employees show loyal behaviour and do not change employer easily. Furthermore, loyal employees are more likely to be productive and are more customer-oriented. Unfortunately, companies miss opportunities to use their positive attitude for the company´s success (Gonring, 2008, p. 34). There is a correlation recognised between customer loyalty and the motivation or loyalty of employees to the respective company. Despite the influence of employee loyalty on customer loyalty, the importance of employee satisfaction is still underestimated. Loyal employees are more interested in building

sustainable customer relationships than disloyal employees are. Loyal employees accept the extra work that is required to build a close customer relationship. They are more committed to customer needs because they recognize the opportunities for themselves, the customer and the organization. Long-term, loyal employees support companies in saving costs, because time-consuming recruitment activities can be reduced to a minimum (Reichheld, 2001, p. 91).

Smartphones offer new opportunities due to the fact that customers can be reached at any time. Customers are able to contact companies from anywhere. Employees also have many more opportunities to reach customers directly on-site. The mobility coming from mCRM allows employees to access information, direct information and up-to-date information faster. This circumstance also increases employee satisfaction. The ubiquity of connecting with customers creates a better understanding of customer needs, which staff can then respond to quickly. M-CRM provides staff with all the records of communications made and specifically customer enquiries and transactions to support them (Kim et al., 2015, pp. 1–7).

4.3.3   Increase commitment with continuous training

As we've ascertained, loyal employees tend to generate loyal customers. This in turn leads to the conclusion that loyal employees provide more stability and better planning for the company because they foster long-term customer relationships. Employees are therefore a success factor. The human factor has an impact in a CRM project that is not only driven by technology. In order for the relevant people and the customer orientation to be successful, employees must be trained accordingly. Employees must learn how to effectively conduct customer-oriented conversations and how to react flexibly to customer needs. It is then up to management to prepare employees accordingly. It should be noted that employees are also given responsibility for negotiating with customers. In this way, they experience appreciation and are prepared to show more commitment. Training courses offered before, during, and after a CRM implementation encourage employees to achieve positive results (Shum et al., 2008, p. 1352).

5. Implementation of customer-oriented processes

Customer service and customer orientation have been identified as a competitive advantage, and customer orientation is often anchored in the company mission statement. The underlying processes require careful consideration and, if necessary, appropriate adjustments. It is evident that many CRM projects fail at a very early stage, because processes did not support the customer-oriented approach (Bruhn, 2016, p. 16).

One major issue for failed CRM projects is the assumption that CRM is a software for marketing and sales. CRM is about much more than just an isolated application. It is a solution comprising of all company departments. Not only does it involve sales, marketing and IT, but also human resources, accounting, operations, R&D, finance and customer service. The various departments need to form an interdisciplinary collaboration to focus on the customer and increase profitability. This approach requires a review of existing processes and subsequently process re-engineering (Chen, Popovich, 2003, p. 674).

CRM initiatives are more effective with an interdisciplinary setup. All CRM activities should be regarded as a company wide activity. Therefore, a holistic design without the ownership of a single department is requested. Effective information systems should support employees at every customer contact point. Empowered staff must have access to as much customer data as possible and should recognise the potential of opportunities arising from information provided. This shall also motivate them to collect data from customers. Data collection must be considered an interdisciplinary activity. Traditional channels in sales can be connected with new channels from the internet. Customer data, gathered from all platforms, needs to be combined and shared with all staff. It is necessary that companies implement processes that regularly care for the combination and deployment of information in various channels. This way, staff can act more effectively in sales activities. Easily accessible customer information motivates staff and has a positive impact on customer relationships (Batista, Luciano, Dibb et al., 2018, pp. 18–19).

Preparation of the infrastructure for a CRM strategy will inspire the creation of processes well-suited to customer orientation. The review and adjustment of processes or internal structures is a continuous requirement. All processes have to be evaluated to ensure customer orientation is supported. Are they set up effectively and efficiently in the interest of the customer? Organizations are mainly functional, which contradicts the requirements of a

cross-functional collaboration. In such organisations, adjustments are necessary; without them, targets are unattainable (Hettich et al., 2000, S. 1346). Descriptions of the process landscape can be used to verify if the process setup is effective. A transparent process description avoids waste in the process flow. A well-structured process flow shall be provided with the defined CRM strategy (Gaitanides et al., 1994, p. 2).

Customer-oriented processes significantly support organisations in implementing a company wide customer focus. Structured process analysis can start with supply chain processes up until the order fulfilment activities. A thorough review has to consider all processes affecting employees. Do the job descriptions still fit? Are there internal or external training programmes? Are incentives and reward systems up-to-date? A thorough and tailored process design helps organizations achieve customer orientation (Rigby et al., 2002, p. 106). Failing to analyse internal processes means the company is at risk of focussing too heavily on the procurement of CRM software, which considerably limits their chances of success (Hippner, Merzenich, Wilde, 2004, p. 70).

A complete focus of all activities on the customer requires a willingness to adapt as all processes and the company's corporate culture must be altered. CRM software causes far-reaching changes in every day business activities. These require a high level of cooperation and commitment from employees. Ongoing training can be helpful in raising the motivation. Targeted training can also be useful to improve group dynamics and team spirit in the pursuit of common goals. Systematic training can be used to encourage employees to participate actively in the project. This is particularly important in challenging projects (Lau, Herbert, 2011, p. 19).

5.1 Review of existing processes

CRM implementation is accompanied with thoroughly reviewed processes and organizational setups. Consequently, processes and structures need to be adjusted, wherever the need for improvement is identified. Profound changes with impacts on stakeholders across the supply chain can be expected. The review of existing processes shall be comprehensive, even on processes where impact on customers might not really be expected at first glance (Rigby et al., 2002, p. 106).

Business process analysis can be done according to business process reengineering (BPR). It is one of several possibilities of change management models. BPR was mentioned in 1984

and describes a structured method of process analysis. Existing processes are reviewed with the focus on customer orientation. It is strictly recommended that processes not supporting customer orientation should be stopped and immediately adjusted to do so. Outsourcing of processes can also be an option in this regard (Künzel, 2002, pp. 12–13).

Customer orientation requires processes that are aligned with the company strategy. An appropriate approach may begin with an analysis of the existing situation to determine what process improvements need to be made to ensure the fulfilment of customer orientation requirements. The company must then decide what kind of software will effectively support defined processes. A clear commitment from companies is necessary to avoid product orientation and achieve economic success. It is unrealistic to expect successful CRM results without structural orientation. The software is not enough and must be complemented with employee training and process adaptation. The functional setup of companies may hinder an interdisciplinary customer orientation and will require more effort to manage the greater number of interfaces (Jaeck et al., 2007, p. 55–56).

Process maturity is a requirement and prerequisite for CRM implementation. Process maturity makes it easier for companies to implement CRM software, CRM tools and CRM activities, all with the focus on the customer. Process maturity also supports cross-functional behaviour between marketing, sales, and customer service. It is a challenge, especially for those departments that try to avoid regulations or structured procedures. Marketing, and particularly sales, try to work individually so need to be motivated to improve processes and work together to increase CRM success. Process improvements are expensive and take time, but will remove barriers on the way to sustainable CRM success (Gentle, 2002, P 52-55). A structured approach for process improvement is presented in Figure 11.

Figure 11. Structured approach to process improvement.
Source: Hippner et al., 2004, p. 69.

The first task to improve company processes is to make sure that business targets are clearly formulated. A clear definition should be developed of the expected outcome after processes are changed. To give one example, a defined goal could be the reduction of customer

requests as well as customer complaints for the purpose of increased customer satisfaction. Afterwards, critical processes that require a concrete evaluation because of their impact on customer relations are identified. A selection of processes is necessary, because it is not possible to deep dive into all processes of a company (Hammer, Champy, 1994, pp. 159–162). Marked processes need to be critically scrutinized. Processes with improvement potential can be identified through questionnaires where problems are articulated either internally or by the customer directly (Jaeck et al, 2007, p. 57–59).

Visualisation is done in the modelling phase, in order to formualte a clear picture of the involved steps. Developing a process map is necessary to provide an overview of the overall plan, detailing the prerequisite tasks, outputs and following steps. Otherwise, it is difficult to identify gaps, duplicated work or interruptions. A process documentation is thus required for the next step. Experienced key people can participate in this task at an early stage. This approach will increase the quality of the documentation and motivate internal staff (Jaeck et al, 2007, p. 60–61). Afterwards, processes need to be analysed in detail and recognised improvement potentials have to be implemented (Scholz, Vrohlings, 1994).

Examination of processes can be done with regard to the expected outcomes or with regard to effectivity and efficiency. Evaluation of processes based on results can be difficult, because it could be hard to predict their impact. Efficiency alone might not lead to the desired result, because processes could already be designed in a lean way without positive impact on the profitability or customer satisfaction. Process evaluation must not ignore the opinion of the customer. Even optimized processes from the internal business view need to be reviewed and improved if the customer is not satisfied. Finally, process evaluation needs to be done in balance with the effort and benefit analysis for the company. If process changes are costly with no expected financial benefit, it is necessary to rethink such a process change (Jaeck et al. , 2007, p. 63).

Process analysis should not end with internal processes, but also customer processes and the interface between company and customer. There is a huge potential here for improvements for successful customer relationships. The exchange process of of goods, services and information needs to be thoroughly implemented with the aim of customer satisfaction. Internal processes should be aligned with processes on the customer side to facilitate a smooth handover (Schulze, 2002).

Process optimization can be done by reviewing them in comparison to the processes of other companies. Process benchmarking must not necessarily be done with companies within same industry. It may be expedient to execute benchmark tests with concrete processes of leading companies irrespective of their branch affiliation. With this approach specific areas can learn from the best available business framework (Becker, Kahn, 2002). There are dangers inherent, if standard processes are adopted without careful considerations. Processes can works as USPs. Recklessly adopted processes reduce the advantages a company could have over their competitors. On the other hand, if companies can benefit from processes that have proven successful for other companies, this may reduce the effort required to setup new processes. A coordinated approach can considerably improve internal processes. Companies can either by adopt the processes of successful competitors or with develop their own that generate USP (Hippner et al., 2004).

A thorough evaluation of company processes can provide clarity on whether the current organizational setup is supporting a customer-oriented approach. Verification is necessary to ensure customer needs can be fulfilled in an efficient way. Effectively arranged processes will support customer orientation. Companies are traditionally designed functionally, meaning their structures are arranged functionally and not cross-functionally. A disadvantage of a function-oriented company is that customer orientation is not focused upon, which has an adverse affect on sales. Furthermore, processes are sometimes inefficient or require significant manual effort. They may be too rigid with a negative effect on adaptability to market changes and unclear responsibilities to customers (Gerth, 2001. p. 107).

The organisational structure has an impact on the efficiency of a company. Compared to a process-oriented company, a functional-oriented organisation risks generating redundancies and additional effort is needed to coordinate departments. Furthermore, transparency in cooperation between functions is not to the requisite extent. A cross-functional approach reduces such disadvantages and the process orientation can best support a customer orientation (Gaitanides et al. 1994, p. 2).

The focus in functional-oriented companies is mainly on the individual and separate goals of respective departments which can have negative effects on the company´s success. Functions like marketing, sales, research and development try to motivate people to improve processes or solve problems only within their own function, ignoring adjacent departments.

Collaboration between functions might be difficult and the end-to-end perspective can get lost. Efficiency is decreasing and consistent customer orientation in such an environment is hard to achieve. Department-specific goals bear the risk of creating a company-wide objective that is not aligned to best achive customer orientation. Complicated communication and numerous interfaces further hinder a successful customer orientation. In a process orientation previously mentioned problems could be avoided and employees could be motivated to work cross-functionally and think in even broader terms (Meister, Meister, 2010, p. 126).

In a process-oriented organisation, teams are assembled for specific processes and not for specific departments. It is recommended to nominate responsible persons for every defined process. This setup enables a considerable reduction of coordination effort. It is a priority objective within the process orientation, keeping material and information in flow. Focus must be the orientation towards the customer and customer needs. Customer satisfaction is a result of thoroughly designed processes, because the impacts on customer service and lead-times will be recognised and appreciated by the customer (Gaitanides, 2007, p. 2).

A CRM project cannot be successful if underlying processes are not supporting a customer orientation. A reverse approach, where processes are analysed and adjusted after a CRM implementation is possible but cumbersome and much more expensive. It is thus recommended to care for proper and stable processes before CRM is installed (Hippner et al., 2004, p. 89). A CRM project without extensive planning and diligent preparation is likely to fail. A starting point could be a clearly defined company strategy followed by carefully designed processes with the focus on customer orientation (Gerth, 2001, p. 107).

5.2   Customer centricity in process setup

A customer-oriented company cannot be implemented without a clearly defined customer strategy. Subsequently, critical processes need to be adjusted in order to support the strategy. It is misleading to believe that the implementation of CRM software is the main driver to become a customer-oriented company (Rigby et.al, 2002). It is a widespread assumption, even from concerned senior management, that companies are already operating in a customer-oriented manner, even if that is not the case (Xu, Walton, 2005, p. 957).

Customer needs are the main driver for decisions within a company. This insight must be reflected in the setup of processes and must lead companies to consider ending a process if

they do not have a positive impact on the customer. It would be premature to assume that expanding business in new markets can help to increase profitability with customers. One reason why business is not profitable enough could be that customer needs are not considered adequately and customers are not satisfied. Company mergers and rationalisation measures are also recklessly used to find faults. Such dramatic approaches can only support increased profitability if a positive impact on customer satisfaction can be expected. Customer orientation is often included in companies' guidelines and is part of defined strategies, though reality is showing something different. Reasons for the deviations are mainly because management focuses more on their own strengths, avoiding investigations into the more challenging tasks related to customer needs and requirements. Products and services with added value for the customer are a prerequisite for satisfied customers and profitable business. Investments in products or services without benefit for customers are not purposeful (Belz, Bieger, 2006, pp. 65–68).

Strategies supporting customer orientation are a success factor in competitive markets. A CRM implementation can help companies facilitate the process alignment towards the customer (Kumar, Reinartz, 2012, p. 12). Customer orientation is a challenging task because there is not a single solution existing for successful CRM. Customer behaviour expectations can be different in various industries, or even between customers of the same company (Rigby et al., 2002 p. 11).

Customer orientation must be considered above all else. Successful companies are aware of this principle and react accordingly. If customers are not satisfied, the risk of customer migration is evident, but companies often do take customer churn seriously or take notice when a customer switches to the competition. A CRM solution has to be absorbed by the company and integrated into existing processes. CRM must not be regarded as a separate process, but should support the increase of customer focus. Customer focus must prevail throughout the supply chain. The easier it is to collect customer data, the better customer service will be. This will help to increase loyalty and subsequently sustainable benefits (Nguyen, Sherif, Newby 2007, pp. 102–104).

Management plays a key role in ensuring that a company´s customer orientation is successfully implemented. Organizational barriers often stand in the way of success; here management can have a decisive influence and enable a holistic customer view (Kehl & Rudolph, 2001).

5.3 Cross-functional collaboration

Customer orientation begins with the established culture of a company. The attitude of employees and management determines how the company deals with customers. With the appropriate attitude towards customer orientation, processes can be redesigned in such a way that internal barriers are avoided. Cross-functional collaboration requires the support of management to prevent silo mentality. This approach promotes an interdisciplinary way of thinking among employees (Kehl, Rudolph, 2001).

Cross-functional integration strives to provide relevant resources like people, processes and information, that perform tasks in the best possible way. The provision of the required resources must not be hindered by the fact that different functional areas are involved (Ford, Randolph, 1992, p. 269). The reduction of barriers and interfaces with cross-functional integration promotes the uninterrupted flow of information, as well as employee commitment (May, Kettelhut, 1996, p.7). If employees themselves recognize the advantages of a cross-functional approach, they are much more positive about introducing CRM and will support it effectively. A silo mentality, on the other hand, makes the CRM introduction even more difficult (Compton, 2005, p. 18).

Companies have different strengths and also different levels of maturity. Subsequently, implementation of CRM activities can have different effects. Effects on CRM activities can definitely have an adverse effect and influence the company performance negatively. Whether effects are positive or negative depends on the company and the time of implementation (Nguyen, Mutum, 2012, p. 412). If companies succeed in working across processes, this not only has a positive effect internally, but also a positive effect on customers. Customers can expect better service through well-coordinated processes and organisations with tailored processes will find it easier to maintain a customer-centric mentality (Chen, Popovich, 2003, p. 647). With the foundation of defined processes, employees need to work cross-functionally and always focus on the customer. The management is encouraged to support employees with regular training to establish the appropriate culture within the organisation (Bruhn, 2002, p. 63).

CRM initiatives can contribute to more success with the implementation of a software or adjustment in the process landscape leading to a more customer-oriented setup. All communication and transactions with the customer should be made available transparently

to all employees and across all departments. With all the relevant knowledge, staff can provide a personalized customer service. CRM is gaining in importance, especially because the customer relationship and the exchange of information between customers and the company is becoming more and more efficient (Nguyen, Sherif, Newby 2007, pp. 113).

Many companies have moved towards standardising processes as a result of the constant growth process. Standardised processes should enable management to maintain control over the company. However, this approach also has negative side effects. In many cases it has led to the establishment of mental and procedural barriers. This integration of so-called silos or walls can be beneficial within the company, but can be detrimental with regard to customer orientation. The silo mentality is therefore a hindrance to customer orientation, customer loyalty and service quality (O´Reilly, Paper, 2012, pp. 866, 867).

Silos can form in different areas and with different characteristics. When designing processes, silos can create separate areas that communicate less with others, such as returns processing. Another possibility of silo formation is the targeted use of know-how, in which training is provided in a very differentiated manner for certain work groups. Decision-making silos, on the other hand, describe the situation in which certain authorisations are only granted to selected employees. Such silos lead to a situation where communication between the departments does not take place to the necessary extent. Cooperation is also not particularly efficient due to numerous interfaces (O´Reilly, Paper, 2012, p. 869).

5.4 Channel communication

Communication and the exchange of information with customers has intensified considerably, not least due to technological advances. The exchange can now take place on several channels, and channels can be changed easily. This confronts companies with further challenges. The aim is to reach customers through all possible channels to provide information and support in purchasing decisions. The customer journey refers to the process from the initial point of communication to the eventual purchase decision. In this decision-making process, customers demand support and availability. They choose the most convenient contact channel for them in the respective situation.

Companies find it difficult to adjust to customer behaviour because the behaviour patterns are very individual. Nevertheless, strategic decisions have to be made regarding the alignment of defined communication channels with customers. The channels offered to customers depends on available financial resources. Companies strive to better understand the customer journey in order to use marketing and sales effectively. In times of intensified competition, customer orientation is a decisive competitive advantage. Accordingly, one can assume that customers prefer to be loyal to companies that try to understand and respond to customer requests. Establishing communication channels and sales channels carefully requires the specific expertise of company management. To make matters worse, both the sales and communication channels are subject to constant developments.

Despite the growing variety of communication and sales channels, the top priority of companies remains to be the understanding and manipulation of customer behaviour. The different customer touchpoints have different effects on their buying behaviour. If it is possible to analyse each channel's pros and cons and use them accordingly, positive effects on the company result can be derived. If it is not possible to understand customer behaviour, the company is virtually flying blind and the customers' decisions are made in a black box. Companies then lose opportunities to initiate strategies that are critical for success. Due to the dynamic development of the market and technology, a separation of sales and communication channels is no longer possible, as activities increasingly converge here as the example of online sales shows. How customers obtain information is, on the one hand, very customer-specific and, on the other hand, it is difficult to track information exchanges when customers change between online and offline communication (Böcker, 2015, pp. 165–167).

Figure 12. details the customer journey and clarifies the impact differing advertising and communication channels can have on that journey.
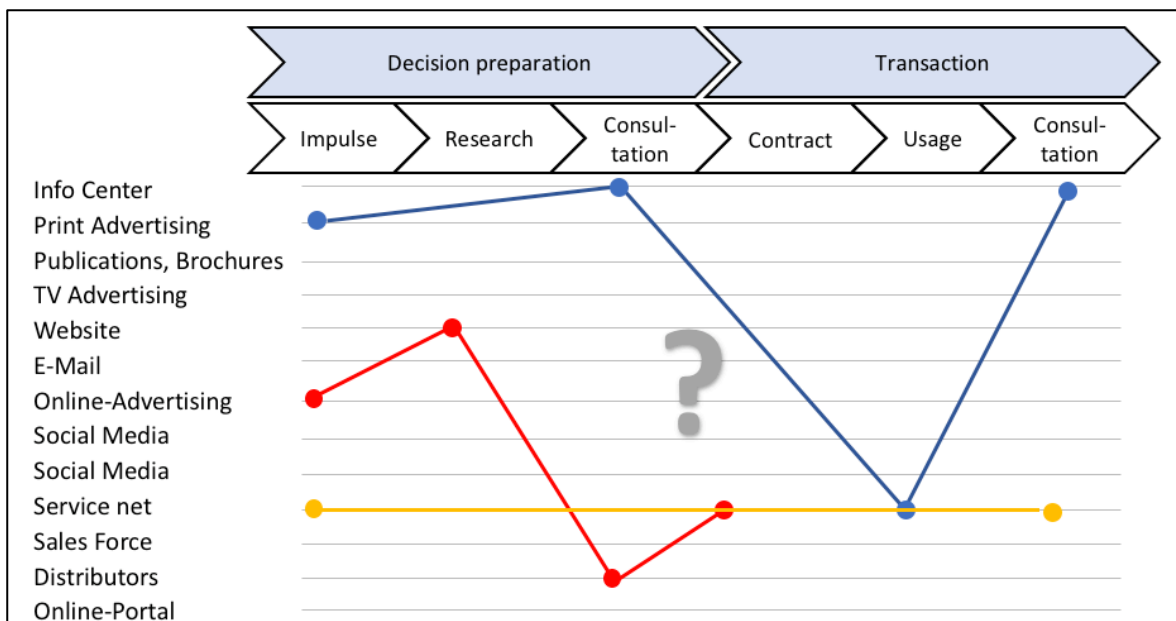

Figure 12. The customer journey.
Source: Bocker, 2015, p. 168

The customer journey offers great potential for companies in competitive markets. The basis for the success of a company is quality products and effective customer communication. An active approach in understanding customer behaviour and tailoring appropriate actions accordingly increases the chances of business transactions. Customers appreciate the outcome, because purchasing processes run more smoothly (Böcker, 2015, p. 177).

Messages and news appear continuously across multiple channels and create an unprecedented opportunity to gather information. With this information huge possibilities and choices are available. The speed with which conditions change is constantly increasing and presents new challenges for both customers and sellers. In this uncertainty, consultants try to influence companies and contribute to even more uncertainty. The challenge, therefore, is to identify trends as quickly and accurately as possible. In such an unsafe environment, it becomes increasingly difficult for companies find an appropriate market position. In this phase, the transition from supply driven markets to demand markets takes place, but customers are demanding more than good products or services. They are looking for emotions and feedback from other's experiences with respective companies. Clear and transparent communication accompanied by innovative products or services are essential (Belz, Bieger, 2006, pp. 61–62).

Multichannel activities have been growing over the years. Customers preferer to use multiple channels in business and companies have learned to manage those activities to benefit them. CRM support is really beneficial for such challenges. Active management of multiple channels is necessary to avoid the risk of company cannibalism. Managing multichannel activities generates a unique view on the customer and helps to deliver exact services demanded by the customer on the respective channel. Such activities provide a learning curve based on the insights and helps to develop a more efficient CRM strategy (Awasthi, Sangle, 2012, pp. 445–446).

CRM can support structured communication over various channels. Opportunities coming from collected data need to be considered. The data can be used for deep analysis. CRM can be developed into a data mining system and function as an information provider that enables businesses to provide one-to-one service. The information gain and technological advances support personalised customer support. In addition, the available information about buying patterns can be used to identify further opportunities (Kumar, Reinartz, 2012, pp. 371–373). The massive amount of information collected ensures improved customer service (Landry et al., 2005, p.233).

In terms of CRM-supported communication, it is possible to differentiate between three communication channels that have emerged due to technological developments. Starting with the traditional CRM, this includes communication via letters sent by post, contact via telephone, fax or call centre. The next step is electronic CRM where customer contact is sought and maintained via the internet and the possibilities derived from it (e.g. e-mail, interactive digital television or web-enabled call centres). Then there is the mobile CRM variant, which provides all options for maintaining contact with customers via the mobile phone, such as SMS services, Wireless Application Protocol (WAP) etc (Awasthi, Sangle, 2012, pp. 450-451).

Employees often believe that the CRM initiatives force them to communicate too regularly with their customers. It means in effect, that resources are not used effectively. Customers may be irritated by regular communication which could lead to customer churn. Marketers need to act cautiously and carefully plan the frequency of their communication with customers. The strategy here can influence the customer to stay in a relationship with the company or not (Kim et al., 2012, pp. 90–91).

Technological developments in recent decades have made it possible for customers to choose from a variety of channels to contact a company. This development poses an enormous challenge for companies, but it also opens up opportunities because multichannel shopping increases profitability. Furthermore, marketing activities can be implemented effectively. However, multichannel marketing also leaves many unanswered questions. Pricing, for example, is a frequent topic of discussion. Should products should be advertised differently on different channels? Another topic to be considered can be how to deal with older channels now they've been outgrown by new developments. For example, it is unclear whether the business catalogue should be abandoned and shifted to the internet. The reaction of customers is unclear, because the catalogue also serves as inspiration for customers who then make purchases. Abolishing catalogues could therefore have a negative impact on sales figures (Verhoef et al., 2010, pp. 129–130).

6. Technology support for customer-oriented solutions

When the focus in a CRM project relies too much on technology, the IT department often takes the lead. In this setup, company-wide support is rarely given. Another disadvantage for the project is that IT departments naturally lose themselves in technical details and run the risk of detracting from the original focus of the initiative (Neumann, 2014, p. 154).

From a business perspective, CRM has been one of the most valuable technological developments of the last century. This also explains its rapid expansion in the market. Nevertheless, there is a dark spot on the development history of CRM. Literature reports that up to 75% of projects fail. The largest proportion of failed projects were unable to improve the overall situation of the company or even resulted in a loss of funds (Awasthi, Sangle, 2012, p. 446).

New technologies follow a certain development curve in their introduction. The Gartner Group illustrates this with the diagram of the Hype Cycle (Figure 13). Similar development curves were also observed in the introduction of PCs, the introduction of Enterprise Resource Planning (ERP), or even the introduction of client-server technology. If the introduction of CRM is transferred to this diagram, CRM is at position 3, the trough of disillusionment, after the phase of enthusiasm and excessive expectations. If the development actually follows the propagated curve, CRM is still in the learning phase. This could be an explanation for the fact that so many projects fail. If developments in CRM take the same course as illustrated in the hype cycle, CRM has a good chance for a positive upward trend (Gentle, 2002, p. 26).
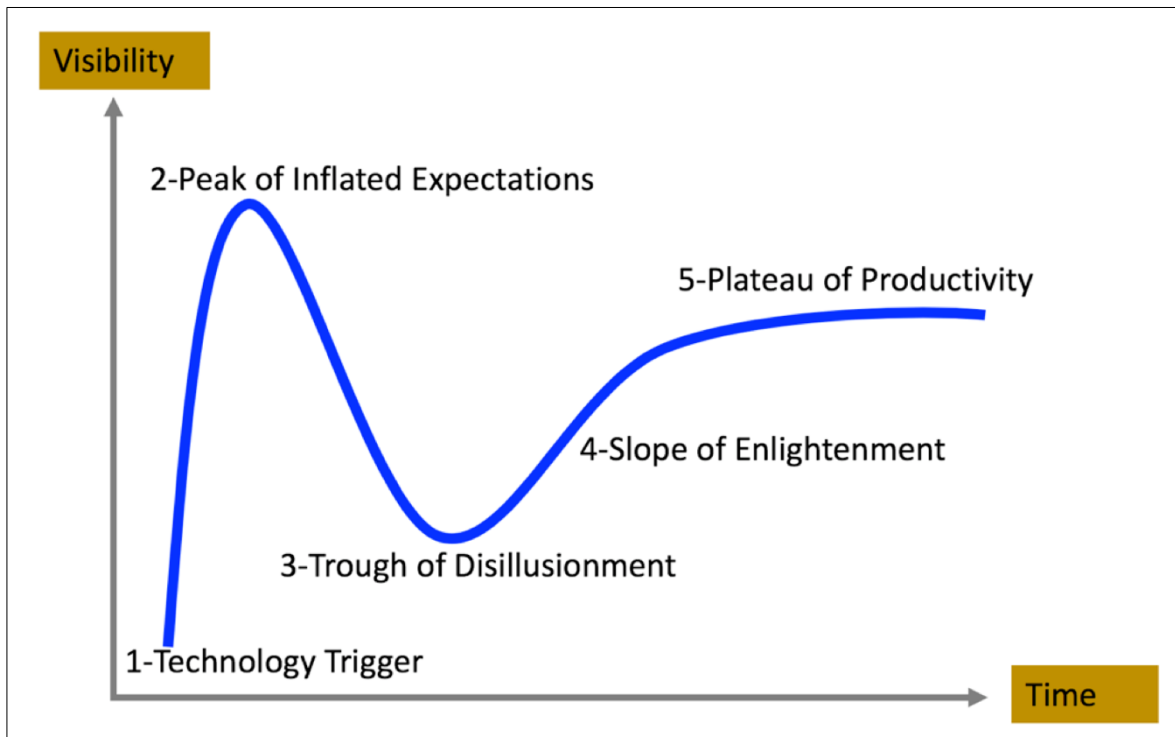
Figure 13. The hype cycle.
Source: Gartner, Gartner.com

As previously determined, technology has an important role in enabling and supporting the implementation of a CRM project (Hettich et al., 2000, p. 3146; Farhan, Abed, Ellatif, 2018 p. 1).

Customer relationships are valuable in times of increasing global competition. Individual customer care and a better understanding of customer behaviour as well as on-going trends is crucial. CRM contributes effectively but enhanced technology that brings about the need for further process innovations is inevitable. Together, technology and relationship management can stretch customer relationships to their maximum and increase profitability (Kim et al., 2012, p. 85).

The internet is enabling market activities on a digital basis. The technology facilitates trading on this platform to create a global trading arena without borders. The internet is providing huge amounts of easily-accessible information to all participants.. Participants can research everything in regards to materials, products and services as well as purchasing costs and the means of transportation. The internet has reduced transaction costs and made most products available everywhere and at any time (Strauss et al., 2006, p. 75).

In terms of marketing, technology has made advertising as effortless as ever. Customer selection can be made automatically and marketing messages can be tailored to them. The internet is providing perfect prerequisites for direct marketing and other such approaches. This way suppliers can influence customers by planting a need within them, highlighting an issue the customer never knew they had. This is considered to be a need generation, a ploy to encourage the sales of a product yet to be advertised. Once they have initiated these thoughts in their target audience, the supplier will advertise a product that solves the issues they've presented. Because of the ease with which companies can spread information digitally, hype generation is possible and can trigger successful business. Every year, more people have internet access and are participating in global trade as illustrated in Figure 14.
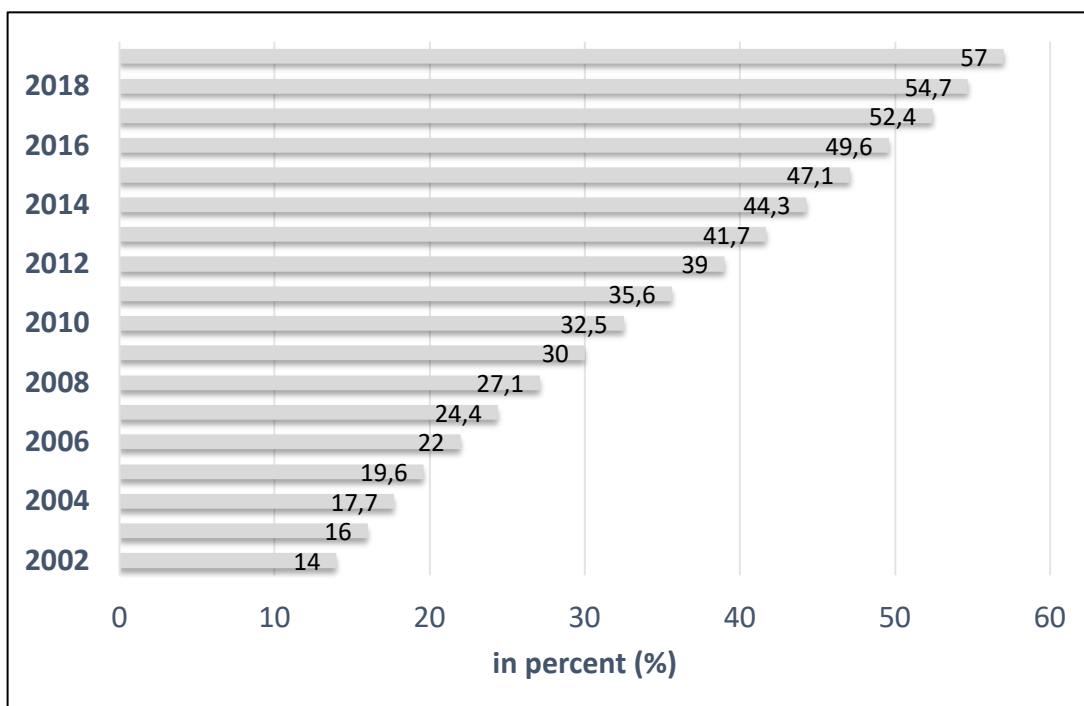

Figure 14. Households with internet access (2002–2019).
Source: ITU-Statista, 2019.

The online-market offers consumers a wide range of products that can be purchased from many suppliers. The global market provides suppliers with a growing amount of customer swarms that are easy to address without incurring huge advertising expenses or big investments (Roosendaal, van Esch, 2007, pp. 16–17). In this regard, it is important to mention that broad sections of the population already have access to the internet and the number of new users is rising steadily. Figure 15. shows that 57% of the world population have access to the internet, which means that there is still room for improvement.

With the expansion of the internet, there is also a knowledge increase identified. Users are learning to use the medium more professionally. In addition, the technology offers better search engines to filter out the desired result from multitudes of possibilities. Both contribute to the fact that the power of the consumers is further increasing. The spread of the Internet is caused by an increasing number of subscribers consisting of providers and customers. The increased participation of suppliers creates a stronger competitive situation on the market. By networking, consumers create opportunities for themselves to further their position of power. Through this networking, sometimes in virtual communities and the intensive exchange of information with other consumers, it is possible to create a presentation of services that is independent of the supplier´s message (Pires et al., 2006 pp. 940–941).

Technical achievements make it possible for more internet-based tools to be developed. Developments in this area are steadily accelerating. Through these developments, companies can offer their customers better service that is personalized and with less costs associated. This leads to increased customer satisfaction (Dehghanpouri et al., 2020, p. 1840). The same technological developments, however, come with new challenges. The rise of the internet and associated services contributed to the balance of power between sellers and buyers changing considerably. Information and communication technologies have created unprecedented possibilities, resulting in more pressure on vendors to impress their customers. Consumers use digital platforms to share their experiences, compare quotes and research the integrity of suppliers. The customer's ability to make informed transaction decisions makes their buying behaviour more difficult to predict which has an adverse effect on marketing departments (Pires et al., 2006 p. 937). Consumers have used their ever growing knowledge of internet applications to provide specific platforms that function to inform other consumers in regards to suppliers, pricing, and product availability. Their access to unbiased market information increases (Newell, 2003, p. 7).

Internet activities are complex and need to be considered from different angles. Technological advances allow easy interaction between sellers and buyers, but also allow consumers to exchanging information among themselves. Online sellers need to understand customer behaviour and their social interests. Manifested behaviour from buyers should be recognized and buying experiences should be transferred to the online environment. The Internet provides a visualised shopping experience and provides an individual shopping atmosphere with the possibility of interacting with other customers in order to gather information, recommendations and reviews (Cummins et al., 2014, p. 170).

Consumers discover the internet and have access to numerous tools to help them search for ideal products. Before they make a purchase, customers of today want to find out what others have experienced when using a product they are interested in and the vendor that supplied it. If a similar product or service is available from other suppliers for a better price, this can be ascertained. For these information exchanges customers use Social Commerce Constructs (SCCs), which are platforms that emerged from Web 2.0 (Hajli, Sims, 2015, p. 2). These have intiated the establishment of a communication society. People are evolving to become active communicators who are inspired by new tools and technologies to share their own experiences and information with others in a global environment (Schimank, Volkmann 2000, pp. 48).

Business in virtual reality follows the same rules as normal business. It is still important to find a USP. In order to create a distinction from others in the market it is necessary to work out what specific value is created by that company in particular. Companies need to investigate options that allow them to be at maximum visibility in the huge global market. The market situation on the internet is even worse, because the digital market is borderless. The internet offers less possibilities for a company to distinguish themselves. Speed is one important success criteria. Fast reactions to customer needs and requirements are important in competing with other vendors on the market. Therefore, it is necessary to thoroughly investigate customer needs. It is easy for new market participants to start a business on the internet, because there aren't many barriers for newcomers (Pitts, Lei, 2003, pp. 159–160).

6.1   Advancements in technology

CRM software supports data collection from all contact points. Its sophisticated application helps to manage the huge amount of data and develop analyses. The analysis can be used to create customer profiles based on their purchasing habits, which can then be used for planning purposes within the company. Through the applied technology it is possible to gain the right insights to serve customers according to their buying behaviour. This means that customers can be rewarded when they buy more. Data analysis allows for a greater understanding of the customers. Measures can be effectively introduced to noticeably improve customer loyalty.

Through the constant development of technical tools, a one-to-one customer relationship can be created. This was revelation to companies who'd relied upon manual communication

beforehand. Companies can use this advantage to offer their customers a tailor-made shopping experience, to better adapt to developments in shopping behaviour and to take measures if necessary. Customers benefit because offers and services are tailored to the individual. Ultimately, the aim is to create a win-win situation that benefits both the company and the customer. If the benefit is on both sides, it strengthens the relationship (Chen, Popovich, 2003, p. 676).

Customer referrals are very effective recommendations. Customers appreciate being able to share their experiences of products, services or prices in various social forums. Companies should take advantage of this behaviour and provide customers an easy way to communicate their shopping experience to friends or family. It is easy to provide a link at the seller´s homepage to various social media platforms. When customers are reporting honestly about an extraordinary service before or after the transaction, it can motivate others to initiate business activities with the respective company. This voluntary distribution of messages can greatly contribute to increased sales and a positive perception of the company (Nguyen, Mutum, 2012, pp. 412–413).

According to the enormous impact of WOM, many online shops already offer customers the opportunity to share shopping experiences with others. Positive comments can trigger further buying impulses. The share of ratings for online purchases is 49% compared to 31% in stationary trade (GreyStripe 2012, p. 1). However, the platforms that allow for the quick exchange of shopping experiences doesn't always bring about positive effects. The exchange of experiences is possible for a large number of people in a very short time. There is the risk that companies receive negative feedback on a public forum. This can damage the reputation of the respective company, but this is exactly what makes word of mouth so valuable. Customers trust such recommendations much more than any marketing campaigns that are directly distributed by companies (Nguyen, Mutum, 2012, p. 409).
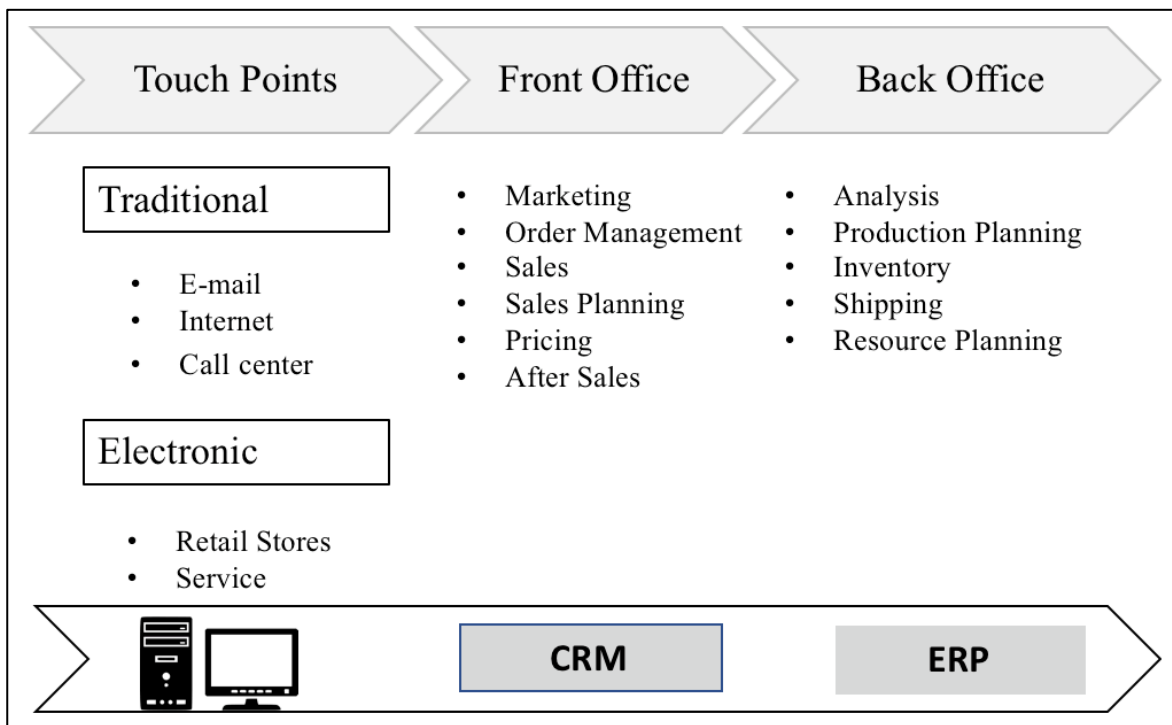
Figure 15. CRM touchpoints.
Source: Chen, Popovich, 2003, p. 674.

Figure 15. illustrates how many touchpoints need to be available in an attempt to provide customer service in the current market. This requires the collaboration of many departments as well as different IT systems. Companies are enabled to provide a better customer service with data shared within the company. There is the opportunity to gather much more information along the supply chain and more occasions to upsell and cross-sell to the customer with that information in mind. CRM technology helps customers to use services on the internet on their own. Technology enables personalized customer care (Chen, Popovich, 2003, p. 674).

Technological developments have created many application possibilities for CRM. The proliferation of smartphones has created further opportunities for mCRM. Above all, online and offline channels are better connected. Through mCRM, information can be constantly received from customers wherever they are (Kim et al., 2015, p. 1). In the constant attempt to retain customers and attract new ones, it is important to use all technical tools to maintain communication with customers. This opens up risks, but above all opportunities to survive in the fierce competition of complex markets (Dehghanpouri et al., 2020, p. 1831).

The development of mCRM began with communication via SMS. Subsequently, the MMS service was also integrated. However, this development stage still had some issues. The limited message length and response times can be named as shortcomings. The next stage of development was based on WAP technology. Although improvements were made, there were still limitations. On the one hand, there were problems with security, on the other hand, interactive exchange was not yet possible very efficiently. With the latest generation, both integration and safety problems have been solved. All cutting-edge technology from database synchronisation to authentication is available (Kim et al., 2015, p. 6).

6.2   Software support

CRM software must be aligned with the defined strategy and support it accordingly. Nevertheless, software adaptions or process adaptions are necessary, because it will not succeed to cover all requirements of a company. By definition, comprehensive CRM solutions are offered by software suppliers, but a thorough evaluation is necessary to determine what is really needed. There is a considerable risk that the project costs exceed the planning considerably. The result of choosing the wrong CRM software is disappointed companies, unsettled employees, and dissatisfied customers (Schweigert, 2000, p. 16).

Purchased CRM software cannot compensate for failures in other areas. If CRM projects are still managed as IT projects, despite many warnings from the related literature and other businesses, it can lead to CRM projects failing even though the software itself is running smoothly (Almquist et al., 2004, p. 10). Unfortunately companies often make that mistake and the assumption that the introduction of a CRM software automatically implements customer orientation prevails. This assumption is not reinforced by evidence. There are many additional business aspects that must be considered for sustainable CRM. In many cases the focus is on investments in software. It also turned out that more functionality does not necessarily mean better performance in business afterwards. More functionality is often accompanied by more complexity. Reducing it to the essentials has sometimes led to an improvement in efficiency (Elbeltagi, Kempen, Garcia, 2014, p. 131).

The selection process for CRM software should consider that adaptations may be necessary in the furture. Markets and requirements change very quickly, and internal processes must be adapted accordingly. In such situations, the CRM software cannot remain static. If the software is not adapted to the new conditions at the same speed, it quickly loses its advantage

and investments do not pay off (Dutt, Chauhan, 2019, para. 1). When incorporated appropriately, CRM can help increase customer profitability in the long-term by placing more emphasis on customer loyalty. With selective marketing investments addressed to preferred customer segments, positive incentives can be created. That requires consistent data selection and analysis to create a better understanding of the customer and faster response times. Furthermore, analysis of available customer data and purchasing behaviour can support the improvement of business planning and forecast accuracy. Budgets can then be tailored to the desired business strategy. Profitable customers might get more attention to motivate them to remain loyal customers. Increased knowledge on the customer helps companies adjust products and services to best suit their needs (Chen, Popovich, 2003, p. 674).

6.3   Data collection

The introduction of a loyalty programme begins with a careful and targeted collection of information. Customer data is essential for the direction of a company. Only a comprehensive knowledge of the customers and their wishes can lead to effective business activity. Products and services can then be created according to need. For a successful CRM implementation, the security of customer data is a basic requirement. Customers must be able to rely on companies handling the data entrusted to them with care. Customers expect their personal data to be kept safe with the business partner and not to be passed on. If this trust can be gained from the customer, the customer's willingness to continue exchanging information with the company is also given (Galvão, 2018, pp. 708–713).

Success of a CRM implementation also depends on the company's ability to collect and analyse customer information. If this is possible, CRM investments are likely to pay off. There is a causal relation between information gathered from different channels and the benefits of a firm and its performance. Companies should take advantage of the conclusions they can draw from customer data to improve all aspects of their business and adapt their marketing and customer service appropriately. CRM analysis can support strategic decisions regarding the lifetime value of existing customers or the costs that occur when keeping customers. Those are very important key performance indicators. Considerable information like this can massively influence decisions on further business orientation. Above all it provides a clear depiction of the situation and management has a good overview of their performance and position in the market. Effects coming from CRM activities can thus be better measured (Nguyen, Mutum, 2012, p. 412).

Huge amounts of data are collected permanently. In addition, new technologies or new trends, such as those arising from social media, constantly contribute to the creation of even more data. Every 1.5 years the amount of data doubles. Structured data management is required in order to provide profound analysis and use this data profitably. With the benefit of new technology, collecting and analysing data can be done more efficient. The challenge here is how to deal with the huge amounts of data collected. Well-prepared standard analysis needs to be done to handle the overwhelming volume of data. Based on the analysis, it is easier for a company to make a forecast and adjust its strategies accordingly (Kumar, Reinartz, 2012, p. 6–12).

7. Empirical study

The approach for conducting the empirical research was based on the phase model of the quantitative research process. The nine steps are defined as follows:

1. The research topic is narrowed down and research questions are formulated accordingly.

2. The current state of existing research is examined with regard to the research topic.

3. The research design is defined (field study, cross-sectional study, primary analysis, experimental study).

4. Operationalisation: it is determined how the answers will be measured. This will also determine the scale level.

5. The sample selection is specified. Specifically, the type of sample and the sample size are defined.

6. The type of data selection needs to be defined (e.g. document review, observation, survey, interview). The structured written survey has been chosen.

7. The process of data preparation includes tasks such as cleaning, sorting the data sets to create a complete database in electronic form.

8. The data analysis itself is done with the help of statistical software. In this case, the SPSS software was used. The study uses descriptive statistical and exploratory methods.

9. The entire work, including the results, is presented accordingly.

(Döring and Bortz, 2016, p. 245)

The description of the study was summarised in four chapters. The chapters first describe the method itself, then how the research process was conducted, what the results of the data are, and how the research questions are answered.

7.1 Methodology

In the first step of the framework for implementation, the method is defined. This essentially includes a description of the objectives of the work. Focal points were drawn from literary research and the research questions were formulated. This chapter also defines how the

sample was determined, which method was used for data collection and how the analysis of the data was carried out.

The study is in principle basic research that is conducted via a quantitative survey. The research is conducted on site, so it can be classified as a field study. The interest of the study is to explore information relevant to the research objectives so can be considered an exploratory study. The measurement is done once, so there is no repetition.

7.1.1 Objectives of the research

CRM projects have been advertised as a promising approach for sustainable success and long-term relationships with customers. This approach is supposed to offer companies a tool to differentiate themselves from their competitors in times of increased competition. In spite of disastrous success rates, where up to 75% of CRM projects fail, there are still substantial investments made in CRM projects. Critical factors influencing CRM projects have been identified in literature, but no breakthrough has been achieved yet.

The aim of this thesis is to examine the customer relationship in terms of interaction between companies and customers. It is important to clarify whether companies are actually doing the things that are important for the customer. The presence of many influencing factors in CRM increases the complexity of it and makes it difficult to find decisive success factors in order to significantly reduce fail rates. In this research, the customer relationship is analysed based on four major areas that, according to literature, have an influence on sustainable customer relationships.

The ratio of managers to customers was accepted, despite the difference in numbers between these two groups. This approach involves a risk that cannot be determined due to this difference. This study is an attempt identify insights in customer activity and behaviour patterns.

7.1.2 Derived areas from literature

Due to the many different influential factors involved in a CRM project, the approach should not be to examine just one of these factors in isolation, as existing research has done so far. Instead, this research attempts to identify a group of factors that need and influence each other. If such a group is identified and the parameters are then harmonised, this can lead to

a better chance of success for CRM projects. This defines the starting point of my research, the definition of factors that are often identified by the research as critical to success.

Kaplan and Norton noted in 1992 that it is not enough to measure companies solely by their financial figures (e.g. costs, investments, returns on investment, net income). Kaplan and Norton pointed out dependencies on several factors, which also take into account non-financial aspects. For example, the customer was defined as a key factor. The presentation of the combination of factors (customers, processes, learning and development, and finance) in a single overview was titled the Balanced Scorecard (BSC). In the meantime, the BSC developed into a strategic management tool. This tool combines financial aspects as well as non-financial statistics (Hoque, 2011, p. 4). Corresponding to the measurement results, appropriate consequences impact the business. The BSC is of importance because it considers all variables, which is very important in a highly competitive environment. Modern organisations need to act flexibly and adjust quickly in order to survive. Consideration of such indicators is an advantage of the BSC. Another challenge for companies today is dealing with customers who are much more demanding than customers used to be. The needs and requirements of customers should therefore be considered in the BSC. With the help of the BSC, companies have a strategic tool at their disposal to monitor the implementation of strategic measures (Hoque, 2011, p. 21).

Activities that are not coordinated and aligned with a corporate strategy do not lead to sustainable success. Improvement programmes such as Just in Time (JIT), Total Quality Management (TQM) and Lean Management, which are applied in production as well as in manufacturing, were often not successful for this reason. The creation of a customer-oriented organisation requires a multi-layered approach that cannot be made by monitoring financial figures. Additional consideration of intangible assets such as well-trained and engaged employees, coordinated processes and loyal customers is important for sustainable improvement. The BSC looks at company performance from four points of view: customer, process, financial and internal learning and growth, as illustrated in Figure 16. These perspectives can be used to measure the current and future development for customers. The BSC provides guidance for all areas of the company. In this way, both management and employees have an overview of the interrelationships of departments and the impact of decisions on finance, processes, learning and development, and customers. All goals and measures are derived from the company's mission and strategy (Kaplan, Norton, 1996, pp. 6-10).
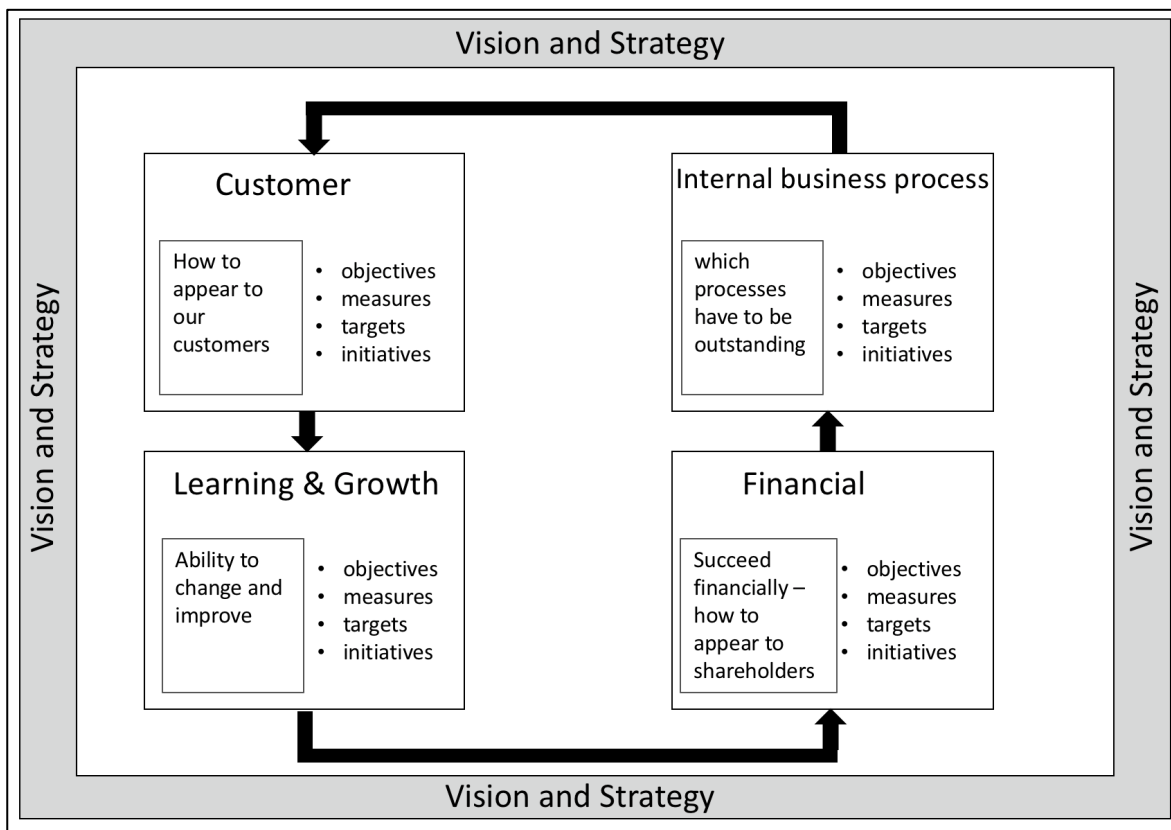
Figure 16. The balanced scorecard.
Source: Kaplan, Norton, 1996, p. 9, own figure.

The BSC is also very suitable for measuring CRM performance data. This is especially recognised in eCRM, where past data is monitored in the same way data is oriented towards the future. The BSC takes a holistic approach to measurement. Tangible and intangible factors are measured. This approach fits very well with the eCRM business, which creates both financial and non-financial value. Research shows that successful CRM initiatives show improvements in financial terms. These include impacts on costs, which are reduced, as well as increased profitability and revenue. Furthermore, successful CRM programmes have also been found to have positive effects on intangible factors such as improved business processes, increased customer value, innovation and improved services (Kimiloglu, Zarah, 2009, pp. 263–264).

The essential components of CRM are the business processes that ensure that customer relationships can be successfully managed. In addition, attention must be paid to appropriate technical support (Bull, 2003, p. 593). Chen and Popovich (2003) also argue that people, processes and technology are essential to managing customer relationships effectively.

Mendoza et al. (2007) echo this sentiment by identifying people, technology and processes as key factors that need to be aligned for a sustainable CRM initiative.

Following the BSC model, as well as Bull, Chen and Popovich, four influencing factors have been selected, which represent the starting position of the investigation. CRM is first and foremost about people. This derivation seems coherent due to the name CRM (Customer Relationship Management). In order to keep the circle of people involved in this study as small as possible, the focus has been placed primarily on people from a group of customers. However, people are also involved as counterparts to the customer, namely the employees and managers who communicate and collaborate across departments. Since this group should also communicate with customers in a frictionless, transparent way, they represent the second arena of consideration. As mentioned earlier, people need to collaborate interdisciplinarily. The processes involved should consist of as few interfaces as possible and be set up in a targeted manner, so that tasks can be fulfilled with easily. If this succeeds, the customer will benefit. Hence the third topic to consider is processes. Finally, service and support are required through technological tools to help staff and customers navigate the processes correctly. Technology offers many possibilities to support personalised customer service. The fourth and final point of consideration is thus occupied by technology.

The four groups of influencing factors represent the four pillars on which the study is based. They represent many risks, but also present considerable potential for success. The chance for success exists if a setup can be defined in which the necessary extent of support is brought in from each quadrant so that an efficient dynamic can develop. Too much effort in one quadrant can lead to a lack of resources that are limited in another quadrant. It is just as detrimental if too little input is provided from one quadrant. The goal is therefore to achieve success with a balanced setup of the four factors.

This approach is referred to as People, Process, Technology and Customer (PPTC) and is explored further throughout this research. Figure 17. elucidates.
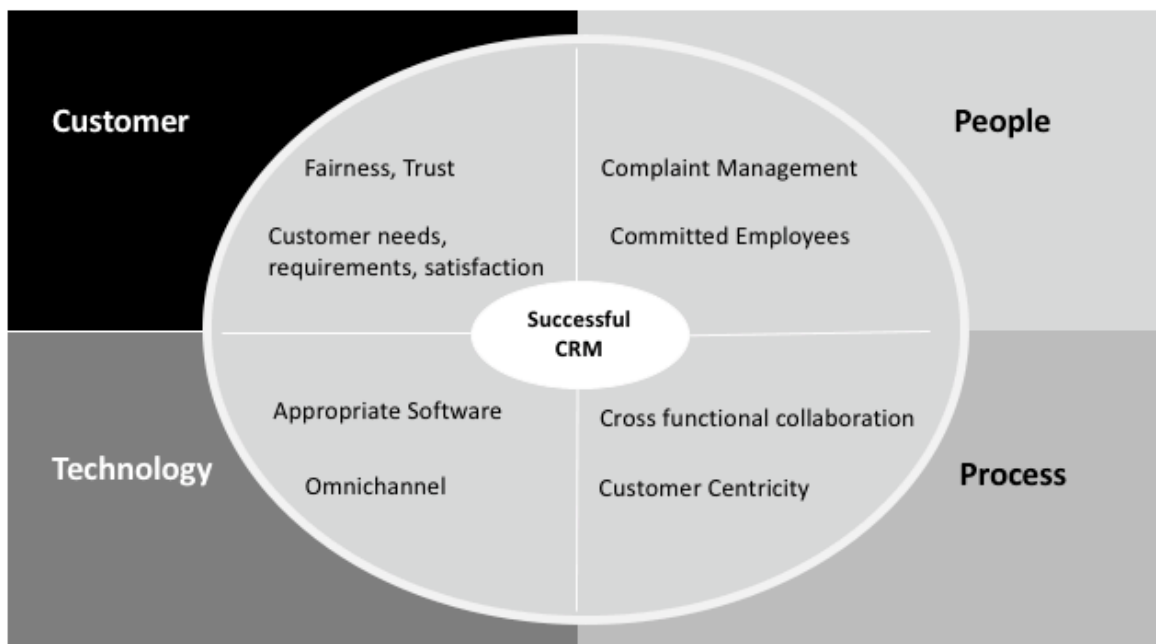
Figure 17. Successful CRM and the PPTC approach.
Source: Own Figure.

This approach and the four quadrants identified will form the basis of this research. The quadrants also reflect the topics in the conducted questionnaire. In the empirical study, the questions from each quadrant are defined. The topic of each question is formulated once for the customers and once for the company, tailored according to the respective point of view.

7.1.3   Development of research questions

The previously defined topics make up the entirety of the questions asked of the participants of the survey. The evaluation of the survey will then be used to answer the four research questions. The first question is designed to help determine whether the four areas are relevant in relation to customer relationships.

1. **Are the focal points of the investigation with customer, people (management and employees) processes, technology recognised as important topics from customers and managers?**

Companies often make marketing and customer service decisions unilaterally, without taking customer perceptions into account. Customers often feel misunderstood and are irritated by this exclusion (Kotler et al., 2017, p. 48). The second research question aims to

examine whether a comparison of the customer and management responses reveals different evaluation results.

2. Is there agreement or discrepancy between customer perception and management perception?

Are there measurable differences in the evaluation ratings with regard to certain age groups, genders, private and business customers? This content will be analysed by the third research question.

3. How can potential differences be explained using subgroup analyses?

The fourth research question aims to include deliverables from the survey that can subsequently serve as recommendations for immediate action.

4. What immediate measures can be derived from the study?

7.1.4   Determining the sample

In quantitative empirical surveys, the sample is designed either randomly or arbitrarily. There are several methods to choose from for the sample survey. There is probability sampling (e.g. random sample, stratified random sample or cluster sample), and non-probability sampling (e.g. purposive sampling, snowball sampling, quota sampling or convenience sampling). In this dissertation the convenience sampling has been chosen (Döring, Bortz, 2016, pp. 305–316).

When determining the sample for this study, the composition of the cohorts should be taken into account in accordance with research question two. The evaluation of customers should not be randomly compared with management ratings, but the results of customers of one company should be specifically compared with the ratings of the same company.

With regard to the selection of the business sector, it was important to find an area where CRM is already established. The sector should be familiar with the topic of CRM, and preferably with the success factors to be investigated, People, Process, Technology, Customer, and should be able to report on corresponding experiences.
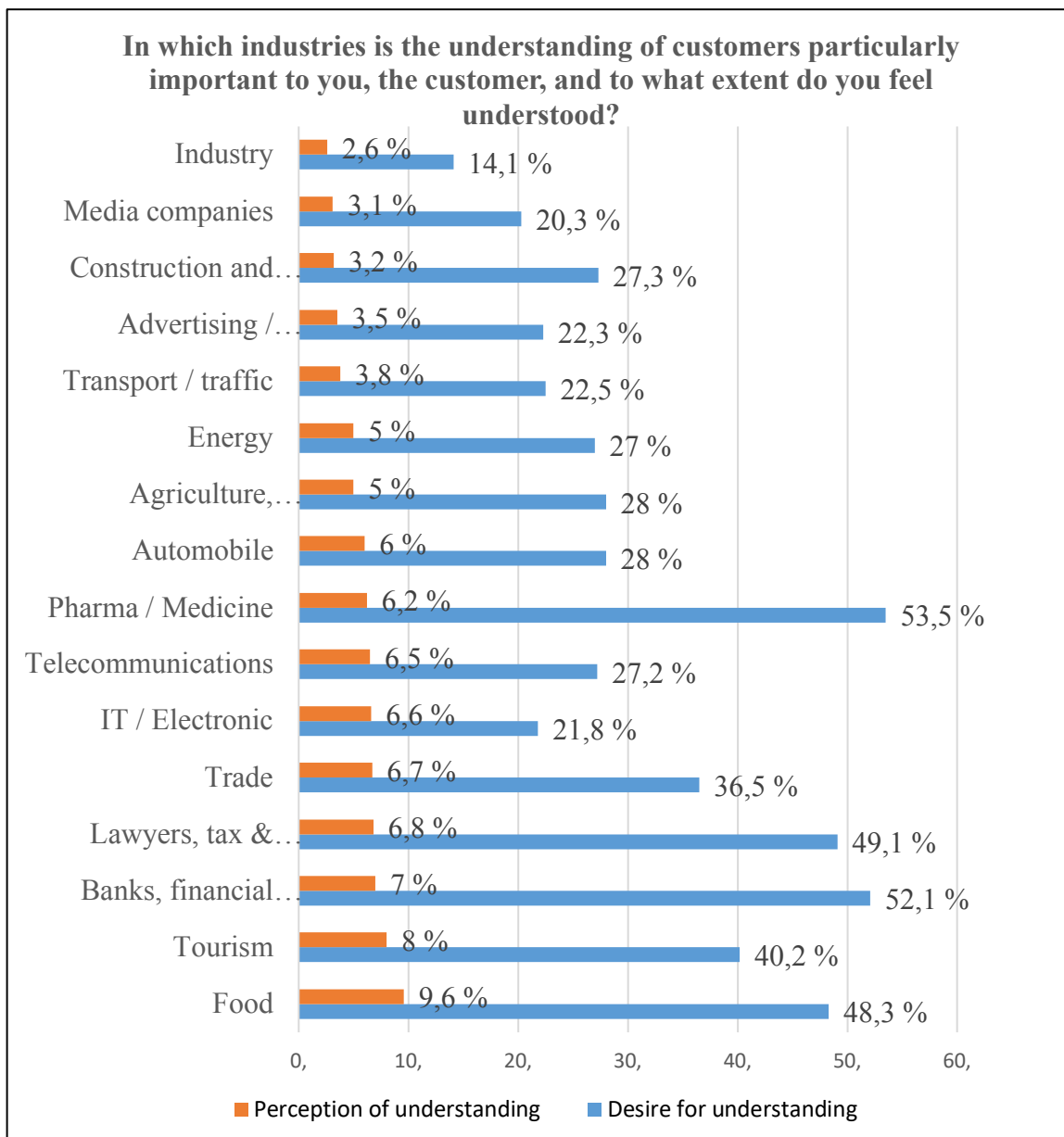
In which industries is the understanding of customers particularly important to you, the customer, and to what extent do you feel understood?

Industry	Perception of understanding	Desire for understanding
Industry	2,6 %	14,1 %
Media companies	3,1 %	20,3 %
Construction and…	3,2 %	27,3 %
Advertising /…	3,5 %	22,3 %
Transport / traffic	3,8 %	22,5 %
Energy	5 %	27 %
Agriculture,…	5 %	28 %
Automobile	6 %	28 %
Pharma / Medicine	6,2 %	53,5 %
Telecommunications	6,5 %	27,2 %
IT / Electronic	6,6 %	21,8 %
Trade	6,7 %	36,5 %
Lawyers, tax &…	6,8 %	49,1 %
Banks, financial…	7 %	52,1 %
Tourism	8 %	40,2 %
Food	9,6 %	48,3 %

Figure 18. Empathy report 2016.
Source: Marketagent, Strategie Austria, Statista, 2016

Once again refering back to Figure 19. in which the impact of different sectors upon customer perceptions on company–consumer relationships can be identified. Sectors are listed and how important customer understanding is assessed in each case. This is contrasted with the percentage that indicates how understood customers actually feel. The deviation shows that there is potential for improvement. In the middle of this list is the automotive industry. According to this evaluation, only 6% of customers feel understood, although 28 % think that customer understanding is particularly important in the automotive industry as discussed earlier.

In the automotive industry, CRM solutions are used and long-lasting customer relationships are not only necessary for purchase and repurchase, but for customer aftercare. Products often require servicing or spare parts so CRM software is necessarily applied. Figure 3. clarifies the need for improvement within the company's customer management and presents prerequisite for the further application of CRM technologies and processes. An empirical study in the environment of the automotive industry offers a good opportunity to make more detailed investigations in this regard.

The car dealerships were selected at random from the eastern provinces of Vienna, Lower Austria and Burgenland. The only requirement is that the brands available for selection should be positioned in the same price segment, so that similar conditions and customer segments are available. For each car dealership, one day in the month of July 2020 was selected, at random, following the companies' prior agreement to conduct the survey.

The manner in which customers and specific members of management would be selected had to be clarified. Due to data protection guidelines, this task poses a specific challenge. The legal basis for data protection is provided by the EU's General Data Protection Regulation (GDPR). The GDPR provides a strict framework for storing, using and sharing personal data. In some instances, national laws may supplement these provisions. In Austria, the collection of empirical data is regulated by the Research Organisation Act (FOG) and the Austrian Data Protection Act (DSG 2018). The law also provides a framework for contact via e-mail or telephone, which is then anchored in the Telecommunications Act (TKG) (Braunecker, 2021, p. 47).

In order to comply with the research objectives and interview both customers and management of one and the same company, a company would have to provide customer data. With the current data protection guidelines, it is not possible to obtain personal data from companies. In order to surpass this obstacle, the decision was to conduct an on-site survey. The survey is anonymous and participation is voluntary. In this way, the customers of a company are contacted without their data being disclosed.

The sample represents a convenience sample. In addition, the on-site data collection aimed at a full survey. The request to participate in the data collection was accepted by 95% of the customers of the car dealerships.

7.1.5   Determine the data collection method

The empirical study builds on the data collected in the course of the survey. The data will be used to answer the research questions. Basically, six different techniques are available with which the data can be collected: scientific observation, a research interview, a questionnaire, a psychological test, physiological measurements, and scientific document analysis. The written questionnaire was chosen as the data collection technique because the participants are able to give information very quickly about subjective feelings or experiences. In a relatively short time, it is thus possible to ask several respondents about many different aspects. Furthermore, participants are more willing to fill out a questionnaire anonymously than to make themselves available for an interview. Because of the anonymous procedure, participants are also more willing to disclose sensitive information. Interviewers do not need to be trained (Döring, Bortz, 2016, pp. 322–398). During data collection, attention was paid to compliance with the data protection guidelines. These state, among other things, that the recorded data do not allow any reference to a person (Braunecker, 2021, p. 48).

The questionnaire itself is a standardised questionnaire, which means that the participants complete the questionnaire themselves. Regarding the type of questionnaire, there are two possibilities for the execution of the survey, either in electronic form or with paper and pencil. In this study, the paper-pencil questionnaire is used. Consequently, the completed questionnaires have to be recorded electronically after the survey. In practice, many influencing factors increase the complexity of researching social science. Specific investigations in sub-areas often demonstrate a limited effect due to the limited sample size. Sample sizes need to be in the three-digit range at the very least (Döring, Bortz, 2016, p. 398–400).

7.1.6   Data analysis

After data collection, the raw data is captured into an analysis programme. The Statistical Package for the Social Sciences (SPSS) is used for the analysis. This tool offers possibilities for descriptive evaluations and significance tests can be carried out or parameter estimates can be made in the area of inferential statistics (Döring, Bortz, 2016, p. 618). For descriptive evaluations, among other possibilities, Microsoft Excel was used. For the representation of extreme values of the median or when illustrating the dispersion of data, the boxplot graphic was often used. This can be used to help visualise the interquartile range. This draws the area

in which 50% of the data is located on the basis of the box. The area of the box also marks the area between the first and third quartile. If values lie in a range that is between 1.5 and 3 times the box, these are referred to as outliers and are marked with a small circle. Values that are even further away are called extreme values and are marked with an asterisk. The number given in each case provides information about the data set number. The median is represented by the line running across the box (Braunecker, 2016, p. 305).

7.2 Research process

The literature search is used to record the existing knowledge of researchers and academics. The information obtained was then structured and factors were derived that also form the basis for this primary study. This chapter describes details of the research process. The process for creating the questionnaire is described, as well as how the sample was narrowed down, how the data collection was implemented in reality and how the analysis of the data was carried out.

7.2.1 Preparation of the questionnaire

Four main types of influence (people, process, technology and customer) have been identified from the literature research. Once influencing factors for this research were identified and the questionnaire was determined as the survey method, the creation of the questionnaire began. Two types of questionnaires have been prepared:

- The Client Questionnaire
- The Management Questionnaire

In order to compare the two groups in the analysis afterwards, the same topics were formulated into questions that differed slightly for customers and management. This separate formulation was necessary because clients and management use different terminology when referring to the same topics. The survey was printed out and given to the respondents. Respondents filled out the questionnaire anonymously on their own, undisturbed and uninfluenced, directly in the salesroom of the respective car dealership.

The preparation for the questionnaire followed the approach below:

- Brainstorming – find relevant questions. (17.05.2020)

- Define multidimensional structure for identified questions – based on the literature review. (22.06.2020)
- Sorting of prepared questions according to four topics (02.07.2020 – 05.07.2020)
- Reduced questions per quadrant to an acceptable level.
- Pre-test was sent to different groups of people (colleagues at work, former fellow students, family members and friends) to get feedback on the topic of CRM. (13.07.2020)
- Adjustments resulting from constructive feedback were made.
- Questionnaire is finalised.

Strtucture of the questionnaire:

The final questionnaire starts with a brief introduction, providing an explanation of its intention, the estimated time for completion and a note on the anonymous recording of responses.

On the top right corner, sociodemographic facts (age, gender) are collected and customers are asked to provide additional information about the nature of the business relationship they have with the company (business or private business).

The main body consists of 22 questions, which have been designed according to the six-point Likert Scale. The respondents were given the option to abstain from answering the questions by means of the "I can't say" and "undecided position" answer choices.

All the questions asked are closed questions, except for the final question. The last question (number 22) is an open question and asks: What can the company do to make customer service even better? The original questionnaires (in German) are included in the appendix.

With the survey, both customers and the management of a company were interviewed. In order to compare the results at item level, the customer questionnaire had to be adapted accordingly for management. From the management's point of view, the formulation of questions had to be changed. Finally, two separate questionnaires exist physically. Every single question for the clients has a corresponding question for management and the results of the two cohorts can thus be compared.

7.2.2   Contact with participating companies

The sample has already been characterised in the chapter concerned with the overall methodology of this research. It will be discussed in more detail here in the course of the research process.

The automotive industry has been investigated in this study, because customers not only have a lot of consultation meetings and contact before the purchase, but also subsequent service or aftersale requirements. Long-term customer relationships are of significant importance in this industry.

After the car dealerships were randomly selected, the respective site managers were contacted. In a preliminary meeting with the site managers, the concept of the study was presented and how the data collection would proceed on site was discussed. The topic of CRM and the comparison of customer and company perceptions generated interest. Despite adverse circumstances (COVID19 regulations), the participating companies allowed the survey with their most valuable asset, the customer, during opening hours.

The relatively low proportion of management participants was deliberately considered in this study. Management has been selected because they are decision-makers who, based on their convictions, set guidelines for employees. For this reason, this group of people was specifically asked about customer relationship issues. In order to be prepared for necessary analyses, customers were asked whether they were private or business customers. The distinction according to gender is intended to allow for analyses regarding differences in assessment behaviour between women and men.

In direct contact with clients, the current regulations at the start of the investigation (July 2020) and the outlook for possible developments in the following months play a decisive role. Companies are just coming out of lockdown and are understandably very careful in reopening and recovering business. From the management's point of view, the best thing to do in this phase is to eliminate or at least minimise sources of disruption in sales. The motivation of the companies to conduct surveys outside the company under such conditions is naturally limited. Care was taken to ensure that hygiene measures were observed. The customers were given a pencil to fill out the questionnaires, which they were then supposed to keep for hygiene reasons.

7.2.3   Data collection

In consultation with management, the survey was conducted on the sales floor of the respective car dealers.

Every customer who entered the store, was asked to participate in the survey. After a short briefing on the content of the questionnaire, the participants then filled in the questionnaire alone and uninfluenced. At times when there were no customers in the salesroom, the opportunity was taken to ask management to fill in the prepared questionnaire.

In addition, there was the opportunity to talk to employees individually to get their opinion on the topic of CRM. Findings from these discussions are also incorporated into recommendations for immediate action.

For the data collection, one full working day was occupied for each business. The following overview in Figure 19 provides the schedule for data collection in the individual shops.

Week 29

Company 1	15.07.2020
Company 2	17.07.2020

Week 30

Company 3	23.07.2020

Week 31

Company 4	27.07.2020
Company 5	28.07.2020

Figure 19. Data collection schedule.

Source: Own figure.

7.2.4 Process of data analysis

All data were entered into the SPSS system after the survey and prepared for the subsequent analyses. For this purpose, a coding scheme is created in which all data dimensions are explicitly described (Braunecker, 2021, p. 26).

Depending on the scale levels, the possibilities were exhausted in the SPSS analysis. The analyses were aligned with the requirements of the research questions and outputs are documented in the results chapter and later summarised in the findings chapter. In addition to the analyses, learnings from bilateral discussions were incorporated into the development of directly applicable measures.

For the sample description, the appropriate measures of location and dispersion were selected depending on the scale level of the specific variables. For ordinally scaled variables, the median and the interquartile range were calculated. Line charts were used for plotting the median for all questions, and boxplots were used for pairwise-comparisons. Nominal scaled variables were analysed with crosstabulations, absolute and relative frequencies and have been visualised by grouped bar charts and radar charts.

The inferential statistical analysis focuses on the differences between management and customers. For nominally scaled variable crosstabulations were calculated and checked for statistical significance using the CHI2 test. For ordinal-scaled variables, the Mann-Whitney U-test for two independent samples was applied, and the Friedman test was applied in examining the differences within the four quadrants.

All comparisons were based on the conventional significance level of alpha set to 5%.

7.3 Results

The analysis of the data starts with a breakdown of the participating persons. A few sociodemographic data can be analysed in compliance with data protection guidelines.

The analysis of gathered data has been carried out as follows:

1. Analysis of sociodemographic factors and sample description.
2. Testing deviation in the overall median and the quadrants.

3. Identifying deviations in analysis of the two cohorts in descriptive statistics of the ratings.

4. In-depth analysis of sociodemographic subgroups.

7.3.1   Sociodemographic facts

The data collection is anonymous, but additional information is helpful for the analysis in order to draw conclusions about the response behaviour. The participants of the survey were willing to disclose some personal data. These additional details concern the age and gender of the participants. The customer questionnaire inquired whether the customer was a private or business customer, so that selective evaluations could be made accordingly.

These distinguishing characteristics help to provide an overview of the participating persons. Table 2. shows the composition of respondents.

	Private Customers	Business Customers	Management	Total
Male	53	12	17	**82** (70,7%)
Female	29	4	1	**34** (29,3%)
Total	82	16	18	116

Table 2. Overview of the survey participants.
Source: Own table.

The composition shows the ratio of the two cohorts: 98 clients to 18 managers. Private clients (82 people) are more strongly represented than business clients (18 people). The proportion of women in the survey is 29.3%.

If the enterprises are compared with regard to the age distribution of the participants, it can be seen that the median is almost identical for all enterprises. In terms of dispersion, the companies differentiate somewhat, as seen in Figure 20. Company 1 (Firma 1) shows the most compact field of participants in terms of age. Basically, the participants of the five groups represent a balanced sample in terms of age structure.
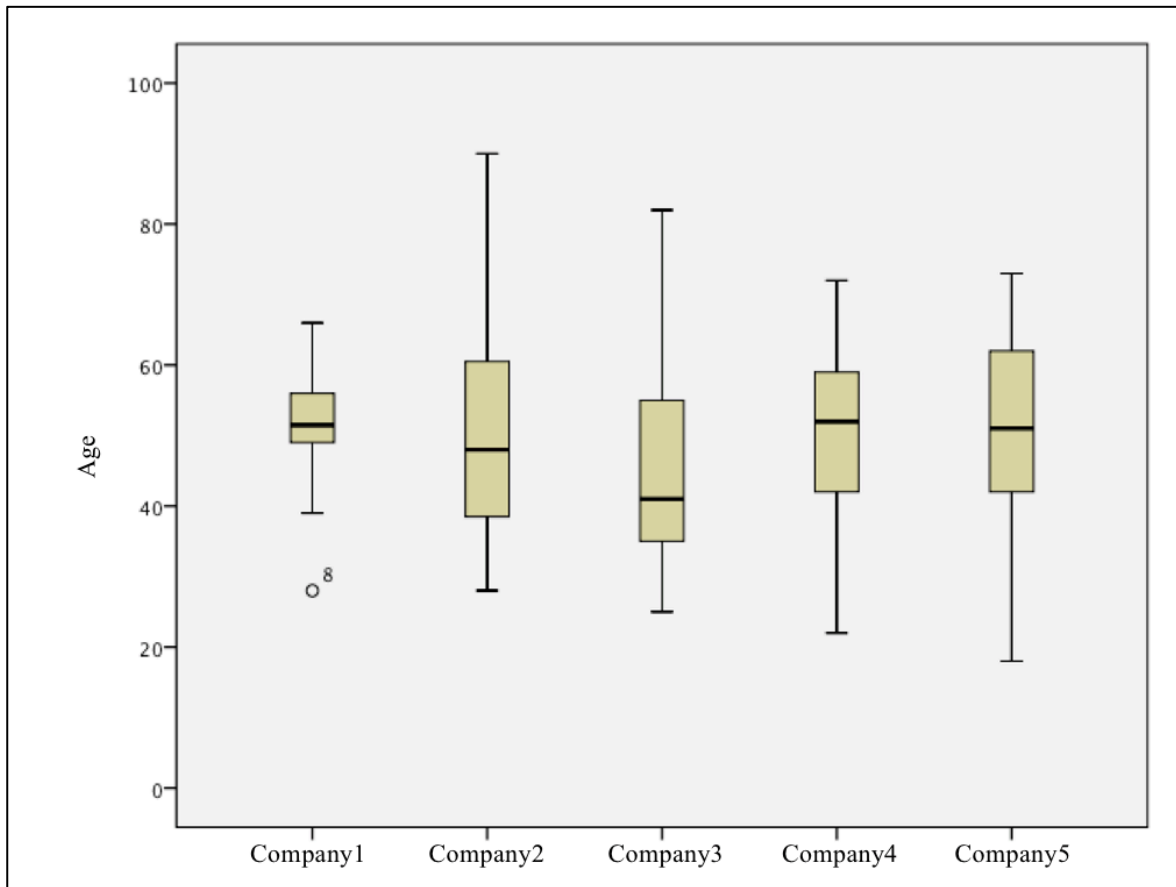
Figure 20. Company-specific age distribution.
Source: Own figure.

Regarding the age distribution of the participating companies, similar positioning of the median values is visible, even if Company 3 seems to be slightly younger. The youngest participant was 18 years young and the oldest was 90 years old.

Similarly, the median age of the two cohorts, clients and management, is at the same level. The cohort of clients is further differentiated into private clients and business clients. In Figure 21. it is visible, that the median is higher for private clients and the age spread is larger.
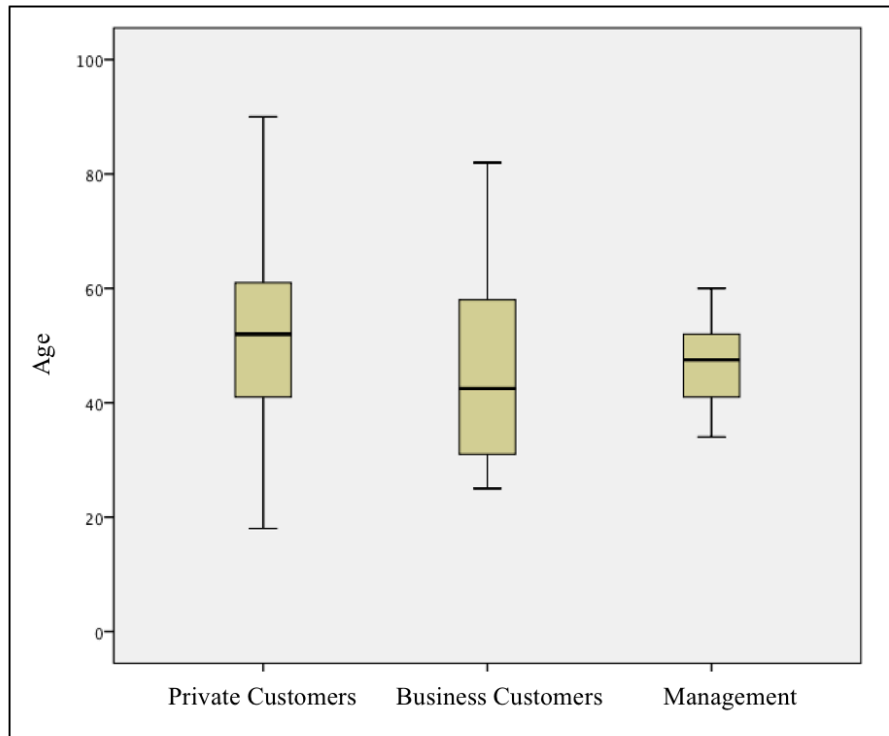
Figure 21. Cohort-specific age distribution.
Source: Own figure.

For the sake of completeness, the age distribution of the different genders will also be considered in Figure 22.
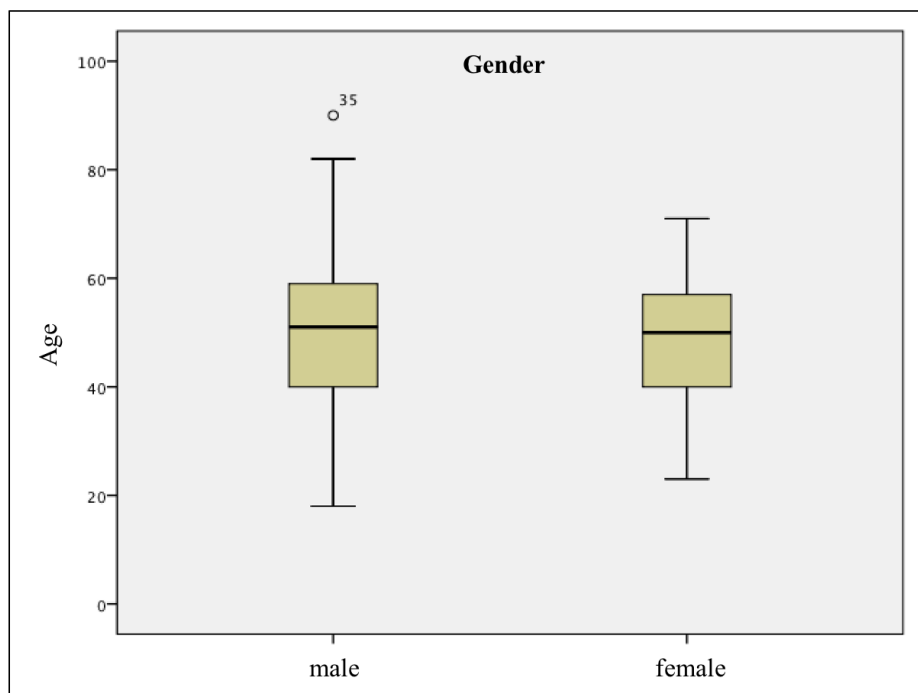

Figure 22. Gender-specific age distribution.
Source: Own figure

Although women are underrepresented in the survey, their age distribution is identical to that of men. Only in the minimum and maximum values are men more strongly represented. The item with the circle indicates a participant with the record number 35 who is 90 years old. After examining the composition of the sample, the participants' evaluations are discussed.

7.3.2   Deviation in overall median and the quadrants

For a first assessment of deviation or agreement between the two cohorts, a median analysis was made of questions related to the four quadrants. The four quadrants, which are customer, people, process and technology, are examined with regard to the assessment of the two cohorts for the extent of agreement.

The approach to analysis began with a look at basic, broad areas, and then to became more and more granular. The first evaluation compares the median of the two cohorts across all quadrants.
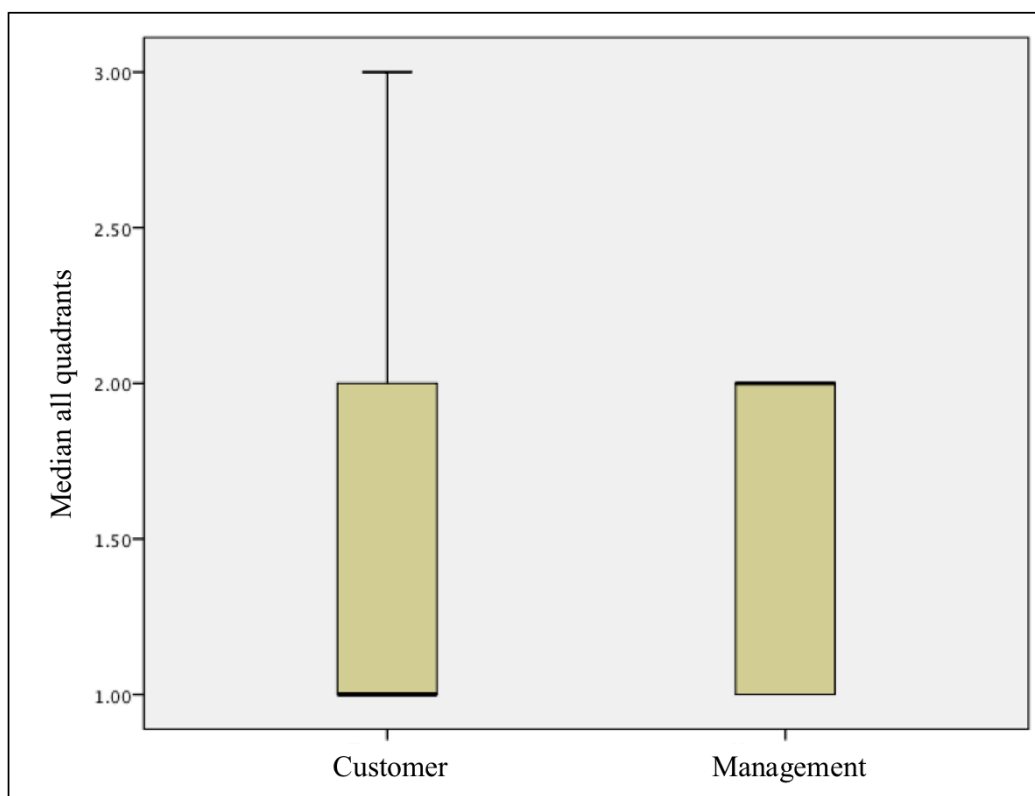

Figure 23. Overall quadrant median.
Source: Own figure.

The evaluation of the median in Figure 23 across all questions of the questionnaire shows that the centremost spread of responses is similar for both groups. Nevertheless, there is a wider range for customers. As the median comparison reveals, customers vote more optimistically than management. While the median (stronger cross line) for customers is 1.00 (answer: strongly agree), the median for management is 2.00 (answer: rather agree).

Each quadrant was considered individually in relation to the participants. Table 3. clarifies the findings.

		Customer (n =98)	Management (n = 18)	p-value
Q1	Customer	57.51	63.89	0.407
Q2	People	58.03	61.06	0.681
Q3	Technology	57.70	62.86	0.521
Q4	Processes	56.14	71.33	0.039
Overa-all		56.98	66.78	0.191

Table 3. Quadrant significance
Source: Own table

From the descriptive statistics it can be concluded that customers display a stronger level of approval than managers. However, the overall and quadrant-specific median analyses of the four quadrants show no significant difference except for the quadrant number 4 where questions regarding processes are asked. The p-value of 0.039 shows that this difference is statistically significant.

7.3.3   Deviation of the two cohorts

After the general testing of the quadrants, the data was screened for further statistical deviations on item-level.

Table 4. details the topics incorporated into the questionnaire and shows the respective median value per cohort. The median comparison shows no major differences, with slightly more positive responses from customers.

Question	Topic	Median Management	Median Customer
1	Silo thinking	2	1
2	How is the customer treated?	2	2
3	Employees share customer insights	2	2
4	Interdependence: motivated employees and customer relationship	1	1
5	Impact of quality of the complaints management on customer churn?	2	2
6	Error culture	1	1
7	Complaints - solved quickly and correct	2	1
8	Win Win position important?	1	1
9	Data protection	1	1
10	Recommendations	1	1
11	All customers are treated equally	1	1
12	Customer service is ok	1,5	1
13	Customer is loyal	1	1
	Customer wishes actively requested		
15	Data acquisition does not interrupt conversation	1	1
16	Data acquisition quickly	1,5	1
17	Distribution channels possible at the same time	2	1
18	Self-service is what customers want		
19	Self service wanted - but closing with salesperson	2	1
20	Processes aligned with customers	2	1
21	Central contact person available	2	1

Table 4. Management vs. customer median.
Source: Own table.

The answer options in the questionnaire are: applies completely, partially applies, neutral, does rather not apply, does not apply at all, and I can not judge. This answer design creates the possibility for participants to answer in a postitive, negative and neutral way. In the first

comparison, the response behaviour was carried out separately according to positive, negative and neutral impact. Within these groups, the rankings of the two cohorts are then compared on item level. Figure 24, 25 and 26 show the percentage share of the respective groups.

In the first group, the level of agreement is collected from both cohorts. This was done in relation to the positive responses to survey questions. A comparable trend can be seen in the approval ratings, although the values differ for some individual questions.
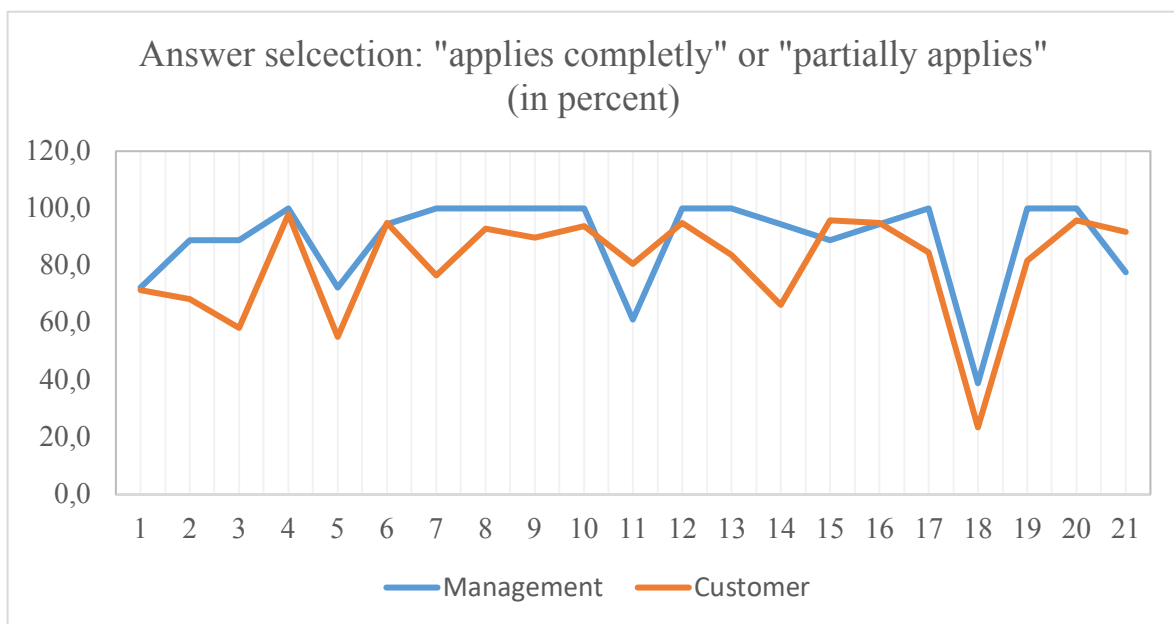
Figure 24. The comparison of positive responses.
Source: Own figure

In Table 5. the deviation was sorted in descending order and shows what percentage of management voted positively. At the end of the list are the topics where positive ratings were recorded from a higher percentage of customers.

	Difference	Question	Topic
biggest deviation % management higher	30,7	3	Employees share customer insights
	28,1	14	Customer wishes actively requested
	23,5	7	Complaints - solved quickly and correct
	20,5	2	How is the customer treated?
	18,4	19	Self service wanted - but closing with salesperson
	17,1	5	Impact of quality of the complaints management on customer churn?
	16,3	13	Customer is loyal
	15,4	18	Self-service is what customers want
	15,3	17	Distribution channels possible at the same time
	10,2	9	Data protection
	7,1	8	Win Win position important?
	6,1	10	Recommendations
	5,1	12	Customer service is ok
	4,1	20	Processes aligned with customers
	2,1	4	Interdependence: motivated employees and customer relationship
	0,8	1	Silo thinking
% customer higher	-0,5	6	Error culture
	-0,5	16	Data acquisition quickly
	-7,0	15	Data acquisition does not interrupt conversation
	-14,1	21	Central contact person available
	-19,5	11	All customers are treated equally

Table 5. Deviations between positive customer and management perspectives.
Source: Own table.

In terms of the negative reactions to questions, the perspectives of customers and management align more closely, as seen in Figure 25.
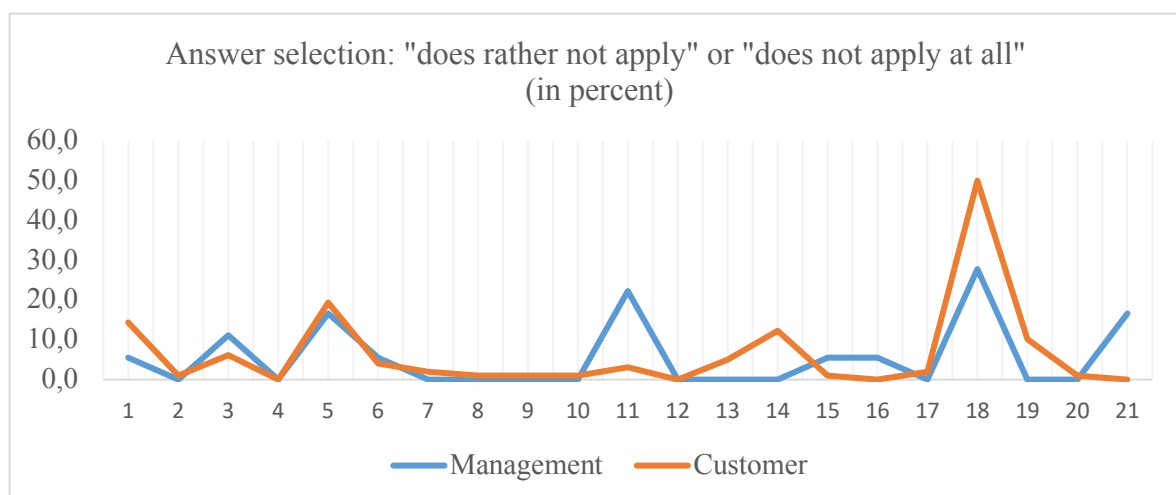

Figure 25. The comparison of negative responses.
Source: Own figure.

Table 6. illustrates the difference between the two cohorts in descending order. The topics where management is dominant are listed first, and at the end of the list are the topics where customers are more proportionately represented.

	Difference	Question	Topic
% management higher	19,2	11	All customers are treated equally
	16,7	21	Central contact person available
	5,6	16	Data acquisition quickly
	5,0	3	Employees share customer insights
	4,5	15	Data acquisition does not interrupt conversation
	1,5	6	Error culture
	0,0	4	Interdependence: motivated employees and customer relationship
	0,0	12	Customer service is ok
% customer higher	-1,0	2	How is the customer treated?
	-1,0	8	Win Win position important?
	-1,0	9	Data protection
	-1,0	10	Recommendations
	-1,0	20	Processes aligned with customers
	-2,0	7	Complaints - solved quickly and correct
	-2,0	17	Distribution channels possible at the same time
	-2,7	5	Impact of quality of the complaints management on customer churn?
	-5,1	13	Customer is loyal
	-8,7	1	Silo thinking
	-10,2	19	Self service wanted - but closing with salesperson
	-12,2	14	Customer wishes actively requested
	-22,2	18	Self-service is what customers want

Table 6. Deviations between negative customer and management perspectives.
Source: Own table.

Finally, the neutral voters of the two cohorts will be compared to show on which issues groups do not want to take a clear position.
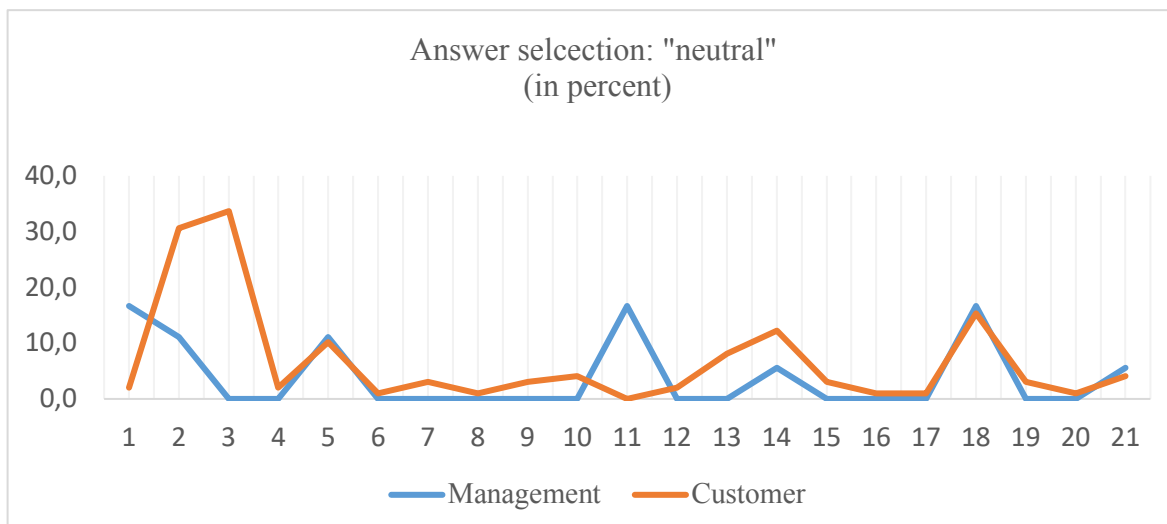
Figure 26. The comparison of neutral responses.

Source: Own figure.

The deviations are very small in the neutral position. Table 7. Shows that management positioned itself more often in an undifferentiated way on two questions. These two questions are concerned with the equal treatment of customers and the departmental or silo thinking that management must tackle.

	Difference	Question	Topic
% management higher	16,7	11	All customers are treated equally
	14,6	1	Silo thinking
	1,5	21	Central contact person available
	1,4	18	Self-service is what customers want
	0,9	5	Impact of quality of the complaints management on customer churn?
% customer higher	-1,0	6	Error culture
	-1,0	8	Win Win position important?
	-1,0	16	Data acquisition quickly
	-1,0	17	Distribution channels possible at the same time
	-1,0	20	Processes aligned with customers.
	-2,0	4	Interdependence: motivated employees and customer relationship
	-2,0	12	Customer service is ok
	-3,1	7	Complaints - solved quickly and correct
	-3,1	9	Data protection
	-3,1	15	Data acquisition does not interrupt conversation
	-3,1	19	Self service wanted - but closing with salesperson
	-4,1	10	Recommendations
	-6,7	14	Customer wishes actively requested
	-8,2	13	Customer is loyal
	-19,5	2	How is the customer treated?
	-33,7	3	Employees share customer insights

Table 7. Deviations between neutral customer and management perspectives.

Source: Own table.

Based on the deviations identified in the descriptive analysis, management and customer comparisons have been carried out at item level. The approach has been to first analyse the positions with the largest deviations and then gradually approach the others.

After the general testing of the quadrants, the data was screened for further statistical deviations on item-level. Due to the fact that the group of managers is exclusive and rather small, the differences were initially sorted by size of the median deviations and consequently statistically tested. The median values are displayed in Figure 27. On the left-hand side are the strongest distinctions, with customers showing slightly higher levels of approval. On the right-hand side of the figure a similar difference is identifiable, though it is management that have higher levels of approval in this case.
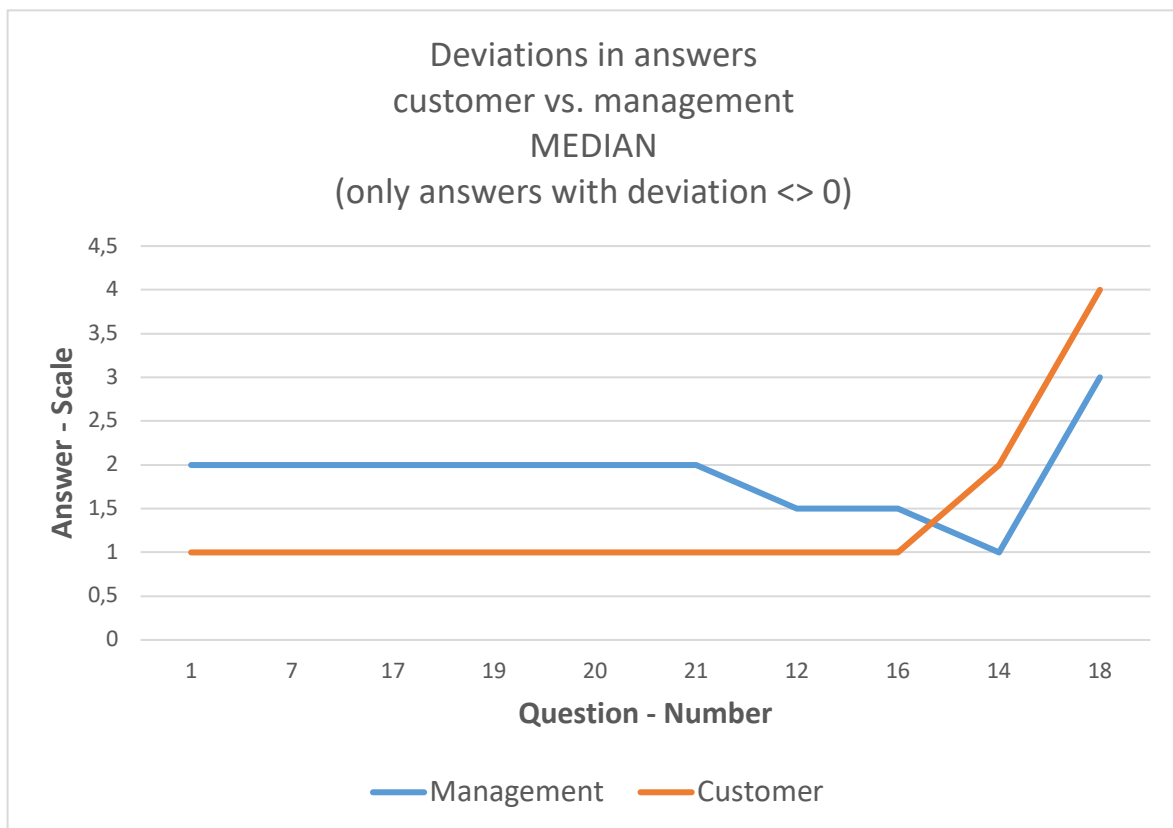

Figure 27. The comparison of all responses.
Source: Own figure.

Differences are detected with the median to the same extent in six topics. The questions within which the perceptions consistently deviate are as follows:

1: Are quality differences perceived within the company (silo-thinking)?

7: Are compaints handled correctly and quickly in the company?

17: Processing via several communication channels is possible.

19: Customers check online information but prefer direct support for the completion of a purchase.

20: Customer requirements are fulfilled in a quick and unbureaucratic manner.

21: A centrail point of contact is available in the company.

While management tends to answer with rather agree, customers rate these topics very positively with strongly agree.

The interpretation of question 1 shows that significance is $p = 0.108$ and which is larger than 0.05, indicating that no systematic difference exists.

It should be noted that questions 7 and 20 have similar content to check plausibility and both scored the same at the median level.

A smaller deviation can be observed in the following questions, 12 and 16.

12. The quality of the customer service provided is satisfactory.

16. Data collection (CRM software) is possible without having to interrupt the customer conversation.

Management again gave these questions a more pessimistic answer than customers.

Considering questions 14 and 18, Figure 27. illustrates the reversal of positive ratings in regards to the toics of active customer consultations and online services. These questions are rated worse by the customer compared to the management.

Question 14 examines whether employees actively inquire about their customers' wishes and needs. The analysis here proves that it is almost significant ($p = 0.059 > 0.05$) – there is a statistically significant trend ($p<0.10$). Based on the exclusive sample size of 18 participants from management positions, this indicates that under the assumption that the size of the difference remains the same, a bigger sample would clearly yield a significant finding.

Kotler et al. (2017) recognise the opportunity to integrate customers into business processes and foster a collaboration with customers, especially in the networked world. In this context,

question 18 aims to determine whether customers appreciate this possibility of cooperation and desire more self-service options. Surprisingly, the results show that this is not a priority among survey participants. Customers agree less than management.

Even though there is a descriptive deviation recognisable, there is no statistical significance given on the subject of cooperation between customers and the company via self services (p=0.147).

As already announced in the research process section, the nominally scaled variables will be analysed by means of crosstabulations, grouped bar charts and radar charts.

Marketing propagates the much-quoted premise that the customer is king. Such an approach is not necessarily a prerequisite for a successful customer relationship, as it can also lead to submission to the customer (Chang, Praveen, 2016, p. 198)

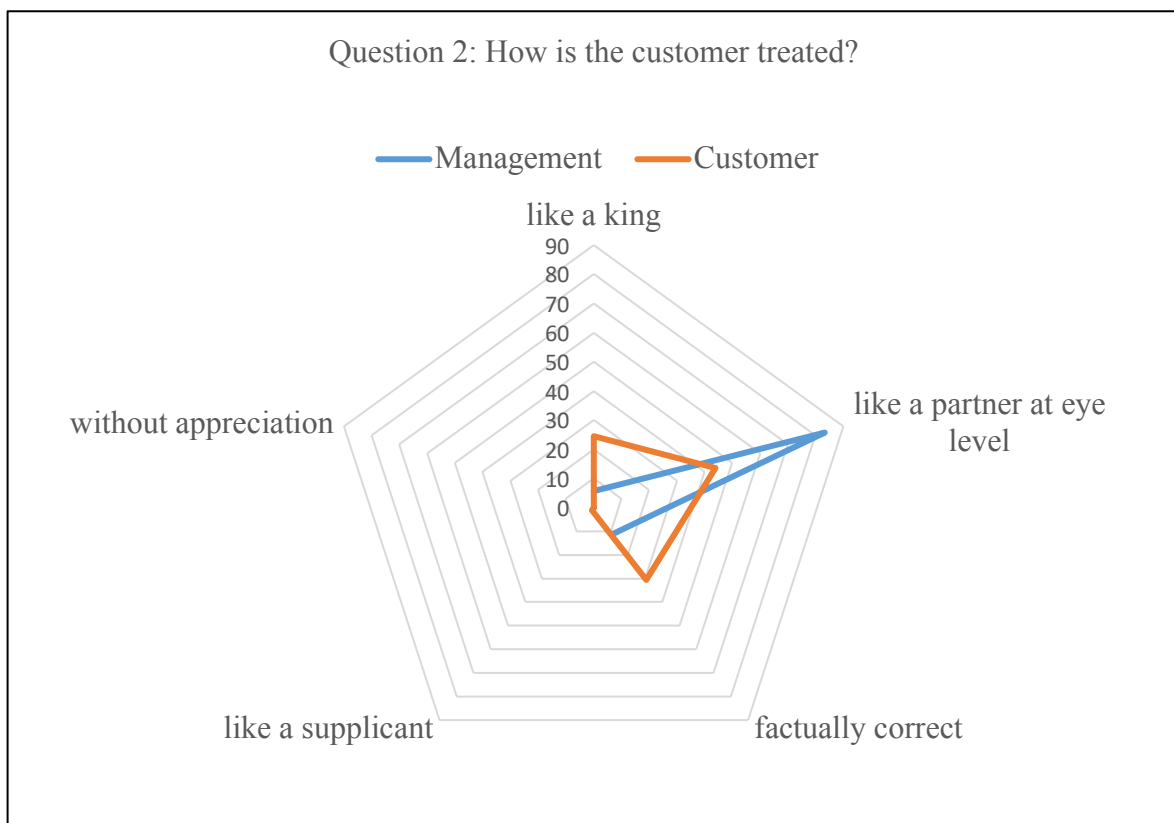In the survey, this topic was considered from both the customer and management side.

Figure 28. Customer treatment.
Source: Own figure.

Figure 28 shows that management consider the customer to be the partner at eye level. Obviously the customer perception differs, it is broader and other dimensions also matter. The significant result (p=0.023) indicates that this deviation is of systematic meaning. The sole focus on partner at eye level is responsible for the effect which is depicted in the crosstabulation in Table 8.

Question: How is the customer treated?

		Like a king	like a partner at eye level	factually correct	like a supplicant
customer	number	24	43	30	1
	expected number	21,1	49,0	27,0	0,8
	standardised residual	0,6	-0,9	0,6	0,2
management	number	1	15	2	0
	expected number	3,9	9,0	5,0	0,2
	standardised residual	-1,5	2	-1,3	-0,4
total	number	25	58	32	1
	expected number	25,0	58,0	32,0	1,0

Table 8. Customer treatment.
Source: Own table.

There is a significant relationship between the client and management related to the dependent variable: how the client is treated (χ^2 (3) = 9,54; $p < 0.023$).

When interpreting the question (Figure 29) about the loyalty of customers, it can be seen that customers are reluctant to change providers. This finding can be seen as an opportunity for companies to retain customers in the long term through appropriate customer service and CRM. Companies also recognise the loyalty of customers, although it is apparent that companies tend to be sceptical and believe that it is more likely that customers are reluctant to switch.
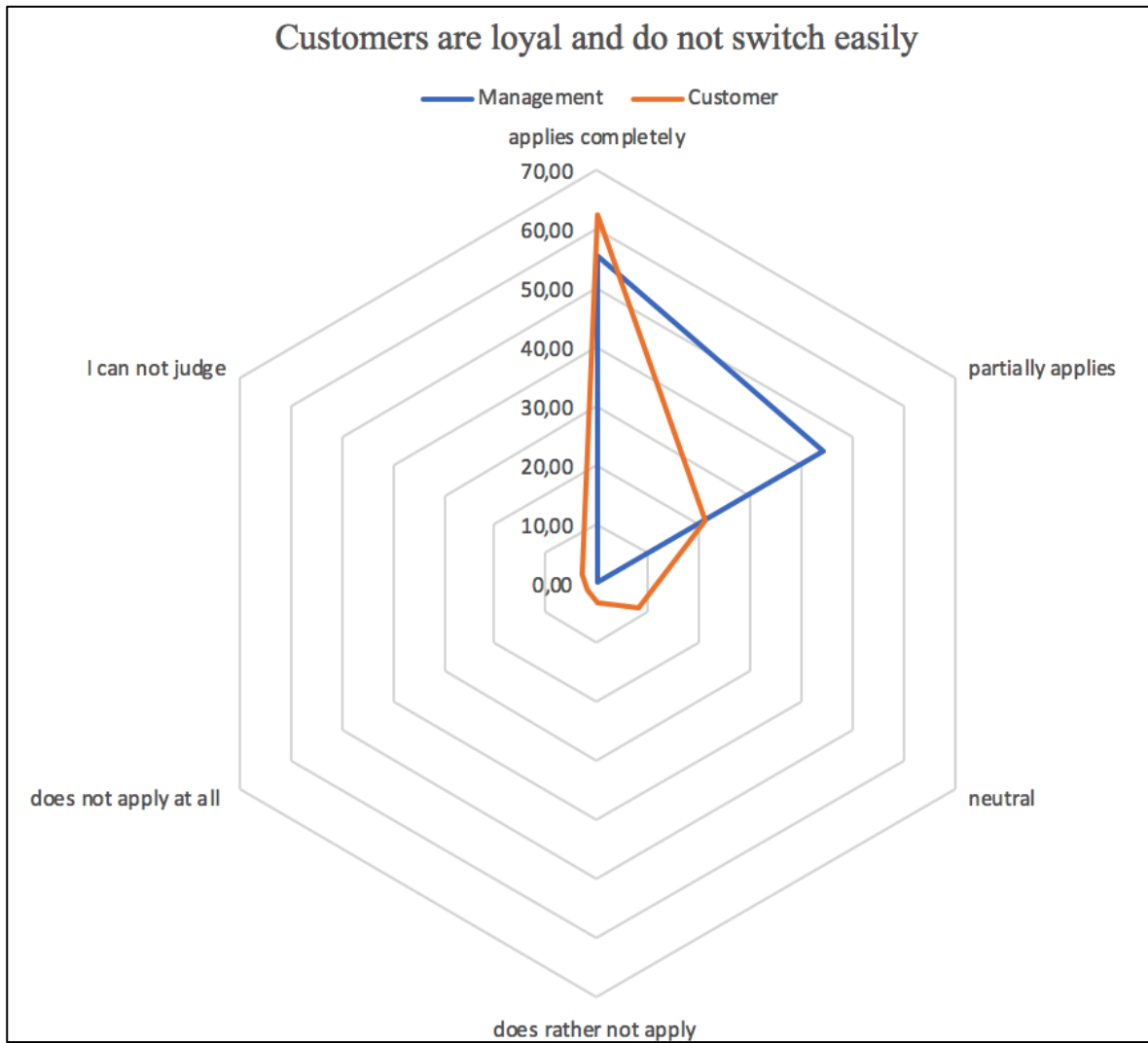
Figure 29. Customer loyalty.

Source: Own figure.

Customer loyalty is supported by customer satisfaction. Therefore, the perception of this issue is also evaluated in Figure 30.
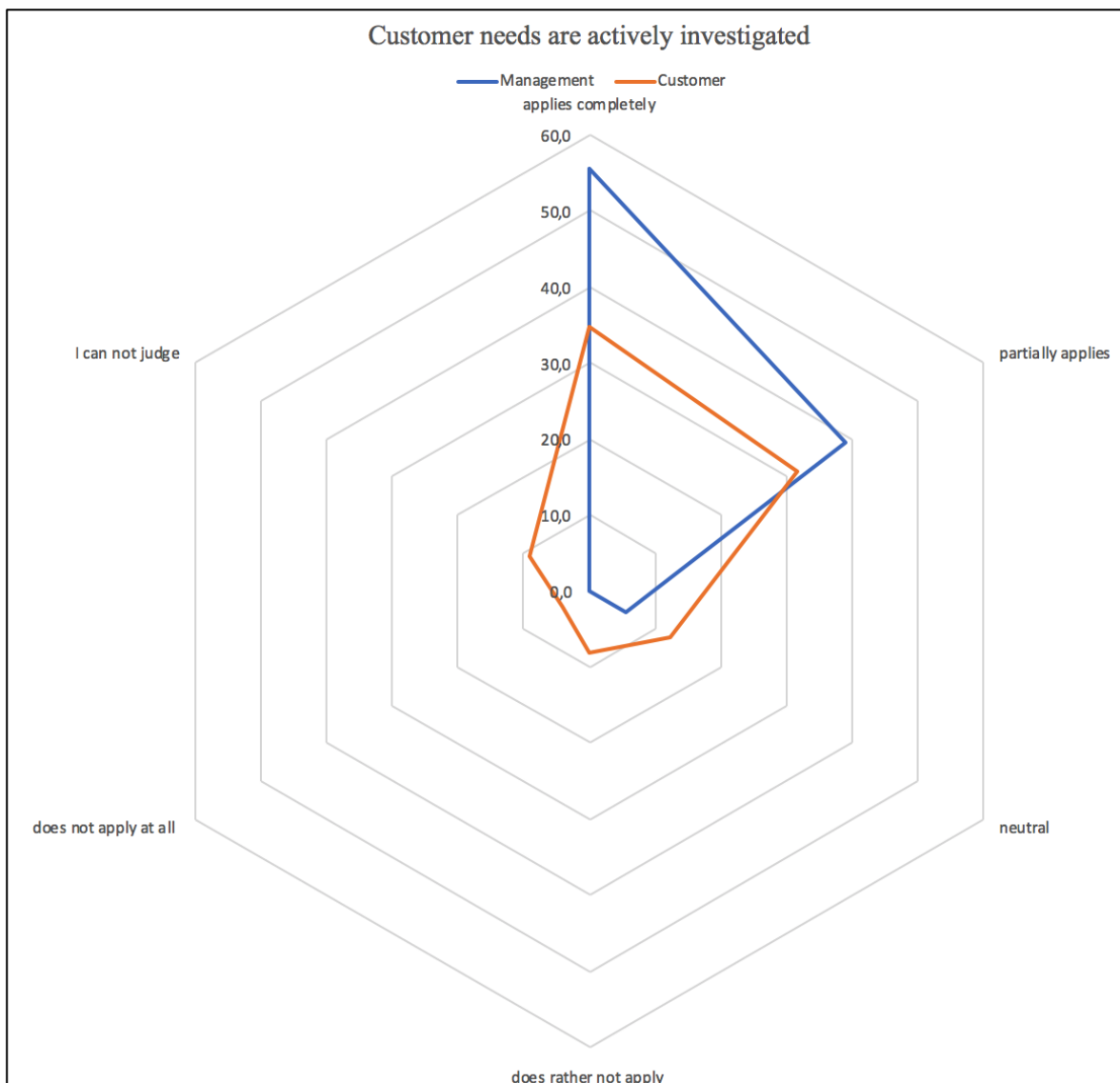

Figure 30. Customer satisfaction.
Source: Own figure.

The question specifically addresses whether concerns, wishes and needs of customers are actively collected. The assumption is that customer satisfaction can be achieved if the needs are known.The evaluation of the ratings of the two cohorts show a similar picture, although customers do not assess the situation quite as positively as management do.

Actively investigating customer needs can help companies channel resources into the right tasks. For example, there seems to be diverging views on self-service offerings, as Figure 31. clarifies.
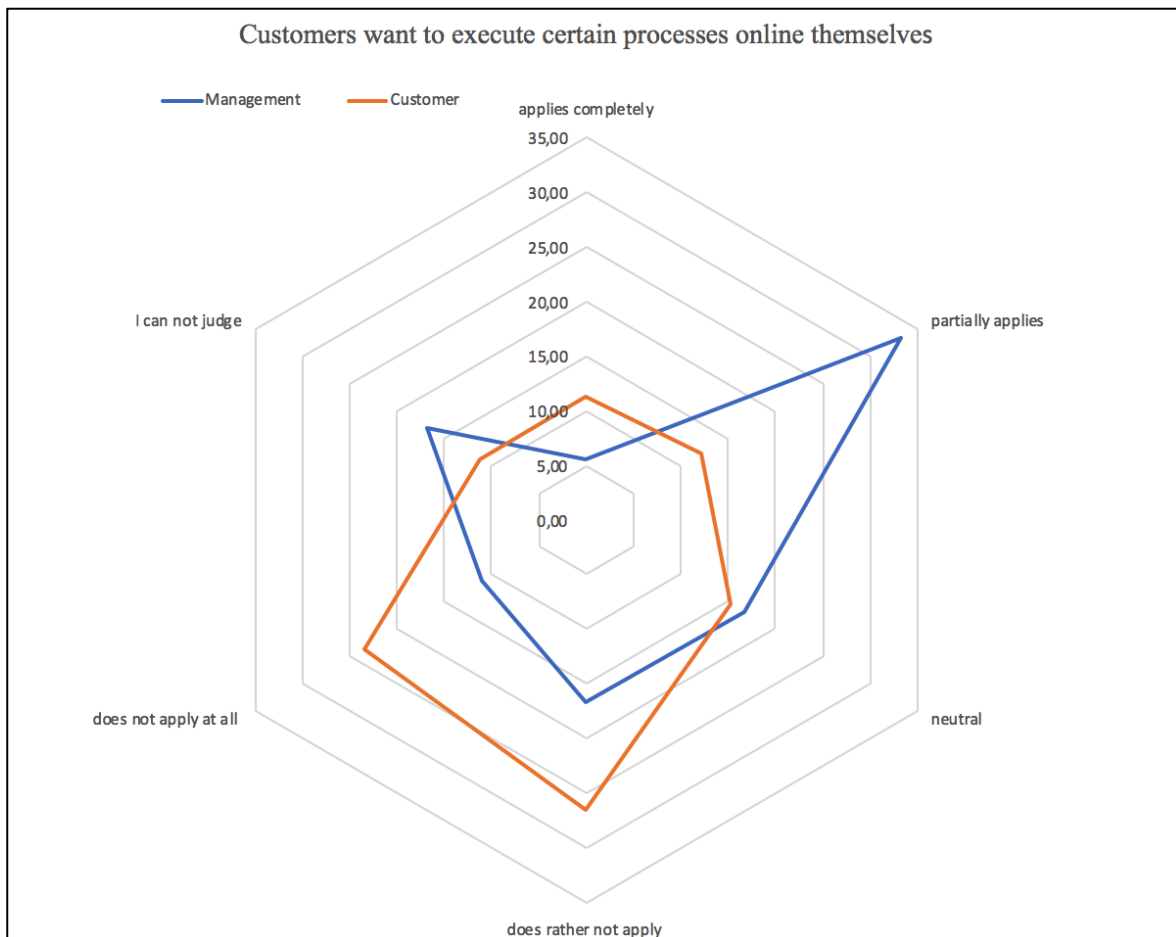

Figure 31. Customer self-service.
Source: Own figure.

While management sees potential in offering self-service to customers, customer responses indicate that this type of service is not in-demand. This particular finding suggests that communication with clients should be used intensively to develop strategies based on evidence.

7.3.4 Analysis of sociodemographic subgroups

In this part of the analysis, subgroups will be examined in more detail. In particular, age effects and gender effects are investigated. In addition, business customers will be compared with private customers and the management to see whether there are significant differences.

Age deviations

The first subgroup to be tested is categorized by age to determine whether that has any consistent impact on the participant's response. Table 9. shows descriptive statistics in this regard, especially measures of location scales of both cohorts.

	Customer	Management
Mean	49,55	47,17
Median	51,5	47,5
Standard deviation	14,55	7,702
Range	72	26
Minimum	18	34
Maximum	90	60

Table 9. Deviations by age.
Source: Own table.

It is recognisable that measures of central tendencies (median) are very similar, but the dispersion among customers is clearly more pronounced. Customer ages range from 18–90, while managements only span from 34–60.

It is examined whether there is a difference between the customer statements and the management statements when age is taken into consideration. Prior to the analysis, the customers were grouped into three categories. One group reflects the management's ages (34–60 years), one group is made up of participants younger than 34 and the other includes customers older than 60. Consequently, the mean ranks were compared by means of the Kruskall-Wallis test.

There is no significant difference over the overall median, although it has just closely missed the significant trend ($\chi^2 (3) = 6,23$, $p = 0.101$).

Interestingly, the comparison of cohorts in Figure 32. evidences the difference in opinion of the various age groups.
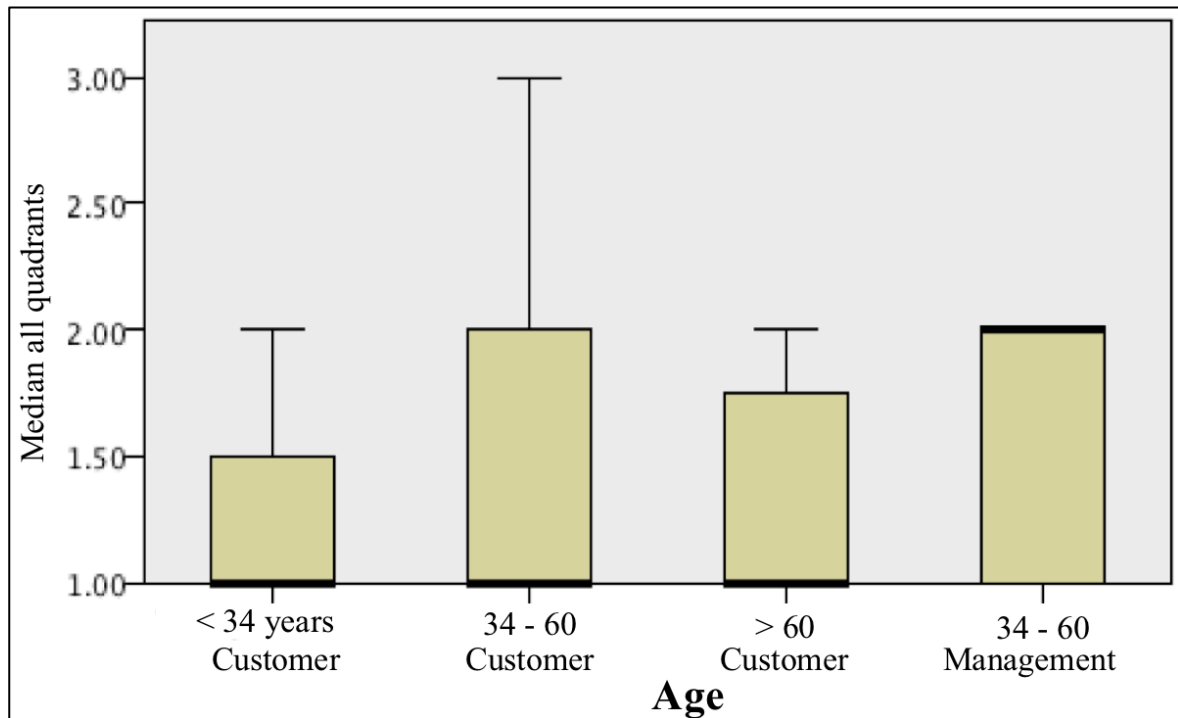

Figure 32. Age deviations.
Source: Own figure.

The first three age groups shown represent the customer side. One age group (34–60) was defined corresponding to the management age group in order to compare the two cohorts under the same conditions. Then the remaining customers are split into an older and a younger group in order to compare them with the management group. Despite the fact that all customer groups have a higher level of approval, Figure 32. shows that the younger group (younger than 34) tend to agree more, followed by the older age group. This is evidenced by the smaller bandwidth of 0.5, resp. 0.75. The middle-aged group has a broader range and is more similar to the managemental group.

Age deviations in quadrant one.

In depth inspection of the individual quadrant reveals two significant trends (p<0.10): quadrant 1 (dealing with customers) and quadrant 2 (dealing with employees) yield significance.

The result of the analysis shows that there is at least a significant difference in the first quadrant Q1 (χ^2 (3) = 6.24, p = 0.100) and the second Q2 (χ^2 (3) = 6.31, p = 0.098) when examining the responses in terms of age.

From Figure 33. it becomes obvious that the younger and older age group differs from the managemental group the most. The younger again is found to have a higher level of approval on the questions. The comparable age group of customers does not differ from the managemental group which indicates mediating age.
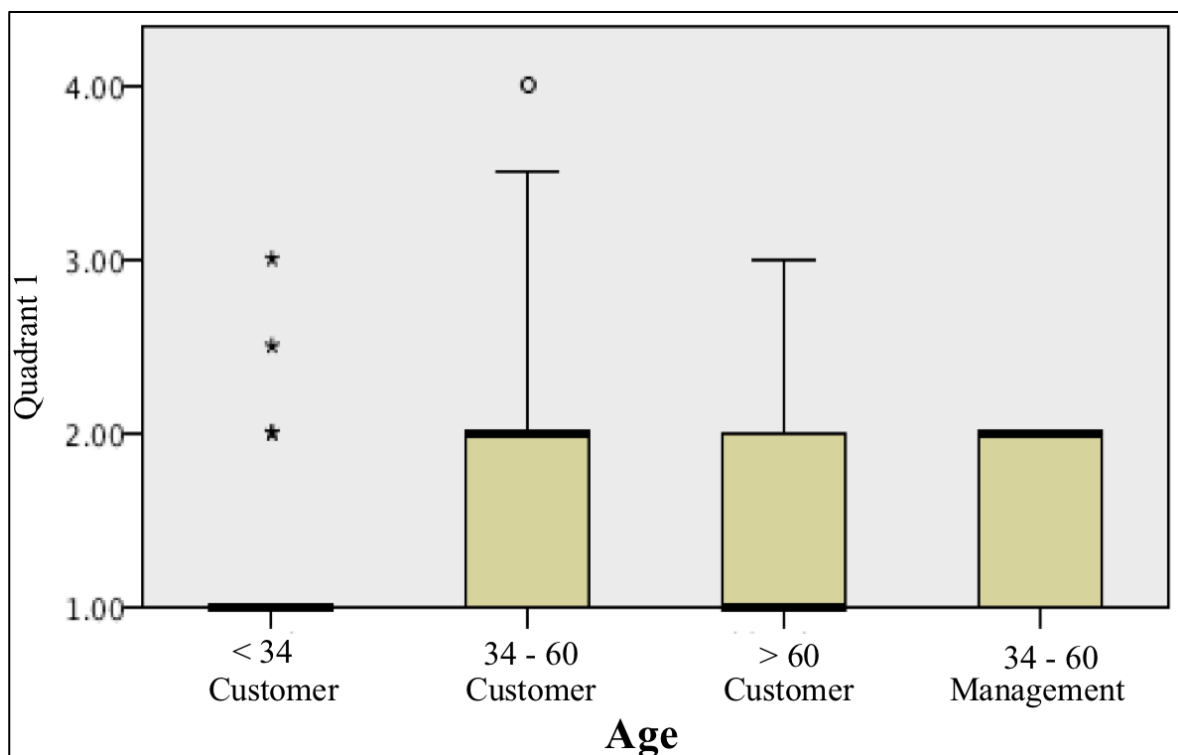

Figure 33. Age deviations in questions from quadrant one.
Source: Own figure.

The medians of the older customers in the age groups of 34–60 and 60+ mirror that of management, thought the oldest group agree slightly more. The most common answer in the two 34–60 groups was "rather apples".
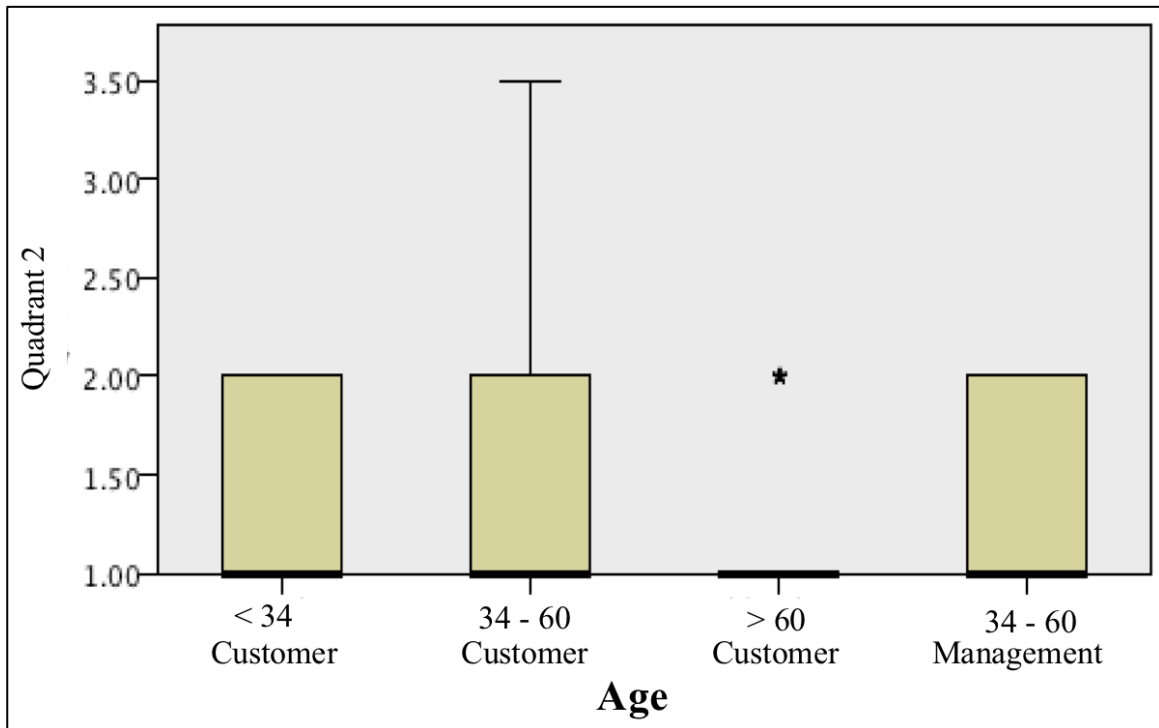
Figure 34. Age deviations in questions from quadrant two.
Source: Own figure.

Comparing the results from quadrant 2 (questions in regards to employees) with the previously analysed quadrant 1 (customers), it is visible that it is not the young but the older people who signal their approval in this case. The 34–60 year olds remain consistent in their agreement and are joined by the youngest group on this occasion.

Figure 35. Shows the proportion of women and men in the companies surveyed. A predominace of men can be found in all companies except the first one.
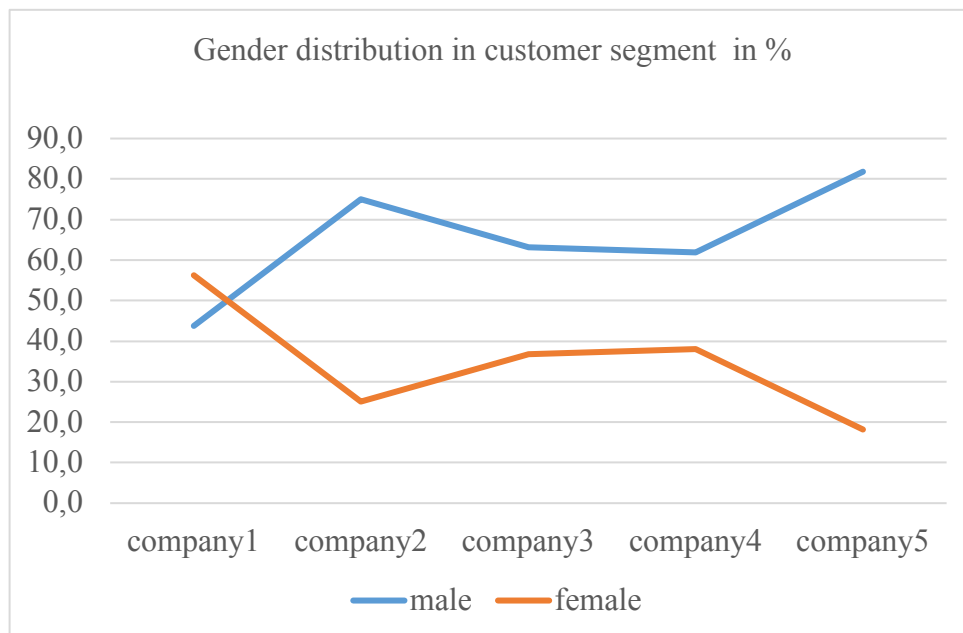
Gender deviations

Figure 35. Company-specific gender distribution.
Source: Own figure.

In order to further analyse the data and take individual differences into account, gender-specific effects on the responses were examined. A review should provide clarity on whether the responses are gender specific.

Hence, the customers were split into gender groups and statistically compared with each other and the managemental group. The applied test was again the Kruskal-Wallis test for k-independent samples. In the following section, the significant findings are reported and discussed, for all the other items no systematic gender differences exist. The question regarding equal treatment has been analysed in relation to gender.

The result of the analysis shows that there is at least a significant difference in male customers, female customers and management in terms of perception with $\chi^2 (2) = 40.17$, p < 0.001.
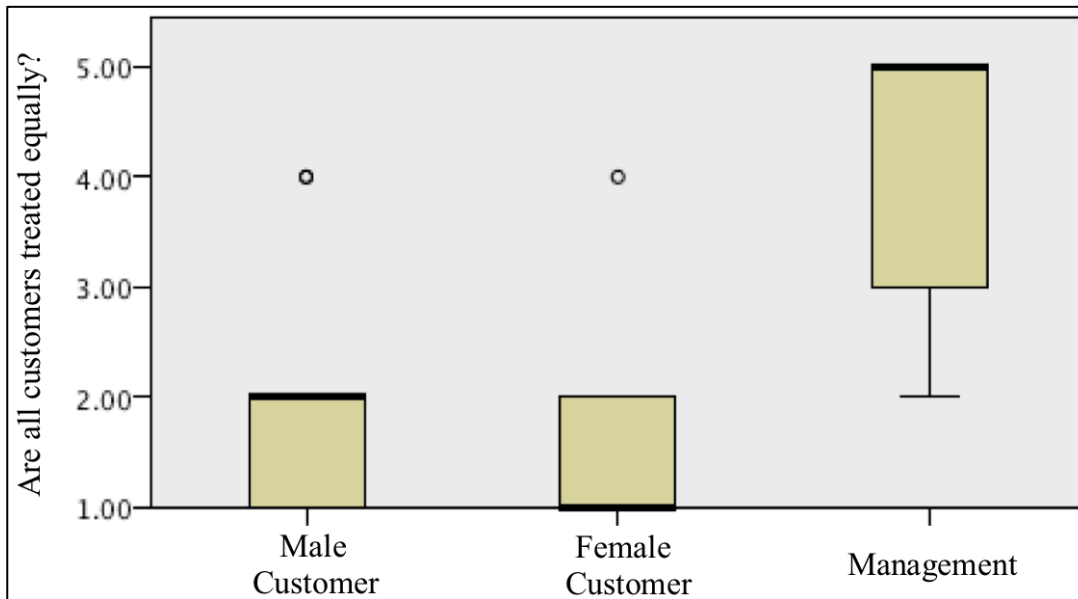
Figure 36. Gender deviation - customer treatment.
Source: Own figure.

Figure 36. shows that females strongly agree that all customers are treated equally. The statistical analysis shows a significant result regarding the treatment of customers. Both male and female customers display higher levels of approval and significantly differ from the managers' point of view.

Based on this comparison, it is recognised that the evaluation of management differs from both the male and female evaluation (all $ps<0.001$). Nevertheless, male responses tend to be closer to management responses.

Private vs. business deviations

Even if the share of business customers is relatively small in this sample, the differences in perspective should be investigated. An analysis should determine whether there is cause for further research in this area. For this purpose, the four quadrants are examined in detail.

Table 10. once shows the distribution of private and business associated participants.

	Private Customers	Business Customers	Management
male	53	12	17
female	29	4	1

Table 10. Distribution of private and business participants.

Source: Own table.

Table 11. goes on to show the medians of the four quadrants in relation to private customers, business customers and the respective managers.

		B2B	B2C	Management
Q1	Customer	2	1	2
Q2	People	2	1	1
Q3	Technology	1,75	1,5	1,75
Q4	Processes	1,75	1	2
Over all		2	1	2

Table 11. Private and business deviations.

Source: Own table.

The result of the analyses show that three significant differences exist: first in the overall median (χ^2 (2) = 6.02, p = 0,049), in Q2 ((χ^2 (2) = 6.87, p = 0,032), and finally in Q4 (χ^2 (2) = 7.18, p < 0.028).

The differences regarding the overall median and the second quadrant are between business customers and private customers (p=0.038, respectively p=0.010), showing statistical significance. Business customers have the lowest approval rating, private customers the highest. Management voting is positioned between the two groups. The values of management do not differ statistically from those of private customers or business customers. Regarding the fourth quadrant, the statistical differences between private customers and management exist (p=0.020). The latter shows lower levels of approval; business customers have values closer to that of management, but are not statistically significant from the private customers.

7.4   Findings

The gains made in the course of this dissertation are helpful conclusions that came from several areas. First, extensive research was made into the existing literature. From the wealth of information on the topic of CRM, a path was defined that can be used as the basis for the empirical part of this study. The empirical findings are not only based on the results of the completed questionnaires, but there was added value from observations and conversations during the survey.

7.4.1   Answering the research questions

Based on analysis of the data, the research questions were answered. The following conclusions have been made in relation to each question.

1. **Are the focal points of the investigation with customer, people (management and employees) and technology recognised as important topics from customers and managers?**

There is basic agreement recognised among the participants on the identified questions on the four thematic areas. Survey participants had the option of taking a neutral position or the option "I can't say". Nevertheless, the median evaluation shows that the option "applies" or "rather applies" was chosen most often. This can be seen as an indicator of agreement with the issues.

An open question at the end of the questionnaire gave the participants the opportunity to raise issues that were not addressed in the questionnaire with regards to CRM. The open question requests comments on what the company can do to enhance their customer service. A total of 15 people made use of this opportunity. Eight participants from management and seven participants from clients took this occasion to give their feedback. Even the points raised in the open question could be assigned to the four quadrants, except for three statements. The three points that could not be assigned to the four quadrants come from the customers and are concerned with the product and the price.

Five statements can be assigned to the quadrant regarding People. While management made three statements claiming their eagernees to see improvements in teamwork and employee motivation, customers made two statements expressing their wish to see continuity in personnel and increased decision-making power for employees.

Three statements can be counted in the customer quadrant. Companies made two statements detailing how they'd like to schedule more time for customers, while a desire for a more customer-oriented business model was reported by the customer group.

Three further statements are assigned to the process quadrant. Management wants to make better use of employees and improve processes that cause waiting times for customers; there were two statements that reiterated this. Customers stressed their want for service promises to be kept, as agreed.

In terms of the technology quadrant, management were found to want an improvement in monitoring.

Since neither the response behaviour with the given answer options nor the suggestions for improvement made in the open question show a deviation from the four quadrants, it can be concluded that the four quadrants, customer, people, process and technology, are relevant in dealing with client issues.

2. **Is there agreement or discrepancy between customer and management perception?**

As aforesaid, there is no one-size-fits-all and straight forward explanation for why so many CRM projects fail. A holistic approach (overall median) does not reveal significant difference, but statistical tendencies are recognised. The small sample of managers in this study could of course have an impact on significance. However, it is recognised that customers show higher approval tendencies.

Deviations are identified in individual topics. For example, customers are not so convinced that all employees have the necessary customer information and that customer wishes are actively requested. The offer of self-service also does not seem to be desired by customers to the extent that management believes.

The win-win situation between customers and management and the correct handling of customers at eye level is more likely to be perceived by management than by customers.

Across all questions, however, a fundamental agreement between customers and management can be stated.

3.   How can potential differences be explained using subgroup analyses?

The subgroup analyses indicate that age groups judge differently in certain areas. This finding could lead to the conclusion that customer care should be tailored to age groups. Furthermore, the gender effect must not be neglected. Women have a higher approval rate than men. In addition, the different customer groups (business customer, private customer) have been analysed regarding their behaviour. This study showed that business customers are more critical than private customers.

4.   What immediate measures can be derived from the study?

The study reveals findings from literary research as well as from empirical research. It is not possible to prevent ongoing changes, but it is possible to investigate customer relationships. Loyal customers are a chance to achieve consistency. CRM as a holistic approach can support the building of customer relationships, by encouraging the business to understand and respond effectively to customers. Management is required to ensure the motivation and permanent training of employees. Technology must support this initiative and be user friendly. Too much technology is unnecessary. Process review is a starting point for a CRM implementation and must not be ignored (this reflects the four quadrants customer, people, technology, processes).

Companies can also benefit from the findings of the empirical research. It is advisable to consider a different segmentation of customers. The customer approach, the sales process and customer service could possibly be more successful with different treatment of age groups and gender groups. It also seems advisable to treat business customers and private customers differently in all tasks. The empirical study shows statistical tendencies in this regard. The challenge is to increase the number of regular customers.Thorough resource planning can help to ensure that the more sceptical customer groups receive more attention. The practical relevance of the study for management needs to be emphasised through the elaboration of the findings. For this reason, the findings and recommendations deduced are consequently listed in the four categories (Customer, People, Processes, Technology). The recommendations were

partly derived from the responses to the questionnaires and partly from the findings of discussions during the survey.

7.4.2   Discussions

A differentiated analysis on the simple and, at the same time, complex topic of CRM is the primary intention of this paper. An increased interest in CRM has emerged in recent years. Huge monetary as well as other resources have been invested over times in CRM projects, but supposed and expected success is often missing. The majority of CRM projects still fail. In the field of CRM, there is a multitude of components that generate positive or negative effects on the overall project on the way to a sustainable and successful customer relationship. The "one" solution to success does not yet exist.

Limits in literary research regarding success criteria has become apparent. Although there are certain success factors that are mentioned more often than others, there is not a one aligned concept from academics or reasearchers available. A breakthrough has not yet been achieved.

This study represents basic research that attempts to make contributions to the sustainable and successful development of CRM projects. Insights were achieved on three levels.

- Scientific findings were compiled through a literature review and narrowed down to focal points. The result of the research provides a solid basis which then serves as a foundation for the empirical research.

- Two cohorts with inherently different interests are interviewed separately using questionnaires. These questionnaires consist of questions on the four thematic blocks that could be derived from the literary research. Thus, two differently formulated versions are available for the data collection in order to question the two cohorts on the respective topics accurately. The questionnaires are synchronised so that the results can be directly compared in the analysis.

- The on-site survey was also used to obtain additional information on the topic of CRM. In bilateral conversations with customers, management and employees, impressions could be gained which were also included as additional benefits.

The definition of the basic topics derived from the literary research is justified. CRM is a complex endeavour that consists of a multitude of requirements. The tasks must be fulfilled and coordinated with each other. The topics are named Customers, Processes, People and Technology. Customers are the addressees of every economic activity. Therefore, customers must always be in the focus of activities. The People segment includes all other stakeholders involved in the business process. In this work, the focus has been placed on management and customers, even though this circle could be expanded. The processes of companies should be revised because various changes in the entire environment bring new challenges. In order to optimise the essential task, namely customer service, it is necessary to examine the processes in particular to see whether there is a customer benefit. Processes that do not show customer value are considered wasteful and should be eliminated. Technology has an important role, but not a dominant one. In the past, the focus of CRM projects was too often on the optimal software and technology. It was precisely this focus that led to other important components being neglected.

Companies strive to attract customers and develop products and services to build successful business relationships. Various changes in the environment generate new demands, and lead to the fact that long-term customer relationships, which are particularly valuable for companies, are more difficult to create. This study asks the question whether companies understand their customers today, or whether the entire setup in a company mainly meets internal optimisation demands. The comparison of feedback from customers and management shows a high degree of agreement. Descriptive analyses show that both cohorts have a fundamentally positive view of the customer relationship, whereby it is noticeable that management answer rather more pessimistically. Since no major deviations are discernible here, it can be assumed that customer wishes are basically fulfilled and that there is a good understanding of customers' needs. Improvements are possible in specific areas.

Identified potential for improvement have been recorded in the bilateral discussions. The positions were integrated into the four defined thematic blocks and immediate recommendations for management were documented. Basic tendencies can be identified in these points.

- The time required for professional customer counselling is sometimes not available to the staff. This has an impact on the quality of customer service,

customer relations and customer loyalty, as well as on the information that is obtained and transferred to the CRM system.

- Employee motivation has an impact on the customer relationship. Employees are the interface to customers. Inadequate training, lack of trust in employees or tensions within the team have an impact on customer relationships. Customers want continuity in service, so frequent staff changes should be urgently questioned by management. Employees have suggestions and ideas for improvement, but get the feeling that there is no interest from management in taking up these ideas.

- Processes should be better coordinated with each other. In daily work, poorly coordinated processes have an impact on teamwork and customer satisfaction, because service quality often decreases as a result.

- Technological developments offer many possibilities that can overwhelm staff. Concentration on the essentials is often desired. Technology should make it easier to serve customers, and complexity should be reduced to a minimum.

The recommendations for management are summarised in the following subchapter.

7.4.3   Recommendations for management

The practical relevance of the study for management needs to be emphasised through the elaboration of the findings. For this reason, the findings and recommendations derived are consequently listed in the four categories (Customer, People, Processes, Technology). The recommendations were partly derived from the responses to the questionnaires and partly from the findings of discussions during the survey.

In the customer category (Table 12.) topics concerning the bond between customers and employees are important.

	Requirement / Recognised	Recommendation
Customer	Continuity in personal support desired	Investment in motivated employees
	Trust in the sales staff is important	Continuous trainings of employees
	Tensions within the team are noticed by the client and perceived as unpleasant	Implementation of team building measures
	The quality of the information provided in advance supports the sales process	Customer surveys on what kind of information customers need.

Table 12. Customer recommendations.

Source: Own table

Management relevant points that can help to structurally improve the customer relationships are listed in Table 13.

	Requirement / Recognised	Recommendation
People - Management	Improving team dynamics	Implementation of teambuilding measures
	Creating commitment in the team	Workshops with the team and teambuilding measures
	Deploy employees in a targeted manner	Personnel development, recruiting guidelines
	Create more time per client for consultation	Reduce bureaucracy, possibly with the help of CRM programmes, revise existing processes
	Complaint management: Information is not consistently recorded in the CRM software, instead attempts are made to settle cases quickly.	Create incentive systems
	Customer orientation necessary by conviction	Draft guidelines, ongoing insistence by management, workshops,
	CRM accountability is missing	Clearly designate responsible persons in the organisation plan. Must not be the IT department.
	Employees are not aware of the new challenges.	Change management, accompanying and supporting employees on the CRM journey
	No clear goals for CRM announced	Align CRM goals with corporate goals
	Customer references are particularly important, are not actively exploited	Internal Trainings, Workshops

Table 13. People recommendations: management.

Source: Own table

Employees can make a significat contribution to improving customer relationships. Ideas and insights from employees are therefore important (Table 14.)

	Requirement / Recognised	Recommendation
People - Employee	Employees wish for more power to make decisions in customer negotiations	Review of decision-making processes, development of guidelines
	Employees' ideas are not integrated	Consider the introduction of an idea management system. At least explain that management has reflected reseived suggestions and why proposals may not be implemented
	Personal service is appreciated by customers. Customers follow sales staff if there is trust.	Motivating employees, creating a climate of positive energy (trust, respect ...)
	Employees are an important touchpoint to the customer. This is underestimated by companies.	Appreciation by management of the important function of employees. Training to improve performance at the interface
	Employees should be involved in the continuing development of the CRM strategy.	Workshops on particular topics, introduce idea management,
	Fear of surveillance under the guise of CRM	Clarify the objectives of the CRM initiative. Transparency about the CRM strategy and how it will achieve the company's goals. Open discussion culture in order that concerns can be openly expressed and clarified.
	Not all areas have information on the same scope to customers - topic Authorisation	Explanation of how a setup came about, or involve employees in the definition of authorisation groups.
	Much more information could be captured in the CRM system. Information obtained during the sales conversation with customers. Not rewarded by management, therefore not done.	Open discussions with employees about the goals of the CRM initiative, what is required of employees. Work out the advantages for the individual. Possibly create incentive systems. Create awareness about the importance and opportunities of the information collected
	Employees would like to be deployed more according to their strengths and interests and then also be offered training.	Approach to human resource development. Addressing strengths and interests mentioned, for example, in the annual appraisal. Create training plans.
	Desire for support in dealing with difficult clients	Provide management support to clients when necessary. Provide training. Possibly develop processes to ensure that conflict-related discussions are handled by specialists.
	Increasing employee fear of threatened bad online referrals from customers. Customers demand extra conditions on salespeople.	Provide guidelines for action in such cases. Provide clarity on how sellers may or should behave.
	Employee motivation not visible	Introduce motivational programmes
	Customers report customer loyalty behaving - primarily because of personal care, not because of the product.	Use this basis of trust with customers to receive constructive criticism for improvements.

Table 14. People recommendations: employees.

Source: Own table.

For effective use – not only for management – the following wishes were expressed in Table 15.

	Requirement / Recognised	Recommendation
Technology	Partly, the CRM programme offers many possibilities, but the essentials for efficient consulting are partly missing.	Check which tools are actually necessary to achieve the set goals. Avoiding over-technification
	Possibilities of the CRM application are partly not exhausted	Permanent training, creation of a skills matrix for an overview of which people have been trained in which areas. Offer voluntary additional trainings
	Monitoring does not exist - at least not recognisably	Establishment of a clear monitoring platform. (Dashboard / Onepager) So that developments are clearly recognisable for all.
	Monitoring should be understandable	Create different dashboards (management and employees)
	Rapid access to clear customer history not given. If the respective employee is not in the house, the customer is sometimes put off.	Clarify with the staff what specifically is the source of the problem. In the case of technical deficits, demand adjustments to the software; in the case of organisational deficits, adjust processes.

Table 15. Technology recommendations.

Source: Own table

Processes require permanent further development. Identified problems in the process landscape as listed in Table 16. Should be actively addressed.

	Requirement / Recognised	Recommendation
Processes	Processes are well established - not documented	Process mapping is recommended
	Lack of clarity as to whether process improvements make sense.	Recommendation: Review process to determine whether all processes are set up in a customer-oriented manner. Eliminate processes without added value for customers
	Competitive behaviour between the service department and the sales department is noticeable.	Promote interdisciplinary cooperation through targeted adaptation of processes

Table 16. Process recommendations.

Source: Own table.

7.4.4   Limitations and future research

The study faces potential limitations that can provide suggestions for further research.

The concept of this study is to compare the very important customer view with the perception of the company. Since the extent of customer orientation depends on the decision of the managers, management has been the target group on the company side. The much lower proportion of management participants is of course explainable, as there are simply no more management staff. Although the opinion of management is very significant because decisions are made on customer care, the number of this cohort is very small for robust statements.

For further research on this topic, the perception, satisfaction and commitment of the employees needs to be investigated in this context. Employees who do not agree with the CRM strategy could also transfer this dissatisfaction to customers, thus jeopardising success at this point.

The pandemic limits the scope of investigation. Without the pandemic, a longer-term survey with more participants would have been preferred. However, due to the unclear development of the coming restrictions, it was necessary to act quickly. The survey took place in the summer of 2020, and it was unclear how long the shops would be allowed to stay open. According to media reports, it was also expected that the contagion's behaviour would increase in the autumn and winter months, thus movement restrictions would have to be expected. Under these conditions, five car dealers were chosen at random. These car dealers are positioned in the upmarket segment in terms of business.

Due to the pandemic situation, it was generally difficult to gain access to companies. Companies are very cautious about the risk of infection and want to keep risks low. In addition, every customer visit is advertised and attempts are made to avoid any irritation of the customer on the sales floor. Under these conditions, the possibility of an on-site investigation at the five car dealers was a good opportunity to directly interview customers of a company.

The current research was based on the car dealers in a specific segment because here the expectation regarding customer service is higher than the perceived one. Other segments as

well as other industries were not explored here, and the results may not be applicable to other segments or industries.

It is recognised that additional surveys are necessary in order to obtain a solid database of statistical theory. The procedure was chosen in such a way that companies and survey days were randomly selected. This study represents basic research that is intended to reveal findings and patterns to provide starting points for further studies.

8. Conclusion

Many things are changing in a state of upheaval and further development. This environment creates tensions and challenges for many organisations. Change is multi-faceted and has a lot to do with the fact that technological advancements offer many more possibilities. Political changes also contribute in forcing companies to adapt and respond to change. In addition, the speed of change is very volatile. Furthermore, change is recognised in people's behaviour. The way people work and live is changing and so is their buying behaviour.

Customers are gaining more opportunities to exert influence. Increased transparency about product information and prices in a global environment open up new opportunities. Influence is also based on customers using technology and sharing their buying experiences with others. Sharing experiences and references have great importance and put companies under pressure to impress.

Companies use technological achievements accordingly in areas from production, sales to after-sales service. Product life cycles are becoming shorter and products are becoming similar. Digital markets allow easy access for new entrants, creating even more competition and rivalry. Traditional businesses are faced with declining profits, and continuous developments and adaptation are necessary for successful business. In this field of tension, it is also increasingly difficult for companies to find a USP.

Companies hope for consistency and predictability through existing customer loyalty. Due to the aforementioned developments, however, it is becoming increasingly difficult to retain loyal customers. Customer orientation and customer management are therefore becoming more important. CRM has been propagated since the 1990s, unfortunately CRM projects were largely unable to create any economic improvement for companies. Although, technical achievements have led to the creation of many more possibilities for customer analysis and customer care.

Introducing CRM into a company requires more preparation and planning than might be suspected at first glance. The high number of failed projects calls for caution. The fact that up to 75% of CRM projects fail, and this has been the case for decades, shows the complexity impressively. The fail rate reveals that the percentage of companies that can benefit from a CRM implementation is very small and the majority of CRM projects still fail. In such cases, projects could not meet the project goals set, such as adherence to the project time, the

budgeted project costs, the planned benefits were not achieved or projects end up without improvements or even with losses (Farhan, Abed, Ellatif, 2018 pp. 2–3; Dimitriadis, Stevens, 2008, p. 498).

A clear target definition provides the framework for a CRM project. Well formulated objectives protect against surprises at the end of the project. A clear statement of what a company wants to achieve with CRM should be defined upfront. Practice shows that CRM is used for direct mailings, or for collecting customer information, as support for call centres, as a database in the background for help desk activities, or as an opportunity to track customer loyalty (Payne, Frow, 2005, pp. 167–169).

Careful planning is particularly important to avoid the pitfalls that are already known. Preparing for a CRM implementation requires concrete planning with a business case that has to be calculated. In addition, it is advisable to think about how CRM can be integrated into the existing business strategy. Planning a CRM project should be given as much attention and importance as the implementation itself (Nguyen, Sherif, Newby 2007, p. 113 f).

There are still challenges in implementing insights gathered from CRM into strategic planning. In many cases, one of the main problems is optimizing individual topics instead of taking a holistic approach into consideration. It is therefore not expedient to only deal with a topic such as complaint management, which has an impact on customer satisfaction, but it is just one task out of many (Bruhn, 2016, p.1).

In the best case scenario, introducing CRM creates a win-win situation for customers and companies. However, CRM is sometimes misused by companies to gain advantages over their customers. Such behaviour, in which there is an attempt to exploit customers, is becoming more and more common. Companies that choose such an approach expect an advantage and more profit in this way. The wide range of information gained through CRM provides enormous knowledge about customers that can also be misused (Frow et al., 2011, pp. 79–80). Such abusive behaviour can be divided into three groups. The first category is power of information; gathered information can be misused in a way to confuse the customer. Companies are collecting information from a variety of channels and this mass of data could be used to manipulate customers. Customers can be deliberately provided with manipulative information, which leads customers to make the wrong decisions. Customers

can be pushed to buy products they don't need. During business processes, companies sometimes come across private information about customers, which enables a closeness that customers already perceive as inappropriate.

The second category is manipulation. CRM supports customer segmentation. This enables profitable customers to be given preferential treatment, but on the other hand has the disadvantage that other customers receive poorer service. Switching barriers are often installed to make it unattractive for profitable customers to switch providers. Such barriers are then also used by companies to reduce the service for long-standing customers, since a change would still be associated with disadvantages for the customers. Firms also often use unfair means to financially exploit customers by demanding fines to improve profitability. An accident caused with a rental car can, for example, mean that not only the damage caused has to be paid but also that fees are billed.

The third category is mail advertisements. This category describes the deliberate sending of advertising emails to customers who do not correspond to the target group. CRM is then misused to provide other customers with emails who do not want such product advertising, because they are not the target group (Frow et al., 2011, pp. 82–83).

Certain behaviours can be held responsible for putting projects at risk. Kale (2004) provides an overview of bullet points and defines seven deadly sins that can kill a CRM project: (1) the consideration of the CRM project as a technology project. (2) Neglecting to introduce a culture with focus on the customer. (3) According to Kale, it is also important to consider the customer's lifetime value. (4) If active involvement from top management is not given, it can harm the dynamic of a CRM project. (5) Many changes are expected to hit the company during the implementation of CRM. If change management activities are not foreseen, it can result in a negative impact on employee commitment. (6) A further sin is identified, if process reviews and adjustments are not considered. (7) Finally, large data volumes require appropriate attention and the complexity of data management and data processing must not be neglected..

For ten years, Rigby, Reichheld and Schefter (2002) have surveyed over 200 companies from various industries and researched the causes that lead to CRM project failure. Insights from the surveys found that the various reasons can be divided into four groups. These first of these four groups identifies a lack of a clear customer strategy. It was not clear what goals

they wanted to achieve with relationship management activities. The second peril was the companies' inadequate preparation. Performing a CRM software installation before the company is ready for a customer orientation initiative is a risk. A corresponding evaluation and adaptation of existing processes with regard to customer orientation is necessary. Such a change in the process landscape should be carefully prepared. The third peril is the misconception that excessive technology has more chance of success. The danger lies in the perception that a CRM strategy has investments in technology as a necessary requirement. Such an approach to the subject can end up being very costly. However, the focus on motivated employees would be more promising. Motivated employees take care of customers more effectively and offer them better customer service. Basically, the budget for investments in technology for CRM should be based on the current level of customer orientation. Finally, the fourth peril describes the careless handling of customer information. During different business contacts, companies collect a lot of information about customers and often use this information to target customers. This sometimes degenerates into stalking customers. Customers perceive frequently delivered information and advertisements as a nuisance so it has the opposite effect and may end in the customer terminating the relationship (Rigby, Reichheld Schefter, 2002, p. 106).

The high rate of failed CRM projects proves that there are many more risks that cause a project to be unsuccessful. This study does not claim to be exhaustive, but is intended to provide some insight into the complexity and the multi-faceted aspects of this issue.

Satisfied employees can make a decisive contribution to ensure that CRM projects are successful. Motivated employees are ready to go the extra mile, to act committed and active in customer contacts. In contrast, dissatisfied employees only fulfil their duties, which leads to only moderate success (Kumar, Reinartz, 2012, pp. 45–46). Companies can develop dedicated teams with support from the human rescources department. Appropriate job descriptions need to be reviewed, if they are still suitable for a customer-oriented company (Rigby et al., 2002 pp. 2–7). Employees play a key role, especially in business areas where customer service is increasingly offered. Employee satisfaction should be part of the CRM strategy because of the impact on business success (Kumar, Reinartz, 2012, pp. 45-46). If employees do not support the CRM project, the whole intiative is at risk (Payne, Frow, 2005, p. 167). The commitment of the employees is also very important when unavoidable changes are necessary. In this regard, involving employees and preparing them for coming changes in their daily work with a structured CRM implementation will increase motivation and

prevent rejection (Shum et al., 2008, p. 1347). Careful review of the existing setup of processes is important to identify deviations from the defined strategy. A stringent strategy that is aligned with internal processes will contribute to increased employee commitment. Motivated employees are prepared to get important input from customers. Satisfied employees thus ensure positive project fulfilment and positive development for business success (Winkelmann, 2007, pp. 22–23).

Another success factor is the culture within a company. The readiness for change and customer orientation is important. Changes such as the transition from product orientation to customer orientation pose major challenges for companies. Such changes require the willingness of the entire workforce to embrace something new. Customer orientation itself requires a stringent setup through the entire company (META Group, 1998, p. 8).

Costs that arise in the course of a CRM project are considerable. Accurate planning helps to avoid exploding costs at the end of the project. The costs that arise in the course of a CRM project are not only due to the time required and the project expenditures, but can be considered more broadly. For example, the financial impact of lost customers or missed opportunities could make a big difference (Rigby et al., 2002 p. 2).

Researchers and academics do not offer a uniform definition of CRM, and there are also different views among practitioners. As a result, CRM can be applied according to an interpretation ranging from a software package to a strategic company orientation including the adaptation of all processes. Thus, there is no single view or approach, neither in theory nor in practice.

In addition to the challenges of CRM, companies find themselves in an extremely fragile environment that is subject to ongoing change. The pressure is massively increased by transparent markets and rising competition in a global marketplace. In this fluctuating state, companies are looking for stability and solutions. Especially software companies claim to offer quick and simple solutions for complex challenges. The annual amount of investment costs in the CRM environment are enormous and continue to grow, because companies belive successful CRM implementation will create a more stable business.

This study attempts to gain insights into why CRM projects so often fail. The customer and the understanding of the customer are considered essential in the first instance. The study examines the core question of how well companies understand their customers or whether

there are misunderstandings. For this objective, customers and also companies were surveyed with separate questionnaires on the same topics. Respective topics have been asked once for the customer perspective, and the same topics were asked in separate questionnaires to managers, to provide a company perspective.

The outcome of the empirical analysis has not provided statistical significance, but shown significant trends. A general statement that companies ignore customer needs cannot be confirmed. Nevertheless, detailed analyses at item level or subgroup level show that there are indeed differences between the cohorts. It is recognisable that customers tend to show more approval, while management tends to be cautiously sceptical.

One finding from the evaluation is that there is no such thing as one-size-fits-all solution. The challenge for companies is the need to meet customers in their diversity. Gender effects and age effects have been recognised as influential factors that could be trigger for further investigations as to how these insights can be used to generate customer retention.

Changes from markets, technology, customer behaviour and others are a challenge for all companies at the same time. Competing companies try to copy successful products and services immediately and offer them cheaper. This behaviour will not change. For this reason, companies are advised to concentrate on success factors that are difficult to copy. A stable foundation is provided by long-term customer relationships and a customer-oriented culture with the know-how of motivated employees and an appropriate strategy. Such a foundation is hard to copy in a short period of time (Zineldin, 2006, p. 431; Pitts, Lei, 2003, p. 501; West, 2001, p. 35).

It seems that all endeavours in a CRM project have a central starting point. It is mainly the customer. Despite all the promises that customer centricity is of importance, the customer perception of CRM activities is nearly unknown. It is not yet proven if customers appreciate CRM activities and if they really recognise advantages from CRM implementation. It is not quite clear if CRM activities really motivate customers to hold the relationship with the company. It has also to be questioned whether analysis from CRM tools does really match with customers perceptions. It seems that the customer could have got lost during CRM activities (Kim et al., 2012, p. 84).

Customer orientation is multifaceted and often leads to confusion about where to start most effectively. The main starting point remains the customer.

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Appendices

Appendix 1: Questionnaire Customer

Customer questionnaire

Sehr geehrter Kundin/ Sehr geehrter Kunde,

Danke, dass Sie bei der nachfolgenden Befragung teilnehmen, die ca. 5 Minuten dauern wird.
Die Befragung ist Teil einer Forschung im Zuge einer Doktorarbeit zum Thema Kundenbeziehung.
Die Umfrage ist vollständig anonym.

Vielen Dank für Ihre Unterstützung
Erwin Schlögl M.A.

Alter: _____

Geschlecht: _____

Geschäftskunde (G) oder Privatkunde (P) _____

#		trifft voll und ganz zu	trifft eher zu	weder noch	trifft eher nicht zu	trifft überhaupt nicht zu	Kann ich nicht sagen
1	Die Qualität der Kundenbetreuung ist in allen Bereichen gleich(Verkauf, Reparatur, Beschwerde...)						
2	Egal mit welchem Anliegen ich an die Firma gehe, ich werde behandelt	wie ein König	Partner auf Augenhöhe	sachlich-korrekt	wie ein Bittsteller	ohne Wertschätzung	mach ich mir keine Gedanken
3	Hier im Haus haben alle Bereiche den selben, aktuellen Wissenstand über mich als Kunde.	Ja	eher wahrscheinlich	Kann ich nicht sagen	unwahrscheinlich	unwahrscheinlich	Nein
4	Ich komme gerne immer wieder zu der Firma, wenn ich gut beraten und betreut werde. Das ist für mich wichtig.	Ja	eher wahrscheinlich	unentschieden	eher unwahrscheinlich	unwahrscheinlich	Nein
5	Überlegen Sie die Firma zu wechseln, wenn Sie bei Beschwerden nicht kundenfreundlich behandelt werden?	Ja	eher wahrscheinlich	unentschieden	eher unwahrscheinlich	unwahrscheinlich	Nein
6	Es ist kein Problem, wenn die Firma Fehler macht, wenn diese eingestanden und rasch zu meiner Zufriedenheit erledigt werden.						
7	Reklamationen werden in diesem Haus rasch, unkompliziert und korrekt erledigt						

Seite 1 von 3

Customer questionnaire

	trifft voll und ganz zu	trifft eher zu	weder noch	trifft eher nicht zu	trifft überhaupt nicht zu	Kann ich nicht sagen
8	Ich habe das Gefühl, dass Geschäfte mit der Firma fair für beide Seiten sind (Firma und Kunde)					
9	Ich habe als Kunde volles Vertrauen, dass mit meinen Daten sorgsam umgegangen wird.					
10	Ich empfehle die Firma in meinem Freundes- und Bekanntenkreis auch gerne weiter.					
11	Was ich bei Terminen vor Ort mitbekomme, werden alle Kunden gleich gut behandelt. Es gibt keine Extrabehandlung.					
12	Mit dem gebotenen Kundenservice bin ich voll zufrieden, so wie es ist					
13	Ich bin ein treuer Kunde und wechsle ungern zur Konkurrenz.					
14	Ich werde aktiv von der Firma gefragt, was ich mir wünsche damit ich mit der Firma noch mehr zufrieden bin.					

Customer questionnaire

	trifft voll und ganz zu	trifft eher zu	weder noch	trifft eher nicht zu	trifft überhaupt nicht zu	Kann ich nicht sagen
15	Beim Gespräch mit den Beratern bzw. Verkäufern oder dem Kundenservice hat man den Eindruck, dass alle gut vorbereitet sind. Alle Informationen von Verkäufen, Kontakten und Reklamationen etc. sind adhoc verfügbar und verkürzen die Abwicklung.					
16	Wenn Daten erfasst werden müssen, geht das sehr rasch und unkompliziert, und unterbricht nicht das Gespräch.					
17	Die Firma bietet mir verschiedene Möglichkeiten (Online, eMail, Direkt vor Ort) geschäftliches abzuwickeln. Alle Möglichkeiten können gleichzeitig verwendet werden.					
18	Ich möchte gewisse Aufgaben lieber online selber machen - ohne persönliche Unterstützung der Firma.					
19	Ich möchte mich vor einem Kauf online informieren. Für einen Abschluss bevorzuge ich aber die Beratung durch einen Verkäufer.					
20	Bei jedem Kundenkontakt merkt man, dass der Kunde das Wichtigste ist. Anliegen werden rasch und unkompliziert erledigt.					
21	Ich werde von meiner Ansprechstelle immer zu allen Themen betreut, egal um welches Thema es sich handelt, diese Person erledigt alles für mich.					
22	Was kann die Firma machen, damit die Kundenbetreuung noch besser wird?					

Appendix 2: Management questionnaire

Management questionnaire

Sehr geehrter Geschäftsleitung,

Danke, dass Sie bei der nachfolgenden Befragung teilnehmen, die ca. 5 Minuten dauern wird.
Die Befragung ist Teil einer Forschung im Zuge einer Doktorarbeit zum Thema Kundenbeziehung.
Die Umfrage ist vollständig anonym.

Vielen Dank für Ihre Unterstützung
Erwin Schlögl M.A.

Alter: _____

Geschlecht: _____

#	Frage						
		trifft voll und ganz zu	trifft eher zu	weder noch	trifft eher nicht zu	trifft überhaupt nicht zu	Kann ich nicht sagen
1	Das Management motiviert gegen ein Bereichs-Denken (Silo-Denken).	trifft voll und ganz zu	trifft eher zu	weder noch	trifft eher nicht zu	trifft überhaupt nicht zu	Kann ich nicht sagen
2	Wie begegnet man den Kunden? Der Kunde wird behandelt ….	wie ein König	Partner auf Augenhöhe	sachlich-korrekt	wie ein Bittsteller	ohne Wertschätzung	mach ich mir keine Gedanken
3	Mitarbeiter teilen gewonnene Kundeninformationen bereitwillig mit Kollegen/innen.	Ja	eher wahrscheinlich	unentschieden	eher unwahrscheinlich	unwahrscheinlich	Nein
4	Motivierte Mitarbeiter haben einen Einfluss auf die Dauer einer Kundenbeziehung.	Ja	eher wahrscheinlich	unentschieden	eher unwahrscheinlich	unwahrscheinlich	Nein
5	Würden Kunden den Anbieter wechseln, weil das Beschwerdemanagement nicht gut funktioniert?	Ja	eher wahrscheinlich	unentschieden	eher unwahrscheinlich	unwahrscheinlich	Nein
6	Fehler Kultur: Mitarbeiter dürfen/sollen Fehler proaktiv aufzeigen	trifft voll und ganz zu	trifft eher zu	weder noch	trifft eher nicht zu	trifft überhaupt nicht zu	Kann ich nicht sagen
7	Beschwerden werden rasch und unkompliziert abgewickelt.	trifft voll und ganz zu	trifft eher zu	weder noch	trifft eher nicht zu	trifft überhaupt nicht zu	Kann ich nicht sagen

Management questionnaire

		trifft voll und ganz zu	trifft eher zu	weder noch	trifft eher nicht zu	trifft überhaupt nicht zu	Kann ich nicht sagen
8	Eie Win-Win Situation ist das Ziel, beide Geschäftspartner sollen einen Vorteil haben.						
9	Wird dem Kunden vermittelt, dass auf den Schutz der Kundendaten wird viel Wert gelegt wird?						
10	Kunden schätzen das gute Kundenservice und danken es mit Weiterempfehlungen (Mundpropaganda)						
11	Gibt es eine differenzierte Kundenbehandlung aufgrund einer Kundensegmentierung?						
12	Die Kunden sind grundsätzlich mit dem Kundenservice zufrieden						
13	Die Kunden der Firma sind großteils loyal und wechseln nicht leichtfertig						
14	Kundenwünsche werden aktiv erhoben						

Management questionnaire

#	Aussage	trifft voll und ganz zu	trifft eher zu	weder noch	trifft eher nicht zu	trifft überhaupt nicht zu	Kann ich nicht sagen
15	Die CRM-Software unterstützt die Mitarbeiter beim Kundengespräch und versorgt diese mit den relevanten Daten (Historie inkl. Reklamationen..). Dadurch können Termine kundenfreundlicher und effizienter abgewickelt werden.						
16	Datenerfassung ist effizient, die Software unterstützt, damit die Erfassung nur mit wenigen Klicks möglich ist.						
17	Können die Kunden über alle Vertriebskanäle gleichzeitig mit der Firma geschäftliche Aktivitäten durchführen?						
18	Kunden wünschen sich die Möglichkeit dass sie gewisse Prozesse im Verkauf selber - online - durchführen können.						
19	Kunden wollen sich Informationen vorab online besorgen, suchen dann aber eine persönliche Beratung durch Verkäufer						
20	Sämtliche Prozesse in der Firma sind auf den Kunden ausgerichtet. Es wird immer hinterfragt, ob es einen Mehrwert für den Kunden gibt.						
21	Gibt es einen zentralen Ansprechpartner für Kunden, der sich um alle Belange eines Kunden kümmert?						
22	Was kann die Firma machen, damit die Kundenbetreuung noch besser wird?						

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Declaration

I, Erwin Schlögl, by signing this declaration assert that my PHD thesis, "CRM – The equal importance of human elements, processes and technologies as a prerequisite for success in a constantly changing environment." was my own work. During the dissertation I complied with the LXXVI and the rules of the doctoral dissertation prescribed by the Doctoral School, especially regarding references and citations.[1]

Furthermore, I declare that I did not mislead the supervisor(s) or the programme leader with the dissertation.

By signing this declaration, I acknowledge that if it can be proved that the dissertation is not self-made or the author of a copyright infringement is related to the dissertation, the University of Sopron is entitled to refuse the acceptance of the dissertation.

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Sopron, 2021, June, 29th

_____

                                                PhD candidate

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[1] LXXVI. TV. 1999 Section 34 (1) Any person may quote the details of the work, in the extent justified by the nature and purpose of the receiving work and in the original, by the name of the source and the author designated there.

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