

MASTER'S THESIS

Customer Relationship Management

Case studies of five Swedish Companies

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Preface

This thesis is written as our Master's Thesis in the Msc. Programme in International Business and Economics at the Division of Industrial Marketing at Luleå University of Technology. The hard work during ten weeks of the fall term in 2001 has been very interesting and has provided us to gain a better understanding of how Customer Relationship Management is used in Swedish companies and increased skills regarding academic and scientific writing.

We would like to show our sincere gratitude and appreciation to the people that have helped us during the process of writing, making this thesis possible. First of all, we would like to thank our supervisor Professor Manucher Farhang for his support and committed guidance. Furthermore, we want to thank Tim Foster who provided us with support and advice during the initial phase of the writing and Christina Sales Baptista who earlier introduced and guided us in the area of relationship marketing. We would also like to thank all companies that have taken the time to participate in our research. Without them, this thesis would not have been possible to complete.

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Abstract

This thesis aims to study how Customer Relationship Management (CRM) is used in companies. By exploring, describing and somewhat explaining companies objectives of CRM and their CRM processes as well as how the organization is affected by CRM, achieves the overall purpose of the study. Five case studies were performed within the construction, financial, and manufacturing industries and all studied companies originated from Sweden.

Three major finding was made. Firstly, Swedish companies have well developed objectives with CRM that exist within the three classification areas, cost saving, revenue enhancement and strategic impact. Secondly, Swedish companies have accepted and implemented CRM processes that is a condition for the transition into a customer centric company. Thirdly, the organizational structure in Swedish companies has not been affected by the use of CRM due to that Swedish companies have not adapted to the CRM business framework. Today, Swedish companies mostly use CRM as a sales and marketing support system.

Sammanfattning

Syftet med denna uppsats är att studera hur Customer Relationship Management (CRM) används i företag. Syftet är uppnått genom att utforska, beskriva och förklara företags CRM målsättningar och deras CRM processer samt hur organisationen har påverkats av CRM. Fem fallstudier i svenska företag genomfördes inom tre industrier: bygg & anläggnings, finansiella, och tillverkningsindustrin.

Tre intressanta resultat gjordes, för det första, svenska företag har väl utvecklade CRM målsättningar fördelade i tre områden, kostnadsbesparingar, intäkts ökande och strategisk betydelse. För det andra svenska företag har anammat och infört CRM processer, vilka är en förutsättning för omvandlingen till ett företag med kunden i centrum. För det tredje har organisationsstrukturen i svenska företag inte påverkats av användandet av CRM, då svenska företag ej har anammat CRM som affärsmodell. Idag använder svenska företag CRM mest som ett försäljnings och marknadsföringsystem.

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1. Introduction

The international business environment has changed the way we view upon conducting business today. The globalization is erasing the national boundaries and today companies are competing on a global market. This rapid change in the global environment puts high demands on companies to quickly be able to adjust to new situations in order to stay competitively strong. Furthermore, the economic and financial integration have created strong links between companies and the global macro-economic environment. No company in this integrated world will remain unaffected of what happens in the world economy. (Brake, Walker & Walker, 1995; Stanat, 2000)

The increased competition on the global marketplace has led to that companies today focus more on relationships with their customers and are therefore leaving the transactional-based point of view (Palmer, 2001; Robertson & Kellow, 2001). In order to meet these international environmental changes, companies use customer relationship management (CRM) in order to create competitive advantage and thereby becoming more profitable companies (Galbreath & Rogers, 1999; Valentine, 1999).

In this chapter, the background and some definitions regarding the evolution of Marketing and Customer Relationship Management are presented as an attempt to clarify the concepts. Thereafter, a discussion of the problem area will be provided, leading down to the specific research questions of this study.

1.1 The Evolution of Marketing

The word marketing is derived originally from the Latin “mercatus “, which means marketplace. It comes from the work “mercari”, which means, “to trade”. The word marketing can also be somewhat confusing. If you ask people what marketing is, many will respond with a variety of words such as: selling, advertising, promotion, targeting or marketing research. The fact is that marketing encompasses all of these and yet many other activities and it are concerned with the identification of marketing opportunities. (Zineldin, 2000) The traditional view on marketing with the concept of 4Ps: *price*, *product*, *place* and *promotion*, was originally constructed by Niel Hopper Borden in 1964. This approach that has then over the years been further developed by a number of authors. These four elements are regarded as the traditional marketing mix and the marketing mix approach constitutes a production-oriented definition of marketing where transactions are put in the focus (Grönroos, 1997).

From the early 1980s an alternative approach to marketing theory and practice was gaining power, namely relationship marketing. The term itself can be traced back to the service marketing literature, though arguably it can be said to have originated in industrial marketing (Fletcher, 1990). In the scope of industrial marketing this shift from traditional marketing towards relationship marketing are occurring and several scholars are claiming that this is a paradigm shift in marketing (Gummesson, 1997; Grönroos, 1997; Parvatiyar and Sheth, 1994). Grönroos (1997, p.330) defines relationship marketing in the following way:

“Marketing is to establish, maintain, and enhance relationship with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by mutual exchange and fulfillment of promises.”

In its earliest forms, relationship marketing focused simply on the development and cultivation of long-term, profitable, and mutually beneficial relationships between an organization and a defined customer group (Parkington & Schneider, 1979). However, the concept quickly broadened to encompass internal marketing in acknowledgment that the successful management of external relationships was largely dependent on the alignment of supporting internal relationships (Kelley, 1990). Several eminent marketing academics have pointed out the changing role of marketing and the shift from a transactional to a relational approach, i.e. Webster, (1992); Grönroos (1994); Sheth and Parvatiyar (1995); Payne, Clark & Peck (1995); Gummesson (1998); Turnbull; Ford and Cunningham (1996) and Ford, eds. (1997).

1.2 Customer Relationship Management

As already stated, the change of the business environment and the evolution of marketing to adapt to these changes has led to that the way companies organize themselves has switched from product-based to customer-based structures. A key driver of the change is the advent of Customer Relationship Management – CRM, which underpinned by information systems convergence and the development of supporting software, promises to significantly improve the implementation of relationship marketing principles. (Ryals & Knox, 2001, Storbacka & Lehtinen, 2000)

From another perspective, CRM is a strategic view of how to handle customer relations from a company perspective. The strategy deals with how to establish, develop and increase customer relations from a profitability perspective. Based upon knowledge about the individual customer's need and potential, the company develops customized strategies describing how different customers should be treated to become long-term profitable customers. The basic philosophy underlying CRM is that the basis of all marketing and management activities should be the establishment of mutually beneficial partnership relationship with customers and other partners in order to become successful and profitable. (Spitler, 1997; Zineldin, 2000)

In order to more efficiently manage customer relationships, CRM focuses on effectively turning information into intelligent business knowledge. This information can come from anywhere inside or outside the firm and this requires successful integration of multiple databases and technologies such as the Internet, call centers, sales force automation, and data warehouses. (Galbreath & Rogers, 1999) There is no universal explanation of what CRM is, since the area is fairly new and still is developing. It is therefore important to remember that several attempts of defining CRM exist and that many companies adapt the definition to their own business and their unique needs. (Zineldin, 2000) The following quotations are three examples of how CRM is defined:

“CRM is a new customer-centric business model that reorients firm operations around customer needs (as opposed to products, resources, or processes) in order to improve customer satisfaction, loyalty, and retention.” (Petrisans, 1999, p.95)

“CRM is the integration of customer focus in marketing, sales, production, logistics and accounting, i.e. in all parts of the company's operations and structure.” (Peppers & Rogers 1999, p.7)

“The activities a business performs to identify, qualify, acquire, develop and retain increasingly loyal and profitable customers by delivering the right product or service, to the right customer, through the right channel, at the right time and the right cost. CRM integrates sales, marketing, service, enterprise-resource planning and supply-chain management functions through business process automation, technology solutions, and information resources to maximize each customer contact. CRM facilitates relationships among enterprises, their customers, business partners, suppliers, and employees.”
 (Galbreath & Rogers 1999, p162)

As can be seen above, the three definitions have the following in common: a) they all include activities in all parts of the company b) the reason for CRM is to create a customer relationship focused company. In essence, CRM provides management with the opportunity to implement relationship marketing on a company-wide basis (Ryals & Knox, 2001). However, for CRM to be successful, all activities in a company need to be managed in combination to reach success (Hamel & Prahalad, 1994).

Stone, Woodcock & Wilson (1996) note that in some companies there is the belief that good market planning is equal to good CRM. It must be clear that CRM is not equal to market planning, since they are founded on two different marketing approaches. However, the authors add that although the information in market research is CRM, it is only a small part of the CRM that is needed in order to create profitable customer relationships. (Ibid.) Market planning is based upon the transactional-based point of view with market segmentation as the emphasis. Moreover, market planning still generalize and segment customers according to specific characteristics, but fail to identify individual wants and need as CRM does, i.e. the knowledge about the individual customers. (Ryals & Knox, 2001; Storbacka & Lehtinen, 2000) What differentiates market planning from CRM is exhibited in figure 1.1.

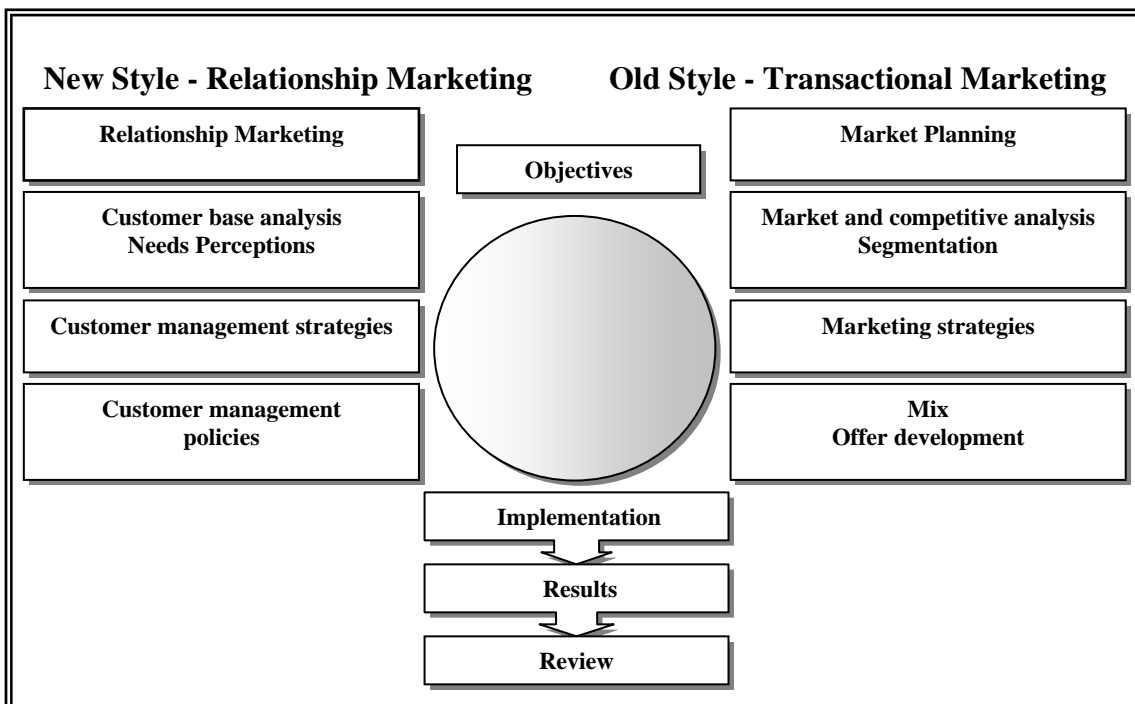


Figure 1.1 Customer Relationship Marketing versus Market Planning
 Source: Stone, Woodcock & Wilson, 1996 p.680

1.3 Problem Discussion

According to Peppers & Rogers (1999), it is important to define and distinguish different concepts to be able to understand and discuss CRM. The four steps that according to the authors constitute the core of CRM are to: *identify, differentiate, interact and customize*. These steps are roughly in order of increasing difficulty and complexity, even though you may find a good deal of overlap among them. The first step refers to *identify* your customers. A company can't have a relationship with a customer they do not know about. Secondly, *differentiate* the customers since they are different in two different ways. They represent different levels of value to the company, and by categorizing them the company can prioritize their efforts and gain most advantage with the most valuable customers but also tailor the firm's behavior toward each customer based on their individual needs. The third step is to *interact* with the customers, to have a successful CRM focus in the company; there must be improvement both in cost-efficiency and the effectiveness of the customer interactions. The fourth and final step is to *customize* some aspect of the company's behavior toward the customer in terms what is offered. (Ibid.)

Moreover, CRM focuses on establishing a better understanding of customers with valuable information about their buying patterns in order to create profitable relationships with the customers. (Farrell, 2001) Many scholars have argued the issue regarding CRM. The traditional but to some extent wrong view is that CRM is a technological system for information analysis and handling. (Zineldin, 2000) Hall (1997) found that even where organizations have technological integration, performance integration does not always follow. Many departments and individuals see customer handling as a sales or marketing function, and regard the release of their individual customer data as signalling a loss of power and inability to solve the customers demand on the company. Furthermore, Hall (1997) notes that the critical interface is between marketing and CRM technology. An understanding of the perspective from both of these disciplines is a prerequisite of cross-functional integration. (Ibid.)

This is further supported by Zineldin (2000), which states that CRM is much more than a technical solution for data gathering and information handling. Zineldin propose that CRM is a total management focus that should incorporate all levels and all units of a company in order to create business possibilities for those who want to prosper in the competitive international business arena of today. (Ibid.) Moreover, the marketing perspective of CRM hinges on its potential to offer better customer service, and to improve marketing effectiveness through better focus (McDonald & Wilson, 1999; Bessen, 1993). Data systems can improve customer service in a number of areas, including reliability, efficiency, and communication as well as quality control and service monitoring, but the outcome of the CRM comes down to how the whole company uses the information to become customer focused. There is one thing to receive information; the hard part is using it correctly a process referred to as the CRM process. (Berkley & Gupta, 1994; Storbacka & Lehtinen, 2000)

Management academics have been preaching customer orientation for decades, but practice has remained stolidly product orientated (Levitt, 1986; Ryals & Knox, 2001). However, a combination of factors has now simultaneously obliged and enabled firms to re-organise around their customers; widespread changes in business processes, growth of the services sector, and the availability of cost-effective software solution to

the challenges of mass-customization. Although these factors are facilitating the shift from product management to a customer focus, the shift will not be easily achieved. The necessary changes will impact on the ways that companies view their customers and how they treat them, how they are themselves organised and how they measure and reward success. (Ryals & Knox, 2001; Jennings 1997)

As the companies attempt to re-orient themselves around customers, individual employees will have to come to terms with changing cultural norms, organizational structures and the way that their performance is measured and rewarded. (Ryals & Knox, 2001) In studies by Martiny (1998) and Braganza and Myers (1996), it is indicated that the commitment of senior management is critical to success. This was reinforced in a META Group report (1998) that singled out the Chief Executive Officer's (CEO) involvement as a key success factor for CRM projects, concluding that, investing in CRM technology without a customer-oriented cultural mindset – inherited hierarchically throughout the enterprise from the CEO – is like throwing money into a black hole. (Ibid.)

Data management systems are the tools that enable the whole firm to reorganise around its customers, but they are not sufficient in themselves. Companies that regard customer information management as a marketing department responsibility and leave it in the hands of marketing planners and product managers in the expectation of short-term payoffs are missing the point. The adoption of customer-oriented strategies require according to Jennings (1997) an organizational culture that is adaptive and responsive to change, and the quality of communication within and organization is an important aspect of any change initiative. Failure to successfully communicate a change initiative and its implications for employees can lead to failure. (Jennings, 1997; Ryals & Knox, 2001; Storbacka & Lehtinen, 2000)

According to the study by Christopher, Payne & Ballantyne (1991), the purpose of relationship marketing is to improve long run profitability by shifting from transactional based marketing, with its emphasis on winning new customers, to customer retention through effective management of customer relationship. Furthermore, the authors argue that the development of theory in relationship marketing continues undebated, the key question facing practitioners is, how this shift in management focus can be integrated in practice. (Ibid.)

In short, we have high lightened the importance and potential impact of CRM on customer relationships. One should emphasize that areas regarding relationship have been present in marketing discussion for the last thirty years, while CRM that has evolved from the relationship marketing perspective have been present the last decade. Despite this, companies still struggle and look on how to use CRM to become more profitable by identifying the individual customers needs and wants. CRM is not just technology it is so much more. The company that can tackle the issues regarding CRM and use it most effectively will be the dominant actor in the business world of today. (Christopher, Payne & Ballantyne, 1991; Ryals & Knox, 2001; Zineldin, 2000)

1.4 Research Purpose

As discussed above, the importance of CRM has increased due to the rapid speed of globalization and increased competition both from domestic and international companies. To prosper on the market today firms have to develop strategies based on trends and possible scenarios. This makes it interesting to see how companies manage the issue. Since CRM is a rather new approach to marketing, there is a need for investigating how the objectives of CRM can be described and how CRM is integrated into the firm, but also how the CRM activities and procedures are carried out. Now in the era of globalization, the market conditions are changing and new ways to achieve competitive advantage must be used. CRM may be a way for the companies to strengthen their position in the market. Hence, the purpose of this research is to *gain a better understanding of how Customer Relationship Management is used in companies.*

As the management of customer relationships may involve numerous activities, we limit ourselves to the following three research questions:

- What different objectives do companies have with CRM?
- How can the CRM process in companies be described?
- How is the company's organizational structure affected by the introduction of CRM?

With the first research question we aim at describing what different objectives companies have with CRM. The intention with the second research question is to study the CRM process in companies can be carried out by describing the activities or functions involved. Furthermore, the third research question aims at answering how a CRM has affected the companies organizational structure, i.e. where in the company as well as how CRM is integrated.

1.5 Demarcations

We have chosen to study only what the companies objectives with CRM is and not how companies can benefit from the outcomes of CRM in their operations. These are two different things; the first states objectives with CRM and the second shows the result from CRM. Moreover, we are in this thesis only focusing on how companies uses CRM today. This will eliminate certain scenarios, thus providing us with a phenomenon that is possible to study during the time span allocated for our thesis. Finally, we are aiming after a present state of the CRM usage in companies and not to any future scenario or how the companies want to use CRM in their operations.

1.6 Disposition of the Study

In this section, the disposition of this research will be clarified. To start with, this chapter has provided the background of the study and a problem discussion of the area, leading to the specific research questions.

Chapter two contains a review of literature related to the three research questions of this study, i.e. literature regarding objectives with CRM, and the CRM process from different views. Furthermore, the literature review covers theories regarding how CRM affects the organizational structure when being introduced.

Chapter three describes the frame of reference for the investigation, where we aim at conceptualizing the useful aspects of the literature for our research. In the end of this chapter, a visualization of the emerged frame of reference is provided.

Chapter four includes a description of the methodological procedures of the study. These include the research purpose, research approach, research strategy, data collection method, sample selection, analysis of the data and a discussion of the quality standards reliability and validity of the study.

Chapter five provides a delineation of the empirical data gathered in the research. Firstly, a short company presentation is provided and thereafter the data gathered is presented.

Chapter six includes an analysis of the empirical data. The analysis contains both within case analyses of each of the five companies as well as a cross case analysis, where the data from the five companies are compared.

Chapter seven contains the overall conclusions that can be drawn from the research. Conclusions will be given in relation to the three research questions. Furthermore, the chapter includes recommendations for managers, theory and further research within the area.

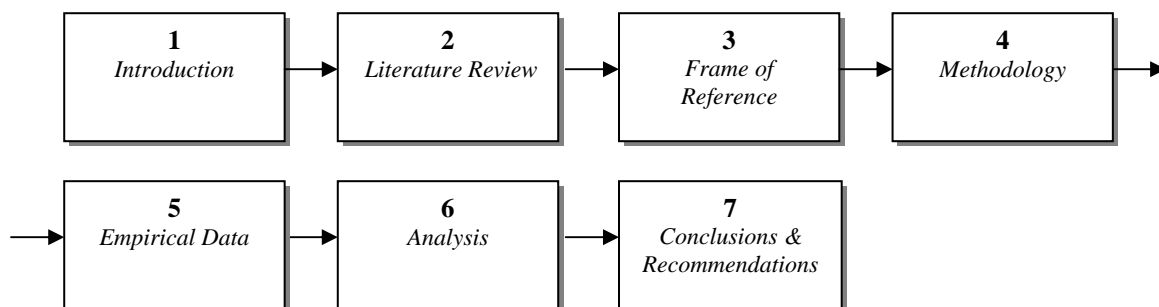


Figure 1.2 A Schematic Presentation of the Disposition of the Study

Source: Authors' own construction

2. Literature Review

The previous chapter provided the background and the problem discussion of the area of this study, leading down to the specific research questions. As discussed in chapter one, CRM established between companies and customer has been identified as the research area of this thesis. Hence, theoretical, this study is positioned within this area. Particularly, the focus is given to the study of how company's uses CRM, with the emphasis is on the objectives. Furthermore, the CRM process is covered as well as how the companies' organizational structure is affected by CRM.

2.1 The Objectives with CRM

In this section objectives for CRM within a company will be discussed. Objectives of CRM will be described in order to present different views on the topic. The presented objectives of CRM have been verified in previous research and studies by each author mentioned below.

2.1.1 Objectives by Burnett

Burnett (2001) argues that the objectives from CRM generally fall into three categories: *cost savings*, *revenue enhancement*, and *strategic impact*. He states that the following objectives seems reasonable for a company implementing CRM:

- *Increased sales revenues* results from spending more time with customers, which results from spending less time collecting information about the customer.
- *Win rates* improve since the company withdraws from unlikely or bad deals earlier in the sales process.
- *Increased margins* results from knowing your customers better, providing a value-sell, and discounting price-less.
- *Improved customer satisfaction rates*. The increase occurs because customers will find that the offer is more in line with their specific needs.
- *Decreased general sales and marketing administrative costs*. This decrease occurs since the company has specified and has good knowledge about its target segment customers. Thereby the company is using its resources better when no effort is a waste of money or time. (Ibid.)

2.1.2 Objectives by Newell

Newell (2000) states that the key to CRM is identifying what creates value for the customer and then deliver it. While individual customers have different views of value, there are many ways to satisfy the each customer. Therefore the CRM objectives is to:

- Identifying those customer values that are pertinent to a particular segment.
- Understanding the relative importance of those values to each customer segment.

- Determining if delivery of those values will affect in a positive manner.
- Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.
- Measuring results and proving return on investments. (Ibid.)

2.1.3 Objectives by Swift

Swift (2001) claims that as organizations move close to their customers and their extended enterprise business unit, the leading organizations specifically communicate their objectives and goals. The CRM objective is to increase business opportunities by:

- Improving the process to communication with the *right customers*.
- Providing the *right offer* for each customer.
- Providing the right offer through the *right channel* for each customer.
- Providing the right offer at the *right time* for each customer.

By doing this company's can receive the following benefits:

- *Customer retention*. Ability to retain loyal and profitable customers and channels to growth the business profitability.
- *Customer acquisition*. Acquiring the right customers based on known or learned characteristics, which drives growth and increased margins.
- *Customer profitability*. Increasing individual customer margins while offering the right product at the right time. (Ibid.)

2.1.4 Objectives by Galbreath & Rogers

Galbreath & Rogers (1999) state that many factors influence the purchasing decision of a customer. A customer buys products or services when his or her expectations have been met, or exceeded, in terms of the offering and personalized attention from the firm's employees. It is necessary for a company to meet customer expectations on a consistent basis to secure its survival in the long run. This is especially valid now days when competition is fierce and global. (Ibid) They have developed three main CRM objectives for companies to handle this challenge: *customization, personal relationships and after sales/service support*.

- *Customization*. Customer want services that meet or exceeds their individual needs. Creating offerings that meet the diverse wants of a customer base will become a necessary activity of retaining and growing business. The key to business success lies in addressing each customer's unique distinct characters. This is called mass customization. Mass customization enables economies of scale, at the same time, as it seeks to produce a tailored offering to the needs and wants of the individual customer who buys them. (Ibid.)

- *Personal relationships.* The greatest correlation to success is the amount of time spent with the customer and the ensuing personal relationship of mutual respect and trust. Therefore building customer relations demands that suppliers pay close attention to their customers. It means not only listening to the customers, but also actively using their feedback to improve the relationship and its outcomes. (Ibid.)
- *After-sale service/support.* Paying attention to customer after the sale with responsive and proactive service and support can have a great effect on the business profitability, when many customers leave their suppliers after bad after-sale service/support experiences. Therefore one way to assure customer loyalty is to never forget the customer even long after the sale has been consummated. (Ibid.)

2.1.5 Objectives by Kalakota & Robinson

According to Kalakota & Robinson (1999) is CRM an integration framework and a business strategy. They have listed three objectives of the CRM business framework that illustrate this: *use existing customer relationship to grow revenue, use integrated information for excellent service, introducing consistent replicable channel processes and procedures.*

- *Use existing customer relationship to grow revenue.* Enhance profitability by identifying, attracting, and retaining the best customers. This is done by preparing a comprehensive view of the customer to maximize his or her relationship with the company through up selling (selling more exclusive products) and cross selling (selling complementing products). (Ibid.)
- *Use integrated information for excellent service.* Use customer information to better serve the customer needs. By doing this, companies save the customer time. Customer specific information should be available to all customer contact points. (Ibid.)
- *Introducing consistent, replicable channel processes and procedures.* With the proliferation of customer contact channels, many more employees are involved in sales. In order to enjoy continued success, companies must have consistent, dependable, and convenient interaction with customer at every encounter. (Ibid.)

2.2 The CRM Process

This section deals with literature regarding the integration of business functions in the marketing strategy. Furthermore, this section covers the tactical integration of the CRM process and the CRM process cycle.

2.2.1 Integration of Business Functions in the Marketing Strategy

Peppers & Rogers (1998) describes four principal business functions that a company must integrate into its marketing strategy. Furthermore, the authors state that they should be used together in order to compete successfully in the international business world. (Ibid.) Table 2.1, describes the four principals business functions that a company must integrate in its marketing strategy according to Peppers & Rogers (1998).

Table 2.1 Functions of the Customer Centric Enterprise

Function	Contribution	Implemented by
Custodianship of the customer base	Differentiating customers by their enterprise and their value to it; allocating resources appropriately	Chief Executive Officer Chief Financial Officer Chief Information Officer Marketing Executives Sales Executives Vertical Market Managers Account Relationship Managers
Production, logistics, and service delivery	Mass customizing to build loyal customers at higher margins: creating Learning Relationships	Operation Executive Customer Service Executives Product Managers Area Vice Presidents
Customer communication	Providing dialogue feedback to specify (a) Individual customer needs and (b) Share-of-customer opportunities	Marketing Executives Sales Executives Advertising Executives Information Systems Managers Customer Service Executive
Distribution and logistics	Defining the customer within the “distribution waterfall”; creating 1:1 relationships with distributors; distributing products/services more cost-efficiently	Marketing Executives Sales Executives Channel Managers

Source: Peppers & Rogers, 1998, p.28

- *Financial custodian of the customer base.* Almost all companies have a customer base, but the way to use it differs. The customer centric enterprise treats the customer base as the primary asset of the firm, carefully managing the investment it makes in this asset. The custodian of the customer base is essentially about identifying the differences between individual customers. (Ibid.)
- *Production, Logistics, and Service Delivery.* The customer centric enterprise must be capable of customize its actual offering to the needs and preferences of each individual customer. The feedback loop with an individual customer is useful only if the interaction can be incorporated into the way the enterprise actually behaves toward the customer. To receive a truly customized product or service, the customer first has to say what he or she wants and how it should be delivered. These convert the customer from passive target to active participant in the selling process. This means that the production and logistics functions has to be integrated with the marketing function on the micro level of the individual customer rather than just on the macro level of the target market. (Ibid.)
- *Market Communication, Customer Service, and Interaction Dialogue.* Marketing communication and all forms of customer interaction must be combined in a single function to ensure that the dialogue with a customer today picks up where it left off yesterday. Without individual customer feedback, no collaboration or customization is possible, nor it is possible to specify a customers needs in more detail. Creating dialogue opportunities with customers is a prerequisite for soliciting feedback. The dialogue itself has to be integrated into the enterprises existing knowledge of that customer and its needs for additional information. (Ibid.)
- *Sales Distribution and Channel Management.* A complex issue when implementing a customer centric enterprise approach is the use of a distribution system that was designed for disseminating standardized products at uniform prices now shall work for customized products at customer specific prices. Getting customer feedback is

not easy at all if the firm must use intermediaries like retailers and value-added resellers. Managing inventory for a warehouse distributor or providing product support for a value-added reseller, or customizing the product packaging to meet the needs of an individual retail chain. (Ibid.)

2.2.2 Tactical integration of the CRM process

Swift (2001) provides a view of the CRM process, which enables for terrain and contact point thinking. In order to facilitate growth and actualization of the goals of CRM, the company must desire to refocus on the four key elements of the original CRM process. These four elements of tactical strategies for the CRM process include: *interact, connect, know and relate*.

- *Interact.* A series of transactions and interactions, that makes up a dialogue between a customer and an enterprise. This is the data that is collected from all contact points and communication outside points of contacts. (Ibid.) See figure 2.1

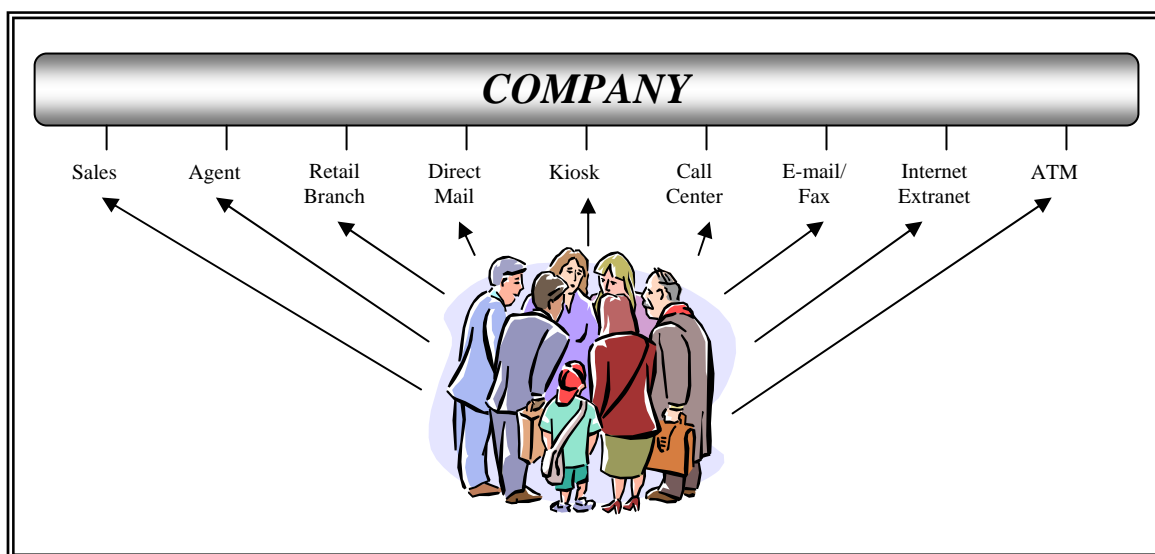


Figure 2.1 Customer Contact Points

Source: Adopted from Swift, 2001, p.42

- *Connect.* The mapping and management of interaction points between a consumer/customer/channel and an organization or enterprise. (Ibid.)
- *Know.* The insight gained through capture and analysis of detailed information to create continuous learning about customers, products, channels, markets and competitors. (Ibid.)
- *Relate.* The application of insight to create relevant interactions or communications with customers, channels, suppliers and partners that builds value relationships. (Ibid.)

2.2.3 The CRM Process Cycle

Swift (2001) views CRM as an ongoing learning process where the information regarding an individual customer is transformed into a customer relation. The process starts with collecting knowledge about the customer and ends with an interaction with the customer. This interaction enables the establishment of long-term profitable relationships. To get knowledge about the individual customer the company must have a well develop info-structure, this means that they must have an infrastructure for handling information. To become a CRM company is just not only about customer knowledge it is also about the ability to gather, analyze and to respond on the individual customers needs. The CRM process cycle consists of the following elements: *Knowledge discovery, Customer interaction, Market planning and Analysis and refinement.*

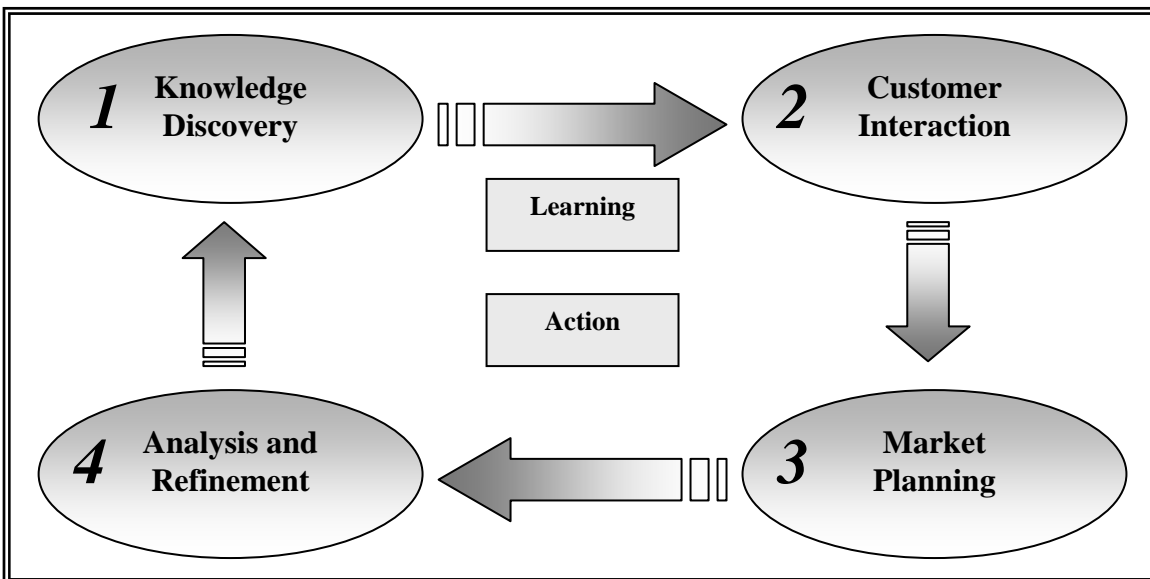


Figure 2.2 The CRM Process

Source: Swift, 2001, p.40

- *Knowledge discovery.* The first stage of the cycle is the process of analyzing customer specification and investment strategies. The analysis is done through a process of customer identification, customer segmentation, and customer prediction. The detailed customer information of historical information and customer characteristics gives marketing personnel a better base for decision-making. In this stage the company's focus should be on pre-understanding the individual customers buying behavior. A well-developed and functional data warehouse is a condition that must be fulfilled in this stage. The data warehouse is defined as a logical collection of information gathered from all over the organization that supports business analysis activities and decision-making tasks. Moreover the data warehouse offers the company the opportunity to combine the massive amounts of information with campaign management to improve the company's response rate towards the market. Finally, it enables the company to facilitate customizing offers, reduce costs by developing targeted campaigns when the company can present the right message, at the right time for the right customer. (Ibid.)

- *Customer Interaction.* This is the phase of executing and managing customer communication with relevant information at the right time and offerings using a variety of interaction channels. The interaction channels used is the ones already decided in earlier phases. Since it is extremely important to know which channels the customer prefers to interact via and also the types of technologies they prefer to utilize. An inventory of all customer interactions and possible interaction channels is necessary to do. This is important since it is through customer interaction channels the company has the opportunity to deliver marketing messages and sales opportunities and to handle service issues. (Ibid.)
- *Market planning.* This process defines among other things specific customer offers, and distribution channels. The phase involves four different activities namely market planning, offer planning, marketing planning and communication planning. The process enables investments in customer interactions, localization alternatives, treatment plans and products and services. Furthermore this stage enables the development of strategic communication plans or programs. (Ibid.)
- *Analysis and refinement.* This phase consists of a process aiming to capture and analyzing data from the customer dialogue that the company has received from the interaction channels. This is a continuing learning process focusing on refining communication, prices volumes, and approaches etc to excel the business opportunities in the interaction with customers. A vital task is to understanding customer specific responses to the company's customer (marketing or sales) stimulus. (Ibid.)

2.3 CRM's affect on the organizational structure

This section deals with literature regarding the how CRM affects the organizational structure of companies. This section covers the organizational design variables and also organizational change. Finally, theory regarding the structure of the CRM marketing organization is presented.

2.3.1 Organization Design Variables

Galbraith & Kazanjian (1986) propose that the choice of organizational form consists of a comprehensive design of structure, systems and processes. Their proposed theory handles the issue of how the marketing strategy in a company affects certain organizational design variables. Furthermore, the authors state that this theory can be used when altering the market strategy from transactional oriented to relationship focused.

The major variables proposed by the authors and presented in figure 2.3 are: *task, structure, information and decision processes, reward systems and people*. Each of the variables depicted in Figure 2.3 represent a choice for the organization. However, to be successful, the choices should be internally consistent and also consistent with the firm's strategy.

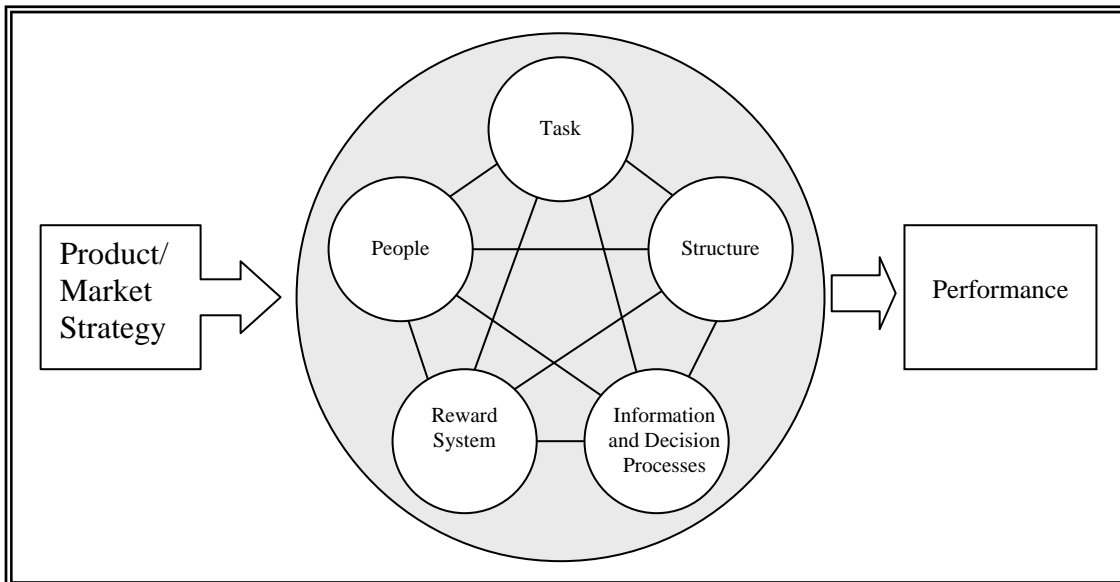


Figure 2.3 Schematic Showing Fit Among Major Organizational Design Variables
Source: Galbraith & Kazanjian, 1986 p.2

2.3.1.1 Task

- *Uncertainty.* This is the core concept upon which the organization design frameworks are based. Uncertainty is the difference between the amount of information required to perform the task and the amount of information already possessed by the organization. (Galbraith, 1977)
- *Diversity.* A process of becoming less dependent on one or a few business areas or products. Diversification into different business areas can aid a company in smoothing its sales and profits during different business cycles. (Galbraith & Kazanjian, 1986)
- *Interdependence.* There are three types of interdependence. Firstly, pooled, which means that two units share the same pool of resources. Secondly, sequential, where there is a movement of work between units. Thirdly, reciprocal, which is a unit that feeds an inspection operation that in turn feeds back to the assembly unit. (Galbraith & Kazanjian, 1986)

2.3.1.2 Structure

The well-known organizational strategist Alfred D. Chandler defines structure as:

*“The design of organization through which the enterprise is administered.”
(Chandler, in Galbraith & Kazanjian, 1986 p. 66)*

Furthermore, another organization theorist, John Child define structures as the formal allocation of work roles and the administrative mechanisms to control and integrate work activity, including those that cross formal organizational borders. (Galbraith & Kazanjian, 1986) Galbraith & Kazanjian (1986) has categorized structure in the following variables.

- *Division of labor.* This is, the task of the organization that has to be divided into subtasks and each subtask has to be assigned to an individual. They are referred to as division of labor and can be divided into horizontal or vertical division of labor. (Galbraith, 1977)
- *Departmentalization.* This refers to when a company divides the work and then aggregate the work roles in order to form groups, units, department and division to handle each divided work task. (Galbraith & Kazanjian, 1986)
- *Shape.* Shape is referred to what organizational structure the company has chosen. It can differ from the centralized functional organization, the decentralized multi-divisional form, the holding company form and the matrix organizational shape. (Galbraith & Kazanjian, 1986) The shape or configuration of the organization is measured by the average spans of control and the ratio of managers and staff to total personnel (Garratt, 2000).
- *Distribution of power.* This refers to how the distribution of power is done throughout the organization. The vertical distribution is a question of centralization and the lateral distribution is an issue for the line-staff authority. This thereby allows for decision making at lower levels in the hierarchy. (Galbraith, 1977)

2.3.1.3 Information and Decision Processes

- *Planning and control.* In every organization, planning and control systems must be installed to be able to identify weak areas of the organization in terms of performance. (Galbraith & Kazanjian, 1986)
- *Resource allocation systems.* Organizations undertake a myriad of activities in allocating their resources. These activities are usually labeled as budgeting and the planning and control systems mentioned above. (Galbraith & Kazanjian, 1986)
- *Integrating roles and departments.* The roles and departments must be integrated into the whole organization in order to provide the differentiated subtasks so as to achieve successful completion of the whole task, i.e. all individuals' tasks should be a part of the whole task. (Galbraith & Kazanjian, 1986)

2.3.1.4 Reward System

- *Compensation.* This is referred to in what way and to what extent the employee and manager are compensated for their work based on performance to round out the reward system. It can be further categorized into *system reward*, *group reward* and *individual rewards*. (Galbraith, 1977)
- *Promotion.* An alternative to tying salary directly to performance is to promote individuals to higher paying jobs on the basis of performance. (Galbraith, 1977)
- *Job design.* Galbraith & Kazanjian (1986) states that job design is a powerful motivation and a means for integrating individual and organizational interest. This can be created through job enlargement, job enrichment or other types of adjustment to the work task in order for it to be seen as interesting and motivating. (Ibid.)

- *Special awards.* Extraordinary work performance must be rewarded with special awards appropriate to the result of the work. They should be realistic but not very easy to reach. (Garratt, 2000)
- *Performance measurements.* Companies must establish some sort of system for performance measurement in order to be able to compare the company's activities and operations with themselves and other. This can be done on both short-term and long-term basis. (Galbraith & Kazanjian, 1986)

2.3.1.5 People

- *Recruiting selection.* Practitioners believe that the key to organizational effectiveness is to find the good people and get them into positions of power. Furthermore, selection is a key design variable. (Galbraith, 1977)
- *Transfer, promotion.* As people perform and gain more experiences they can be transferred within the company as a mean of promotion to show appreciation for their performance. (Galbraith & Kazanjian, 1986)
- *Training and development.* Theorists state that training and development experiences should be used to change managers and employees in order to integrate the individual and the organization. (Garratt, 2000)
- *Leader style.* Someone always have to be the leader. The occasional use of force from a leadership position raises the question about who should be the leader of the team or task force. There are different leadership styles, both formal and informal. It is important to have the right leader appointed for the right task. (Galbraith, 1977)

2.3.2 Organizational Change

As an organization evolves from a traditional, product-focused enterprise to a customer-focused, customer driven enterprise, it will need a new infrastructure to support the processes (Peppers & Rogers, 1999). According to McDermott, one of the father figures in the field of customer relationship management, in Peppers & Rogers (1999), the most difficult part of making this transition is not acquiring and installing the technologies required, but adapting the organization and its people to use it. Moreover, according to McDermott, a company making these changes has to handle the five components:

- *Automation.* This refers according to the theory to the creation of a digital paperless office. Moreover, this would enable the employees to provide greatly improved customer services because all information would be at their fingertips. (Ibid.)
- *Attrition.* The second component, attrition allows the company to replace a large portion of the embattled workforce with fresh faces recruited on the basis of their willingness to work in a customer-focused environment. This is easily performed in a company with high turnover and can then be accomplished without resorting to massive layoffs usually associated with corporate re-engineering. (Ibid.)
- *Reorganization.* In terms or reorganization, the company should break up the entrenched bureaucracies that are accumulating around departments such as

accounting, claims and underwriting. Most companies have a weak horizontal communication and few employees and managers have a clear picture of the complete organization. (Ibid.)

- *Training and education.* Training and education refers to the possibilities to allow managers to professionalize the company’s employees to the point where they could make day-to-day decisions with minimum input from senior managers. (Ibid.)
- *Empowerment.* In the fifth and final component of organizational change, McDermott refers to free the employees from the “production line” mentality that made it impossible for the staff to focus on customer issues. (Ibid.) To further clear this last stage, McDermott used a metaphor to describe this better:

“Do you think that Eisenhower personally told the machine gunner in the second World War where to aim? Certainly not, the soldiers knew their mission and were empowered to accomplish it.” (McDermott in Peppers & Rogers, 1999, p.98)

Moreover, the power and information structures in a company are often, according to Storbacka & Lehtinen, (2000) the largest obstacles towards a successful implementation of CRM. The product manager organization is the largest causes to the problem, due to that an organization can have a large number of product managers using the same customer base. By this reason they have a low willingness to share information regarding customers. Therefore it is necessary to wind up the companies old power structures in order to secure the flow of information in the organization and to provide the customer coherent products. (Ibid.)

2.3.3 Structure of the CRM Marketing Organization

Swift (2001) has developed a model of how companies can structure their CRM organization. The basic idea is to focus around the key communication and interaction process. For ease of understanding and to map to the CRM process, the marketing organization should follow along line of *know, relate, interact, and connect*. This is presented in figure 2.4.

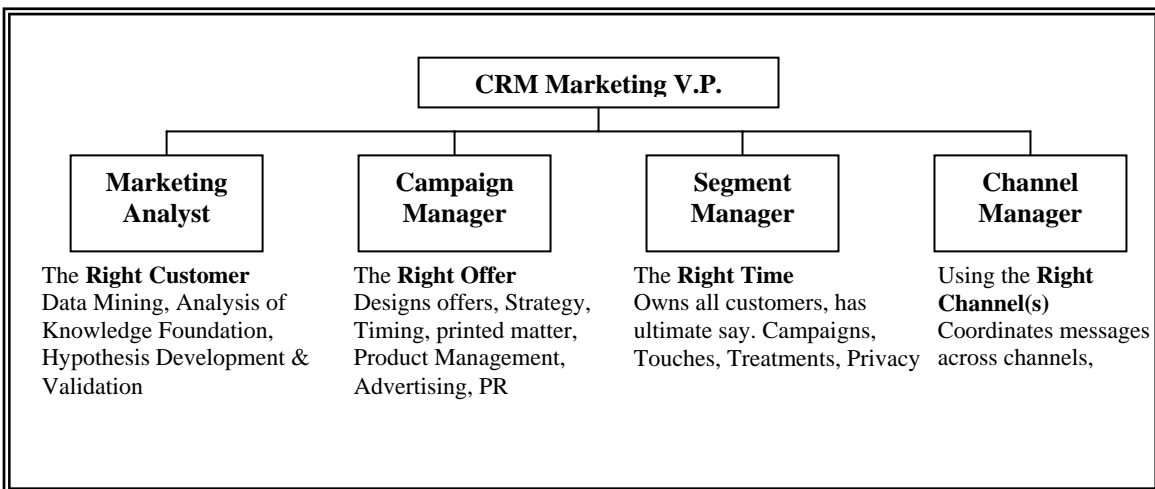


Figure 2.4 The CRM Marketing Organization with Roles
Source: Swift, 2001, p.52

- *The CRM Marketing VP.* This function emphasizes, manages and coordinates all facets of the marketing process and is measured on retention, profitability & acquisitions. The titles today are often Marketing VP and should more accurately be named Relationships and Communications VP, for this is what this individual must focus on and to concentrate resources on and achieve ongoing results for the entire management team. (Ibid.)
- *The CRM Marketing Analyst.* Focusing on identifying the *right customer* or investment opportunities that are worth to exploit. The marketing analyst is intimate with the knowledge foundation via databases and interacts closely with the IT department and particularly the database administrator. Except from customer identification the marketing analyst must segment the customers so that different events that are worthy of analysis can be identified and the right customer decision can be made. (Ibid.)
- *The CRM Campaign Manager.* Having identified the opportunities, the Campaign Manager then creates the *right offer* towards the right customer. The campaign manager is responsible for designing “offers” and to determine campaign strategy. When doing this, it is important to align various campaign ownership groups such as product managers, advertising managers, and public relation departments and outside firms to ensure that the campaign process is fully integrated with the offers. Test marketing of new offers and the management of the relationship with mail houses and telemarketing firms are also key tasks for the campaign manager. (Ibid.)
- *The CRM Segment Manager.* This is perhaps the most important player in the CRM process, since this person owns the business opportunities or the business problems such as customer retention, customer acquisition, and customer profitability. He or she has the final authority and responsibility to decide whether the relationship marketing and communication process touches the customer, at the right time. The segment manager is the glue of the team and form a linchpin in the CRM process, when he or she:
 - Manages the dialogue between the company and customer.
 - Determines the communication plan, touches, treatments, and rules for engagement.
 - Owns privacy in the organization.
 - Interacts with others to align execution of the four elements in the tactical strategy, i.e. know, relate, interact, and connect. (Swift, 2001)
- *The Channel Manager.* Channel manager coordinates the customer, offer, and timing into the channel decisions, and ensure that the same offer is communicated and then reinforced across all customer contact channels. One important issue is to present “a single-company image” to the customers across all customer contact channels. This means that he must interact with the call centers, internet team, sales force, customer service, and resellers to coordinate touches, treatments and total customer communication. (Ibid.)

3. Theoretical Frame of Reference

In the previous chapter, we presented a brief review of the literature related to our research questions. This chapter will provide the conceptualization, which constitutes the frame of reference for this study. Based on the literature review, we will in this chapter select relevant studies and concepts that we will use in our research. Hence, the frame of reference will guide us when collecting the data and help us fulfill the purpose of gaining a better understanding of how CRM is used in companies. After presenting the conceptualization, we will provide a visualization of the emerged frame of reference.

3.1 Conceptualisation

According to Miles & Huberman (1994, p.18), a conceptual framework:

“Explains, either graphically or in narrative form, the main things to be studied”

We will here start by presenting the theories that will be used connected to our first research question, of *what different objectives do companies have with CRM?* This will be followed by theories connected to our second question, of *how can the CRM process in companies be described?* Furthermore, previous research and theories that relates to the third research question, *how is companies the organizational structure affected by the introduction of CRM?* Since CRM is originated from the foundation of relationship marketing, this will imply that we as authors will remain loyal to this marketing view.

3.1.1 Objectives with CRM

In this section, the conceptualization will be based on the first research question. Hence, the theories that we believe are crucial in order to be able to answer how companies perceive the objectives of CRM will be pointed out. The models are related to three areas: cost savings, revenue enhancement, and strategic impact for the company when using CRM, suggested by Burnett (2001). First of all, we will specify the theories regarding objectives with CRM and explain and tie this to the above-described areas.

In order to answer this first research question we will divide the objectives for CRM in to three categories as suggested by Burnett (2001): cost savings, revenue enhancement, and strategic impact. The objectives we will use are the objectives presented by Burnett (2001), Galbreath & Rogers (1999) and Kalakota & Robinson (1999). The theoretical objectives presented by Swift (2001) is very similar to the objectives presented by Burnett (2001) and can therefore be viewed as incorporated in his objectives. The objectives presented by Newell (2000) are also used in our frame of reference. Our motive for using the above mentioned theories and models are due to the fact that they complement each other, discussing three important areas of CRM, and create a broad and fundamental basis for the objectives connected to CRM. Finally, by introducing and using the different models and theories by several author's makes our frame of reference very extensive and covers different angles from which the objectives can be stated.

To be able to find out what objectives for CRM a company can have in terms of the first category, *cost savings*, theories of different sources will be utilized. We will select the ones that are recent and extensive to in the best possible way find out the sources that can be used. These are:

- Decreased general sales and marketing administrative costs. (Burnett, 2001)
- Measuring results and proving return on investments. (Newell, 2000)
- Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information. (Newell, 2000)
- After-sale service/support. (Galbreath & Rogers, 1999)
- Introducing consistent, replicable channel processes and procedures (Kalakota & Robinson, 1999).

We will also adopt theories what objectives a company can have for CRM in terms of *revenue enhancement*. Hence, the selected variables used are:

- Increased sales revenues. (Burnett, 2001)
- Improve win rates. (Burnett, 2001)
- Increased margins. (Burnett, 2001)
- Determine if delivery of customer values will affect in positively. (Newell, 2000)
- Reach economies of scale through mass customization. (Galbreath & Rogers, 1999)
- Use existing customer relationship to grow revenue. (Kalakota & Robinson, 1999)

Literature discussing the third category, *strategic impact*, will be used in order to see what strategic objectives companies can have for CRM. This includes:

- Improved customer satisfaction rates. (Burnett, 2001)
- Identifying customer values that are pertinent to a particular segment. (Newell, 2000)
- Understanding the relative importance of values connected to each customer segment. (Newell, 2000)
- Build personal relationships. (Galbreath & Rogers, 1999)
- Use integrated information for excellent service. (Kalakota & Robinson, 1999)

3.1.2 The CRM Process

This section deals with the second research question, of how the CRM process in a company can be described. Theories that are important in order to be able to answer this question will be specified. The structure will be the same as in the literature review, following the four business functions by Peppers & Rogers (1998) and the CRM process of Swift (2001) The reason to this is that these theories deals with all the aspects of the CRM process from two different approaches, and is therefore together more extensive than just using of the models by themselves. Swift (2001) adopts a more action-oriented view of the CRM process and Peppers & Rogers (1998) has a function-oriented approach to the topic. To provide a basis for answering the second research question, we have used the above stated theories and models, which also focus directly on the CRM process.

First, we will use literature discussing what functions are involved in the CRM process will be used in order to see how companies can contribute from using CRM. The function-oriented theory by Peppers & Rogers (1998) give a completely different but together with Swift (2001) a very extensive coverage of the CRM process and will therefore be used. Moreover, it is interesting to view how companies implement different functions in order to see how well founded the CRM strategy and process are in the company. Peppers & Rogers (1998) have the most detailed description of how it can be applied, and will therefore be the model we base this section.

- Financial custodian of the customer base
- Production, logistics, and Service Delivery
- Market communication, Customer Service and Interaction Dialogue
- Sales Distribution and Channel Management

Secondly, we will discuss the theory related to the activity-oriented approach, i.e. Swift (2001) and then the function-oriented view by Peppers & Rogers (1999) is covered. The motive for choosing the CRM Process model by Swift (2001) is that it describes the elements and processes of CRM. The reason for using the four-business function model by Peppers & Rogers (1998) is that this theoretical proposition to a large extent focuses on the function within a customer-focused organization. Since the selected theories differs to a wide extent from each other, they will be used separately but linked, based on the above-stated reasons. The theory by Swift (2001) states that the following steps are involved in the CRM process and will therefore be used in our conceptualization.

- Knowledge Discovery
- Market Planning
- Customer Interaction
- Analysis & Refinement

To be able to find out how a company can act in the third step of the activity-oriented CRM model approach by Swift 2001, *customer interaction*, the suggested Customer contact points, by Swift (2001) will also be utilized as a foundation to get better understanding of how companies can interact with their customers. We have selected these one on the basis that is extensive enough to in the best possible way find out the sources that can be used. These are:

- Sales
- Agent
- Retail Branch
- Direct Mail
- Kiosk
- Call Center
- E-mail/fax
- Internet/Extranet
- Automatic Teller Machines (ATM)

3.1.3 The Structure of the CRM Organization

In this section, the conceptualization will be based on the third research question. Hence, the models that we believe are necessary in order to answer how Swedish companies structure their CRM organization. The models are related to three areas: factors affecting the organizational structure, company change and the structure of the CRM organization. Firstly, we will specify the model used regarding organizational design variables that determined and shape the organization structure when introducing new strategies. Secondly, what steps a company goes through when implementing CRM in their organization and thereby shifting from product-oriented to customer focus.

Models regarding variables affecting the organizational structure will be used in order to be able to see what determine the actual organization and how these factors can influence the transition from product-oriented to customer-focuses. For this purpose, the theory by Galbraith & Kazanjian (1986) will be used. This theory explains how different aspect of the company will be affected when introducing a new strategy i.e. CRM. The theory is well formalized and gives a good understanding of how different areas within a company is affected by a change in strategy as well as a change of another variable. Furthermore, theories by Galbraith (1977) and Garratt (2000) will be incorporated to give an even more extensive base for analysis. The areas involved in the theory and that will be utilized are:

- Task
- Structure
- Information and decision processes
- Reward systems
- People

In terms of the actual organizational change process that a company goes trough when shifting their focus, organization, goal or vision, McDermott's theory in Peppers & Rogers (1998) will be used. This theory is well known within the field and brings to the surface five important issues a company or management teams much deal with when for instance introducing a customer-focused view within the company, i.e. CRM. These variables have been used successfully in numerous companies and will therefore be used in this thesis. Therefore, based on the above-mentioned reasons, the following variables will be used in order to study this phenomenon:

- Automation
- Attrition
- Reorganization
- Training and education
- Empowerment

When introducing CRM to the organization and thereby shifting the focus of the company, the marketing organization most certainly is affected. Therefore, we will study the whole organization but also study if different positions within the marketing organization are created when introducing CRM.

In this area the theory by Swift (2001) will be utilized in order to point out key positions that the theories stipulate are essential in order to receive an effective and well-functioning marketing department that incorporate CRM into every day activities. Swift (2001) identifies five different but important position needed in order to find the *right customer*, give the *right offer* at the *right time* and using the *right channel*. Furthermore, Swift (2001) states that the marketing organization should follow along the line of the CRM process in terms of know, relate, interact and connect. The important positions in the marketing organization are:

- The CRM Marketing VP
- The CRM Marketing Analyst
- The CRM Campaign Manager
- The CRM Segment Manager
- The Channel Manager

The theory regarding the marketing organization and its structure will serve as a foundation and provide us with the proper framework in order to answer how the organization is affected by the introduction of CRM.

The presented theories and models in the literature review constitute a portion of the existing proposed theoretical foundation in the area of research. We have not further limited our literature base since we perceived the presented theories to be both relevant but also essential for this thesis.

3.2 Emerged Frame of Reference

In this section we will present our emerged frame of reference. Figure 3.1 visualizes our frame of reference, showing the company's objectives with CRM. How the CRM process within a Swedish company can be described and finally, how Swedish companies are affected by the introduction of CRM in their CRM organization. The three aspects are co-existing and thereby interdependent.

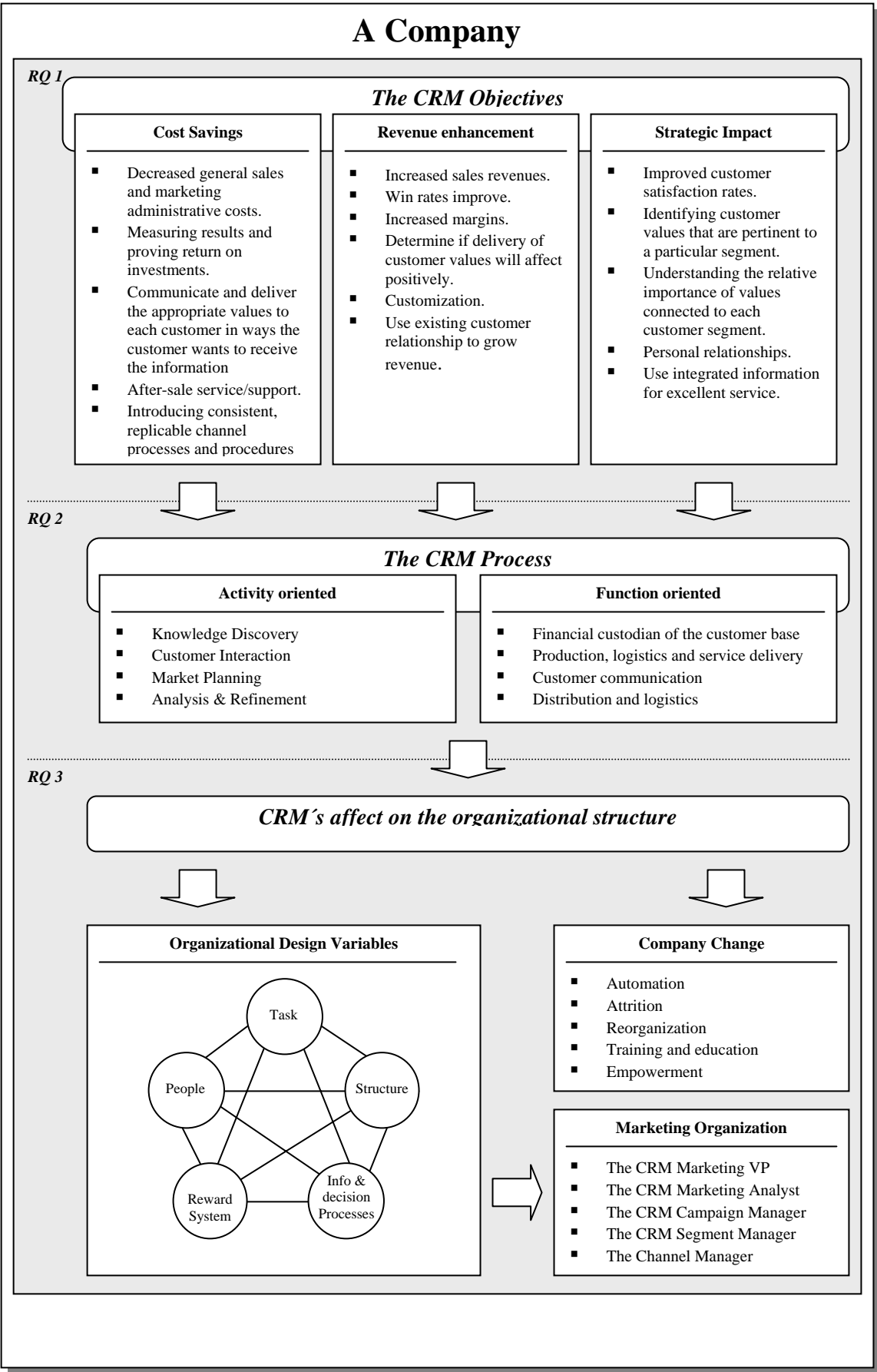


Figure 3.1 Emerged Frame of Reference
 Source: Author's own construction

4. Methodology

The previous chapter showed how the literature has been conceptualized in this study and provided a visual explanation of the emerged frame of reference. This chapter will cover the methodology used in this research. The selection of methodology is based on the research problem and stated research questions. Motivations and justifications for all adopted methodological choices will be given in each section.

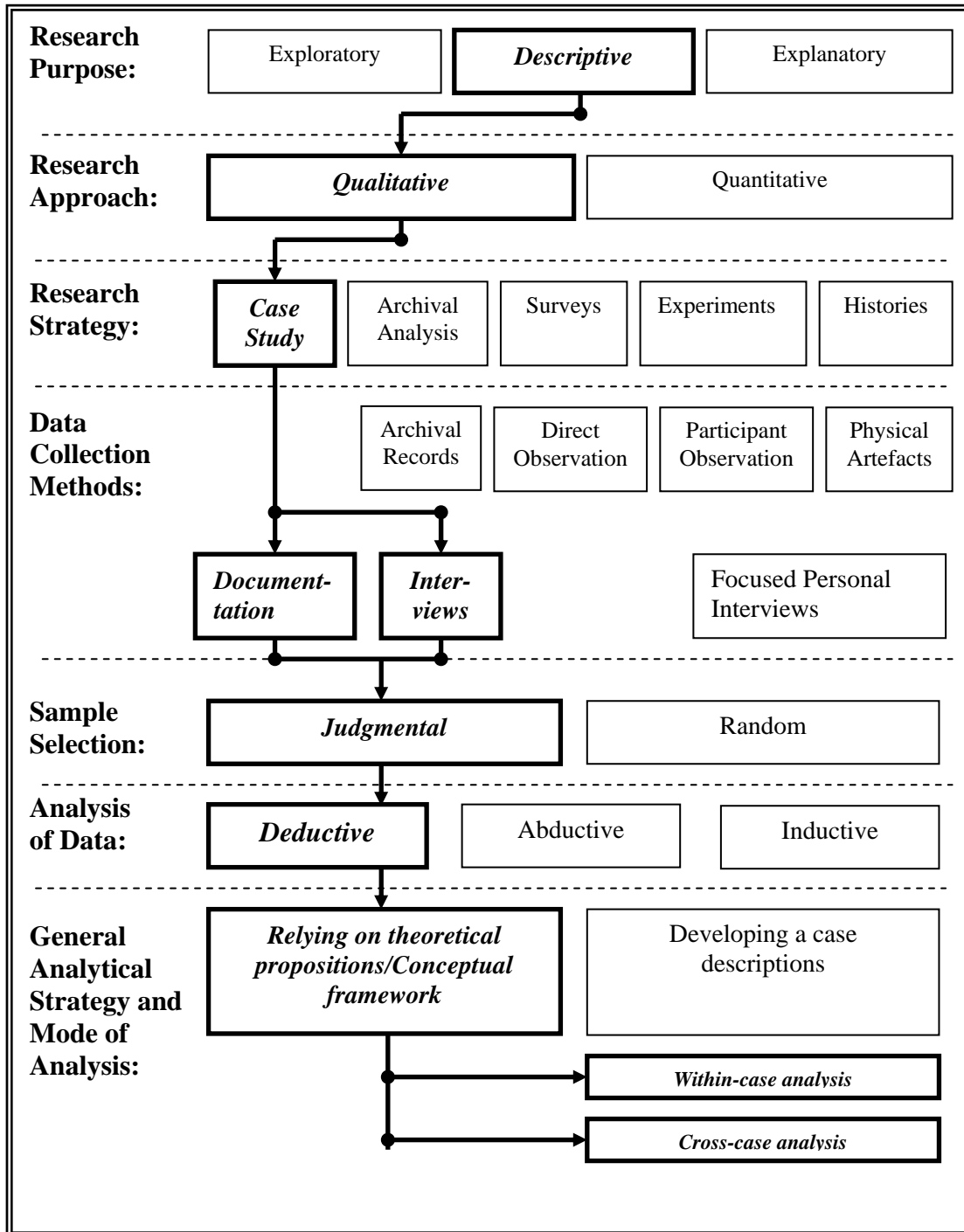


Figure 4.1 Selected Research Path

Source: Author's own construction

4.1 Research Purpose

Yin (1994) and Eriksson & Wiedersheim-Paul (1997) means that research strategies can be used for the three purposes: explore, describe, or explain. Exploratory studies aim for basic knowledge within the problem area (Wallén, 1996). These studies are suitable when a problem is difficult to demarcate and when relevant theory is unclear. They are further appropriate when important characteristics and relations are hard to determine. Descriptive research is appropriate when a problem is clearly structured but the intention is not conduct research about connections between causes and symptoms. The researcher knows what he or she wants to investigate but not the answers. Explanatory research is useful for studying relations between causes and symptoms. The researcher tries to identify the factors, which together cause a certain phenomena (Eriksson & Wiedersheim-Paul, 1997).

Which category a study belongs to depends on ambitions and knowledge within the research area (Wallén, 1996). The research purpose of this thesis is mainly descriptive. This due to the fact that the research purpose is clearly structured and that this thesis wanted to *gain a better understanding of how Customer Relationship Management is used in companies*. Moreover, the fact that we are not focusing on the connection between causes and symptoms also demonstrate that this thesis will follow a descriptive approach. However, this thesis is also somewhat exploratory. This due to that CRM is a rather new area of interest for companies and also by the fact that we have not been able to find studies that focus on the exact same topic as we have chosen to do in this thesis. Towards the end of this thesis the authors' own conclusions are presented by answering the research questions. In that sense, this thesis is beginning to explain the issues that have been described. This makes our study mainly *descriptive* but with *exploratory* and *explanatory* influences.

4.2 Research Approach

According to Holme and Solvang (1991), there are two general approaches of a research, qualitative and quantitative. When conducting a quantitative research, statistical methods are used to analyze the data and a large number of respondents are selected, either randomly or judgmentally. A quantitative approach is formalized, structured and characterized by a high degree of control from the researcher. The distance between the source and the researcher is larger than in a qualitative research. During a qualitative research, one or few objects are studied in depth and the main purpose is to gain a deeper understanding of the problem studied and to acquire a profound knowledge of the studied objects. The qualitative approach is characterized by closeness between the source and researcher, and a low degree of formalization. (Ibid)

The choice of research approach naturally depends on the defined research problem and the data needed for solving this problem. In this thesis, a qualitative approach is used. This is due to the aim of gaining a better understanding of how CRM is used in companies. Furthermore, in order to understand and characterize the use of CRM in companies, a qualitative approach is the most appropriate. The stated research questions will require answers that probably cannot be fully obtained by quantitative means.

4.3 Research Strategy

Yin (1994) lists five research strategies that a researcher can choose between in social science. These are experiments, surveys, archival analyses, histories and case studies. Yin claims that the selection of one of these strategies depends on (1) the type of research question, (2) the extent of control a researcher has over behavioral events, and (3) the degree of focus on contemporary versus historical events. Table 4.1 below shows the different research strategies in relation to these three conditions.

Table 4.1 Relevant Situations for Different Research Strategies

STRATEGY	Form of research question	Requires control over behavioral events	Focuses on contemporary events
Experiment	How, why	Yes	Yes
Survey	Who, what, where, how many, how much	No	Yes
Archival analysis	Who, what, where, how many, how much	No	Yes / No
History	How, why	No	No
Case study	How, why	No	Yes

Source: Yin, 1994, p. 6

In this research, the type of research question posed is primarily of a “how” character, there is no control over the behavioral events, and the focus is on a contemporary event. This will influence the choice of research strategy. An experiment is done when an investigator can manipulate behavior directly and precisely. This can occur in a laboratory, focusing on isolated variables. (Ibid) Hence, in an experiment, control over the behavioral environment is required, and is therefore not possible in our research. Survey research is, according to Tull and Hawkins (1990), concerned with systematic gathering of information from respondents, generally in the form of a questionnaire. The use of questionnaires would not provide us with the better understanding of how CRM is used in companies, and can therefore be ruled out as well. The historical method deals with the past, and is used when no relevant persons are alive to report (Yin, 1994).

As the above discussion indicates, two strategies seem to be appropriate in our research, an archival analysis and a case study. When conducting an analysis of archival information, Yin (1994) holds that the goal is to describe the incidence or prevalence of a phenomenon. The use of archival information is difficult when this topic is a coming research area. Yin describes a case study as:

“An empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident.” (Yin, 1994, p.13)

However, Yin notes that the preferred strategy when the question is “how”, there is no control over behavioral events, and contemporary events are studied, is the case study. Therefore, the case study is selected as research strategy in this study.

According to Yin (1994), a case study can be either a single-case or a multiple-case study. Eriksson and Wiedershiem-Paul (1997) note that the possibilities of comparisons between the cases are added in a multiple-case study, and that this could increase the understanding. Yin (1994) also notes that the evidence from multiple cases often is considered more compelling, and that the study therefore is regarded as more robust. Due to these advantages, this research is conducted by using a multiple-case study. As we had decided to use a qualitative approach, case studies shown to be the most appropriate choice for our thesis. Further support for the choice of case studies is that the research was conducted in five companies, by looking on several issues, and this made us unable to draw any general conclusions but rather generalize to theoretical propositions.

4.4 Data Collection Method

When conducting case studies, Yin (1994) asserts that the data collection can rely on six different sources. These sources include documents, archival records, interviews, direct observation, participant observation and physical artifacts. Yin also notes the importance of using multiple sources of evidence, so called “triangulation”, i.e. evidence from two or more sources. Table 4.2 shows the strengths and the weaknesses of each of the six sources of evidence.

Table 4.2 Six Sources of Evidence: Strengths and weaknesses

Source of Evidence	Strengths	Weaknesses
Documentation	<ul style="list-style-type: none"> ▪ Stable - can be reviewed repeatedly. ▪ Unobtrusive – not created as a result of the case study. ▪ Exact – contains exact names, references, and details of an event. ▪ Broad coverage – long span of time, many events, and many settings. 	<ul style="list-style-type: none"> ▪ Retrievability – can be low. ▪ Biased selectivity, if collection is incomplete. ▪ Reporting bias – reflects (unknown) bias of author. ▪ Access – may be deliberately blocked.
Archival Records	<ul style="list-style-type: none"> ▪ Same as above for documentation. ▪ Precise and quantitative. 	<ul style="list-style-type: none"> ▪ Same as above for documentation. ▪ Accessibility due to privacy reasons.
Interviews	<ul style="list-style-type: none"> ▪ Targeted – focused directly on case study topic. ▪ Insightful – provides perceived causal inferences. 	<ul style="list-style-type: none"> ▪ Bias due to poorly constructed questions. ▪ Response bias. ▪ Inaccuracies due to poor recall. ▪ Reflexivity – respondent gives what interviewer wants to hear.
Direct Observations	<ul style="list-style-type: none"> ▪ Reality – covers events in real time. ▪ Contextual – covers context of event. 	<ul style="list-style-type: none"> ▪ Time-consuming. ▪ Selectivity – unless broad coverage. ▪ Reflexivity – event may proceed differently because it is being observed. ▪ Cost – hours needed by human observers.
Participant Observation	<ul style="list-style-type: none"> ▪ Same as above for direct observations. ▪ Insightful into interpersonal behavior and motives. 	<ul style="list-style-type: none"> ▪ Same as above for direct observations. ▪ Bias due to investigator’s manipulation of events.
Physical Artifacts	<ul style="list-style-type: none"> ▪ Insightful into cultural features. ▪ Insightful into technical operations. 	<ul style="list-style-type: none"> ▪ Selectivity. ▪ Availability.

Source: Yin, 1994, p. 80

Archival records have the same strengths as documentation, but are also more quantitative and precise. Since this is a qualitative research, these latter characteristics are not needed in this study. Direct observations will not be used either, mainly due to that it is extremely time consuming and very costly. This is also the case with participant observation. Physical artifacts are not relevant in this study either, since there is no real need for data on cultural features or technical operations. In this research, the sources of documentation and interviews will be used, allowing for multiple sources of evidence. Documentation that will be used is mainly in the form of company information material. Documentation material will provide us with more information about the company, allowing us to obtain a clearer picture of the companies studied and how they handle CRM. Interviews were used due to its ability of providing a deep insight.

According to Yin (1994), interviews can be open-ended, focused or structured. In open-ended interviews, the interview does not follow any structured questions. Yin holds that one asks a respondent for both the facts of a matter as well as for the respondent's opinion about events, and the respondent might act more like an informant than a respondent. In a focused interview, the respondent is interviewed for a short period of time, like an hour. Here, the researcher is more likely to follow a certain set of questions, although the interviews might still assume a conversational manner. Finally, a structured interview is the most structured form of interview. The questions are clearly structured along with the lines of a formal survey. (Ibid.)

In this study, a focused interview was conducted since a certain set of questions needed to be answered during a limited period of time, in order to obtain data on the research questions. The interviews also had to be relatively open-ended, since we wanted to preserve the interview flexibility. We also wanted to be able to use probing techniques, which is possible in focused interviews.

According to Eriksson and Wiedershiem-Paul (1997) there are two types of interviews: personal and telephone interviews. In this research, the interview method used was a telephone interview. A personal interview was not used mainly for reasons of high cost and time consumption, but also due to the belief that the questions in this research could be answered properly by way of telephone interviews. Before the interviews were conducted, an e-mail was sent to the respondents, explaining the area of research and overall purpose, forming a base for the following interviews. We also had telephone conversations with several individuals including the respondent in each company. This gave us a good pre-understanding of the topic in general and especially how it worked in each company. We believe that this gave us the possibility of obtaining the most exhaustive data related to our research questions.

During the interviews, a pre-constructed interview guide was used (see appendix A), as suggested by Holme and Solvang (1991). The same interview guide was used during all interviews. However, the returned questions from the respondents gave us hints on what to ask in each interview more specifically. This included that some questions could be ruled out and some questions deemed as necessary could be added in each interview. The telephone interviews lasted around 60 to 80 minutes, and were all conducted in Swedish, which is the mother tongue both of the researchers and the interviewees. During the interviews, we both took notes and used a tape recorder in order to register the empirical data precisely.

4.5 Sample Selection

In order to suit our research purpose, the sample collection followed some judgmental criteria. As discussed in chapter one, there is a need of investigating how CRM is used in companies. Our first sample criterion is that the companies have to originate from Sweden. This criterion is suitable since Sweden has a large portion of both MNC's and SME's that have customers all over the world. This will also facilitate the contacting phase and ease the establishment of a good relation with the respondents in this research. Secondly, we wanted the companies to have international operations, since we believe that these are more likely to have extensively faceted customer relationship and may use CRM as a tool, which also is indicated in chapter one. The third criterion is that the companies should claim that they actively are managing customer relationship in some way.

Even though there is no specific industry criterion in this study, we wanted to study five companies operating in at least two dynamic industries. Another criteria were a high stated customer focus in their business. Moreover, since it is of great importance for large companies to have well developed relationships, especially customer relationships, as mentioned in chapter one, the sample will contain large companies. Companies were identified from a list of Sweden's 50 largest companies in *Veckans Affärer*, nr 38, (2001). After identifying proper companies, we called them up in order to find out if these matched our criteria. Nine companies in five industries were identified and five of them matched the above stated criteria. These companies can be seen in table 4.3 below.

Table 4.3 Companies, Industries and Respondents Included in this Research

Company	Industry	Respondent
SEB	Financial	CRM Project Manager
SKF	Manufacturing	VP Nordic sales
FöreningsSparbanken	Financial	CRM Project Manager
SCANIA	Manufacturing	Customer Information Manager
SKANSKA	Construction	Chief Marketing Officer

Source: Author's own construction.

According to Holme and Solvang (1991), the selection of respondent is crucial. If the wrong persons are being interviewed, the research may turn out to be invalid or worthless (Ibid). During the first contact call with each company, the intention with the research was explained and the right person to speak with was identified. In order to fulfill the purpose of this thesis it is of great importance to get in contact with the persons with most knowledge and experience of working with relationships at the companies. Since the chosen respondents at each company are perceived to be the most appropriate persons both by their companies and themselves, we believe that this has been achieved.

4.6 Analysis of Data

There are basically three different ways to draw conclusions, the inductive or the deductive or the abductive way. (Alvesson & Sköldberg, 1994) Induction means that general conclusions are drawn from empirical findings. The inductive approach is commonly used when there are very few established theories in the field of study, and the aim of research is to form a new theory.

Deduction implies the drawing of a conclusion perceived as valid if it is logically connected. Usually in studies of a deductive nature, already established theories and literature are used as foundation for the research. When using an abductive approach, the researcher starts in empirical facts, as in the inductive approach but do not reject theoretical pre-conceptions. The idea of abduction is that a separate case is interpreted according to a theoretical overarching pattern that, if it was true, explains the case. The observations should then be confirmed through new observations. (Alvesson & Sköldbberg, 1994) The observations from the study are then compared with the theoretical frame of reference. (Yin, 1994) Further distinctions between the three approaches are provided in figure 4.2.

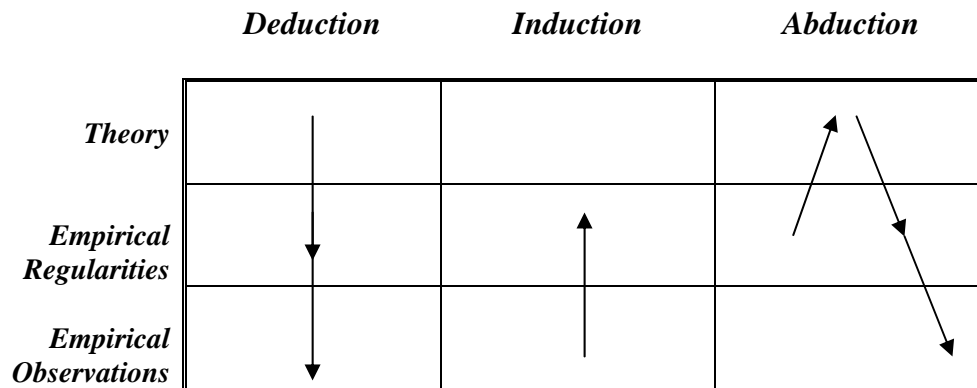


Figure 4.2 Deduction, Induction and Abduction

Source: Alvesson & Sköldbberg, 1994 p.45

This research followed a deductive approach. We started by studying already established theories within the area of different types of buyer-seller relationship and continued with theories regarding management of customer relationships. We found it appropriate to start with the theories to get a foundation for our research to be able to construct the questions in the interview guide and then later on logically to try to draw conclusions based on knowledge and empirical findings. An inductive or abductive approach would not have been suitable to use in since it is too time-consuming.

4.7 General Analytical Strategy

Marshall and Rossman (1989) say that data analysis is the process of bringing order, structure, and meaning to the mass of collected data. This is an important and time-consuming part of the research. They continue to state that qualitative data analysis is a search for general statements about relationships among categories of data; it builds grounded theory. Furthermore it is important to realize that the samples are smaller in a qualitative research than in a quantitative one, but it may be more subtle and complex. That will affect the data analysis. Yin (1994) claims that every investigation should start with a general analytic strategy, yielding priorities for what to analyse and why. Marshall and Rossman (1989) give an analytic procedure for that data analysis will fall into five categories:

- *Organising the data:* reading, reading and reading to become familiar with the data, and during this process list on note card the data available, perform minor editing of field notes, and “clean up” what seems overwhelming and unmanageable.

- *Generating categories, themes and patterns:* noting regularities in the setting or people chosen for the study, identifying themes, recurring ideas or language, and patterns of belief that link people.
- *Testing emergent hypotheses:* evaluate the reasonableness of the developing hypotheses and testing them against the data; evaluate the data for informational adequacy, credibility, and centrality; and determine if the data are useful in illuminating the questions being explored.
- *Searching for alternative explanations:* search for other explanations, identify, and describe them, and demonstrate how the explanation offered is the most reasonable.
- *Writing the report:* central to the process and cannot be separated from the analytical process, because the researcher is engaged in an interpretive act while writing.

Marshall and Rossman (1989) continue to say that each phase of the data analysis involves data reduction to bring the collected data into manageable pieces, and interpretation of data. This is something Miles and Huberman (1994) also talk about. They define data analysis as consisting to three different concurrent flows of activity: data reduction, data display and conclusion drawing and verification. They refer data reduction to the process of selecting, focusing, simplifying, and transforming the data that appear in written-up field notes or transcriptions. Data reduction occurs continuously throughout the whole qualitative study. They continue to state that data reduction is a form of analysis that sharpens, sorts, focuses, discards, and organize data in such a way that conclusions can be drawn and verified. (Ibid.)

According to Miles and Huberman (1994), most analysis is done with words. They identify two types of analysis, within case displays and cross case displays. By display the authors mean:

“A visual format that presents information systematically, so the user can draw valid conclusions and take needed action.” (Miles and Huberman, 1994, p.91)

In a within case analysis, collected data will be compared with previous theory in order to identify differences and similarities. The aim of doing a cross case analysis is to be able to compare the single cases with each other and to increase generalizability. In a cross case analysis, it is possible to see if the collected data in the separate cases are diverse, typical, effective, ineffective etc. Miles and Huberman (1994) further present matrices as good tools to visualize the collected data in order to make it easier to compare and analyze them. Systematically structuring the collected data in logic matrices has excellent consequences for understanding. (Ibid.)

In this research, both within case analyses and a cross case analysis will be conducted. First, each case will be analyzed separately and compared with previous theory. This analysis will follow the same structure as the frame of reference. Second, the two single cases will be compared with each other in a cross case analysis, following the same structure as the frame of reference. Matrices, in the form of tables and figures, will be used in order to visualize the collected data for a better understanding for the reader, as recommended by Miles and Huberman (1994).

4.8 Quality Standards: Reliability and Validity

According to Eriksson and Wiedershiem-Paul (1997), there are two important criteria that can be used to determine the quality and trustworthiness of a research. These are reliability and validity. In order to obtain validity the researcher should ask himself the question *Do I in my research with this choice of method measure what I intend to measure?* Reliability is defined, as a measuring tool ability to give stable and reliable data. When measuring the reliability the researcher should ask himself: *Would I get the same or similar result if I were to use the same techniques repeatedly?* (Ibid.)

The goal of reliability is to minimize the errors and biases in a study. The objective is that if a later researcher follows the same procedures as described by a previous researcher and conducts the same case study all over again; the later researcher should arrive at the same findings and conclusions as the previous. One prerequisite for the researcher to be able to repeat a previous case study is that the procedures followed in the earlier case are documented. Hence, a good guideline is to conduct the research so that an auditor could repeat the procedures and arrive at the same results. (Ibid.)

In this study, we have tried to map out the procedures involved in detail throughout the study. Firstly, we have tried to develop clear research question that guides the research. Secondly, the steps that have been taken in order to collect data on these research questions have been thoroughly described in this chapter. Furthermore, the respondents have been sent a base of information regarding the area of research and overall purpose for this thesis before the telephone interview. An interview guide was developed, showing how we have conceptualized the research questions (see appendix B). However, despite these attempts of maintaining a high reliability in this study, personal biases are always present to some extent when conducting interviews. Hence, we cannot be sure of the influence of attitudes and values of the respondents and us in the study.

Eriksson and Wiedershiem-Paul (1997) claim that validity is the most important requirement on a measurement instrument. According to Yin (1994) there are three kinds of quality tests regarding the validity of a study. These are described below:

- Construct validity can be defined as “establishing correct operational measures for the concepts being studied”.
- External validity concerns “establishing the domain to which a study’s finding’s can be generalized”.
- Internal validity refers to “establishing a causal relationship, whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships”. (Yin, 1994, p.33)

Yin (1994) notes that internal validity only applies to explanatory and causal studies and not for descriptive studies. Since this research is mainly descriptive, the test of internal validity will not be discussed in relation to this study. Table 4.4 shows the tactics that can be used in the tests of the quality of construct and external validity.

Table 4.4 Case Study Tactics for Construct and External Validity

Tests	Case Study Tactic	Phase in which Tactic Occurs
Construct Validity	Use multiple sources of evidence Establish chain of evidence Have key informants review draft case study report	Data collection Data collection Composition
External Validity	Use replication logic in multiple case studies	

Source: Adapted from Yin 1994, p. 33

In relation to the construct validity of this study, the principle of “triangulation”, i.e. use of multiple sources of evidence, is followed. Both documentation and interviews are used to collect data. Furthermore, both notes and a tape recorder were used when documenting the interview. Effort was also put into identifying the proper person to interview. However, the interviews were conducted in Swedish and then translated into English, which includes the risk of translation errors.

Regarding the second tactic, the establishment of a chain of evidence, this study builds upon existing theories related to our research questions, and follows this base throughout the research. Hence, the data collected on the research questions are derived from this base. However, in spite of our precautions, relevant literature can have been overlooked, which might have an impact on the validity. To fulfill the third tactic, our supervisor has reviewed this study continuously throughout the whole process. Feedback from these reviews has allowed for revising of the material. Furthermore, feedback has also been received from the respondents as they have reviewed the data collection. Regarding the external validity and to what extent the findings can be said to be generalizable, Yin (1994) notes that case studies do not rely on statistical generalization as with surveys, but analytical generalization. Analytical generalization is concerned with generalizing a particular set of results to some broader theory. (Ibid) In this study, a multiple-case study of five companies has been conducted, which might be considered to give a better base of generalization than a single-case study.

5. Empirical Data

In the previous chapter, the methodology of the research was discussed. In this chapter, the empirical data collected from each of the companies investigated will be presented. The five companies investigated are Skanska AB, Svenska Kullager Fabriken AB, Scania AB, Skandinaviska Enskilda Banken AB and FöreningsSparbanken AB. In the empirical data presentation, the interviewees will be referred to as the respondent or by company name. The data is collected based on our conceptualization and frame of reference in chapter three. Each section will start off with a short company background, and thereafter, the data collected from the interview will be presented. The empirical data is presented in a manner that addresses the three research questions of this study.

5.1 Skanska AB

Since it's founding in 1887, Skanska has established a global network of operations in more than 60 countries. Sweden, the US, UK, Denmark, Finland, Norway, Poland, the Czech Republic, Argentina and Hong Kong are Skanska's main markets. The Skanska group has approximately 85,000 employees. The head office of Skanska is located in Stockholm. (Skanska, 2001) The company business mission of Skanska is:

“To develop, build and service the physical environment for living, working and traveling. Through combining the company's resources in these areas the customer can be offered attractive, cost effective and thereby market competitive solutions. (Skanska, 2001, p.6)

Skanska states that the vision for the company is:

“To be the world leader - the customer's first choice - in construction services and project development.” (Skanska, 2001, p.6)

This is further supported with the implemented strategy; to focus on the customer's needs and create long-term relationships and develop the best management, knowledge and processes. Skanska's operations are aimed at satisfying people's need for housing, work environments and communications opportunities. Skanska is active throughout the value circle - everything from small building service contracts to assuming total responsibility for identifying and solving the customers' long-term needs of construction-related services. (Skanska, 2001)

Skanska presented in 1991 a company wide program called 3T to increase its efficiency and quality. The 3T stands for total time thinking and was a program to reduce the time used in the company's processes. The idea is basically about a focus on doing things right from the beginning and also to reduce the time used by better planning. The 3T had its origin from Total Quality Management (TQM) and was a response from customer demands on higher quality and shorter construction times. (Skanska, 1992)

In terms of company structure and organizational chart, the company is divided into three different business units: *project development, construction services and new businesses* (Skanska, 2001) See figure 5.1.

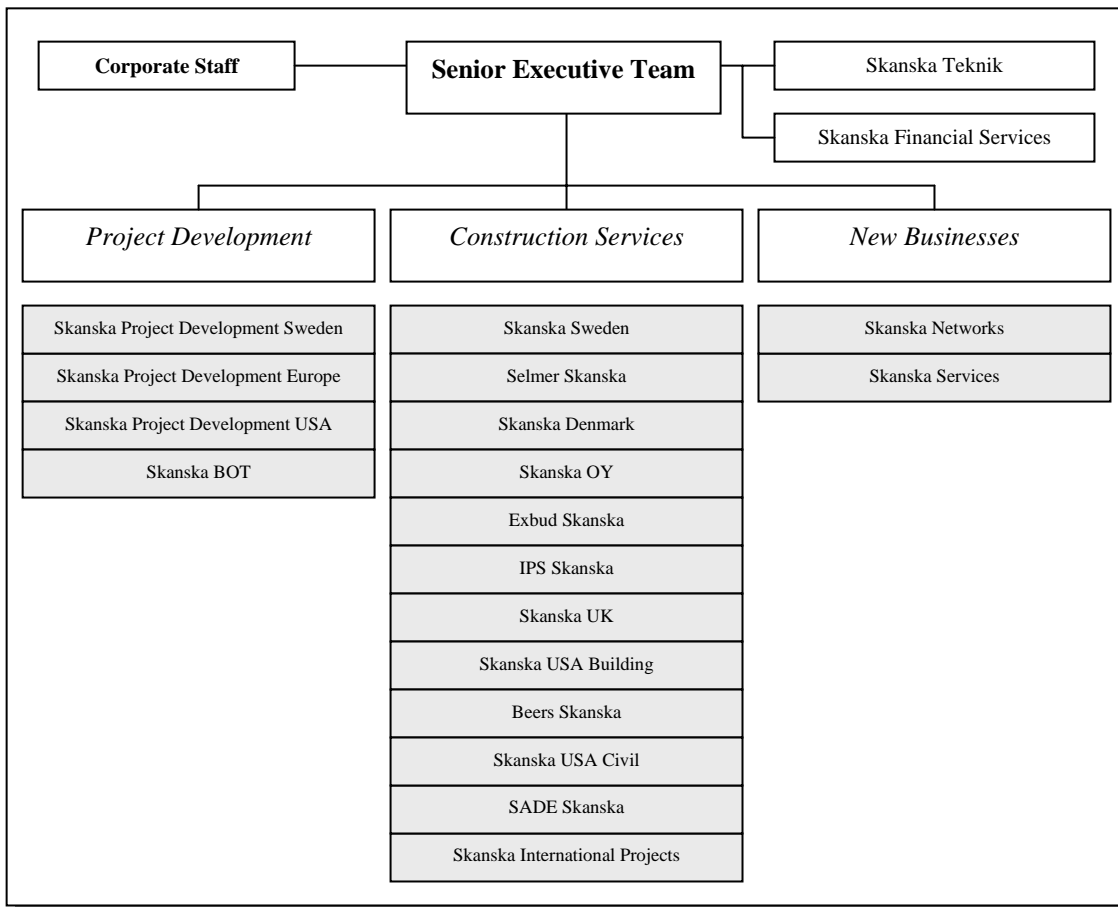


Figure 5.1 Organizational Chart of Skanska

Source: Skanska, 2001, p.16

5.1.1 The Objectives with CRM in Skanska

Skanska has according to the respondent approximately 15 000 customers on a yearly basis and many of them are large governmental and public institutions. Therefore, many offers have to cope with the laws and regulations regarding governmental purchases. Skanska's goal with CRM is to create potential for their employees around the organization with a system that actively support the marketing and sales work. The respondent stresses that the system is not intended for the executive management level, instead focusing on the employees. The reason for CRM in Skanska is that the company is working on a mature market and because the company handles a lot of customers and project, they need to have these issues organized.

Skanska's major objectives with CRM are to improve win rates, since the company withdraws from unlikely or bad deals earlier in the sales process. There are today about 20 000 potential offers that Skanska can place a bid on and therefore; every improvement in win rates constitutes an increase in revenue. Moreover, another major objective with CRM is to decrease general sales and marketing administrative costs due to that the company has a good knowledge about its target segment customers. Thereby the company is using its resources better when no effort is a waste of money or time.

Skanska has other objectives with CRM that also are important but that they do not list them as major objectives. These are for instance, to assure customer loyalty by providing after-sale service/support and to measure results and proving return on investments. Furthermore, the respondent states that Skanska uses integrated information in order to create excellent services for their customers

Minor objectives with CRM in Skanska is to increase margins, resulting from knowing your customers better, providing a value-sell, and discounting price-less. This implies mostly on the small customers and not the large governmental and public customers. Moreover, the company can establish personal relationships with the customers that are interested in this but CRM is also used to understand the relative importance of specific values to each customer segment and to determine if delivery of those values will affect in a positive manner.

To improve customer satisfaction rates due to that customers will find that the offer is more in line with their specific needs is today not a goal since the now established CRM system does not facilitate that. Since Skanska has over 15 000 customer on a yearly basis it is a problem to identify the customer values that are pertinent to a particular segment. However, towards public and governmental customers, this is possible since they are rather few in numbers. Skanska presents no own stated objectives with CRM. The goals with CRM in Skanska are presented in table 5.1

Table 5.1 Objectives with CRM in Skanska

Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs				◆
Measuring results and proving return on investments			◆	
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.	◆			
Assure customer loyalty by providing after-sale service/support.			◆	
Introducing consistent, replicable processes and procedures	◆			
Increase sales revenues		◆		
Improve win rates				◆
Increase margins		◆		
Determining if delivery of customer values will affect in a positive manner.		◆		
Reach economies of scale by mass customization	◆			
Use existing customer relationship to grow revenue	◆			
Improve customer satisfaction	◆			
Identifying those customer values that are pertinent to a particular segment.	◆			
Understanding the relative importance of customer values to each customer segment.		◆		
Build personal relationships		◆		
Use integrated information for excellent service			◆	

Source: Author's own construction

5.1.2 The CRM Process in Skanska

Skanska is according to the respondent a company that uses a mix of both relationship-oriented focus as well as transactional focused. This implies that the company towards its largest customers uses a transactional view. These customers are referred to as governmental and public customers, where price matters. The reason for this is according to Skanska that these customers must follow the laws and regulations of governmental purchases and here price is the major variable that matters. However, established personal relationships have a great importance since this increases the hit rates i.e. received customer orders. In comparison, Skanska holds a relationship focus concerning the smaller customers. This sort of relationships can have been ongoing for several years or decades.

In terms of what are the most important activities in the custodian of the customer base, the respondent states that this is to identify the needs of the customers; both conveyed and not disclosed needs. Without those needs identified, Skanska cannot deliver customer value or customer satisfaction. When addressing the issue of the customer is an active or passive part in the sales process, Skanska insists that the customer is always right, and has therefore the right to be passive. It is therefore up to the company to take the initiative in the buying or selling process, which in this case starts with the creation of a formal offer as a answer to a customer's request. However, Skanska always tries to make the customer more active and by doing so receiving their preferences, wants and specific requirements.

Skanska has no marketing organization that goes across the organization. Instead a manager in the production has a marketing and sales responsibility in their area of expertise and geographical location. That manager is also handling all customer relationships connected to his responsibility. By including marketing in production can Skanska provide the customer offers that are not only based on price, when the ability to set up the right project group with the right competences and social skills also are important features that attract the customer. Earlier construction projects also work as a good reference in the sales process. Logistics is another part that is integrated into production and have a low impact on customer satisfaction except in the field of ballast were it has an great impact on both customer satisfaction and profitability.

The company takes use of the information received from the customer systematically, this refers to the registration of each customer interaction or meeting that occur and that those events are logged in the data system, expressing what has been said, decided or planned. After this everyone that needs that information can log on and receive necessary data. Most of the customers' interaction is with the members of the team that Skanska has assigned for the project. This interaction can be via letter, e-mail, stationary and cellular telephones, and fax machines and also by meeting the customer face to face. In terms of if the company has access to customer information generated in different distribution channels, the answer is yes. However, how Skanska uses this information is a question that the respondent would not answer based on the company believe that this should be kept confidential. This is also the situation in regards to how the customer analysis process is structured. The respondent disclosed that the company uses key figures in terms of loyalty, frequency and volume of purchase etc but would not go deeper into the subject based on the believe that this is critical information for the company.

According to Skanska, the market planning of the company is conducted on each regional market, since the company believes that there is a large difference between each market segment/region and therefore the market planning needs to focus on different aspect based on what region it is referred to. Relationship planning is also an important activity where the company has to decide what sort of relationship that is important to have or disclose. The interaction with the customers of Skanska is mainly personal meeting and since Skanska approaches the customer, that have initially expressed their wants and needs when formulating the offer request, its up to Skanska to sell in their solution that fulfills these objectives.

5.1.3 CRM's Affect on the Organizational Structure in Skanska

The existing organization and its structure was a basis for the construction of a CRM system in Skanska. The respondent stressed that this was an important prerequisite for a successful implementation of CRM in Skanska's operations when working tasks and procedures remained the same as before the implementation. CRM has according to the respondent not affected Skanska's organizational structure regarding shape, departmentalization, distribution of power, or division of labor. The information process has been affected by CRM in that sense that marketing plans is more precise than before. This is due to that the company now has more customer information that provides a clearer picture of the market. Skanska has also now a better base for making the right prioritizations regarding projects and customers.

There has been no affect from CRM in the area of human resource management. The respondent also stated that there had been no changes in the reward system concerning compensation and promotion issues due to the implementation of CRM. The interdependency and uncertainty between organizational units, and the diversity among them remains the same has before the implementation of CRM. Skanska has put more effort into recruiting customer-oriented employees than before, but still the most important criteria when hiring a new employee is his or her capability to do the work. The company has made some alterations to ease the flow of information between employees and departments. Previous, the information stayed at the person who received it but the computerization of information has led to increased availability. Skanska has today not replaced a lot of employees to enforce a more customer-focused organization. Instead, Skanska has conducted training on CRM during the last years. The respondent has as chief marketing officer been responsible for this activity and has also been the one lecturing in the topic. All sort of positions from secretaries to district managers have been attending this training program.

Skanska has a decentralized management style that enables each employee to take initiative in his or her work towards the customers. This is seen as a prerequisite for success when all-important decisions must be taken close to the customer in the project management team. Up till today CRM has had no impact on the roles in Skanska's marketing organization. In Skanska it is the chief marketing officer that coordinates the business process at a central level and by the district managers at a local level. The district managers also have the responsibility to identify business opportunities and to keep up with coming construction projects that customer in his area is planning for. Based on these activities he sets up a team that creates a solution based on the customers' specifications for the project. The project team then presents this solution to the customer and will later on handle the interaction, if Skanska is selected.

5.2 Svenska Kullager Fabriken AB

Svenska Kullager Fabriken AB - SKF was founded in 1907 and was from the very beginning focused intensively on quality, technical development and marketing. Today it has its own sales companies in 70 countries, supported by some 7 000 distributors and dealers, e-business market places and global distribution system. SKF is always close to its customers for the supply of both products and services and have a clear stated customer focused strategy. The manufacturing facilities are located in 22 countries and the total number of employees is approximately 38 500. According to the company's investor relations department, SKF has not stated any business mission or vision. Instead, the company has defined financial targets and these are to reach an operating profit of 4 billion SEK and a operating margin of 10%. According to SKF, the key factors to be successful in this line of industry are to have high level of ingenuity, quick market response and close cooperation with customers and other companies to create new and innovative solutions for the market. (SKF, 2001)

The four cornerstones of the strategy to reach these targets are:

- *Service.* To develop and increase the service business by selling predictive and preventive maintenance, trouble-free operation, condition monitoring, reliability engineering and productivity improvements in process industries. (SKF, 2001:1)
- *Trading.* To further develop e-business and buy complementary products to be able to offer customers complete solutions. To sell more of SKF's expertise and skills with regards to logistics and technology, etc. (SKF, 2001:1)
- *Electronics.* To further integrate electronics and software competencies in bearing and sealing technology in order to develop customized solutions for demanding applications. SKF's sensor technology has already been introduced in a number of applications, and more is being developed. (SKF, 2001:1)
- *Partnership.* To enter into partnerships with customers and other companies in order to gain competitive advantages by combining technological expertise and know-how and/or by creating joint manufacturing activities. (SKF, 2001:1)

The SKF business is organized in six Divisions, *Industrial, Automotive, Electrical, Service, Seals* and *Steel*. These six divisions focus on a specific customer segment in order to deliver a high level of customer services (SKF, 2001:1) See figure 5.2.

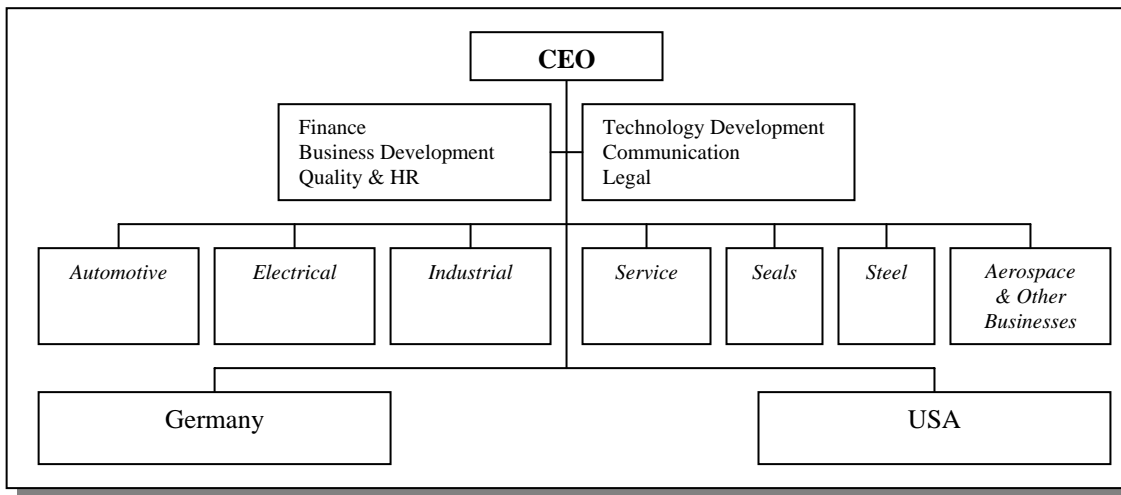


Figure 5.2 Organizational Chart of SKF

Source: SKF, 2001, p.12

5.2.1 The Objectives with CRM in SKF

The main objective for SKF in their work with CRM is to create and store customer information at one central spotting. This information is the foundation for their base of customer knowledge. The gained customer knowledge is a vital tool for various individual SKF employees to increase the efficiency when meeting one of SKF's customers. The customer knowledge consists of information regarding buying behavior, user demands and service demands.

SKF has several CRM objectives in the area of sales. One is to increase sales revenues, when more time is spend with customers and less time is spend on collecting information about the customer. This also gives higher win rates, since the company is able to withdraw from unlikely or bad deals earlier in the sales process. In the area of sales is reducing administrative costs also an objective when the gained customer knowledge can be used more effectively. SKF also view CRM as an important tool in their work focusing on increasing margins, resulting from better customer knowledge enabling a value-sell, and lower need for price discounting. Which is also in line with the improvement of customer satisfaction rates due to that customers will find that SKF product and service offers is more in line with their specific needs. By doing this can customer loyalty by providing after-sale service/support be assured. Furthermore, the information received from the customers can be integrated and used to create a high service level.

CRM also support SKF in creating personal relationships with its customers. One important objective with a relationship is the feedback that will be looped back from the customer to the company. Furthermore SKF highlights the importance of the ability to communicate and deliver the appropriate values to each customer in ways the customer wants to receive the information. Moreover, the company believes that by selling to existing customers, the company can grow revenue. The theoretical proposed objective, determining if delivery of customer values will affect in a positive manner is not an objective according to SKF since their CRM system does not support this objective. The company has not identified any other objectives with CRM. The objectives with CRM for SKF AB are presented in table 5.2

Table 5.2 Objectives with CRM in SKF

Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs		♦		
Measuring results and proving return on investments			♦	
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.				♦
Assure customer loyalty by providing after-sale service/support.				♦
Introducing consistent, replicable processes and procedures		♦		
Increase sales revenues			♦	
Improve win rates			♦	
Increase margins				♦
Determining if delivery of customer values will affect in a positive manner.	♦			
Reach economies of scale by mass customization		♦		
Use existing customer relationship to grow revenue				♦
Improve customer satisfaction				♦
Identifying those customer values that are pertinent to a particular segment.			♦	
Understanding the relative importance of customer values to each customer segment.			♦	
Build personal relationships				♦
Use integrated information for excellent service			♦	

Source: Author's own construction

5.2.2 The CRM Process in SKF

SKF has according to the respondent a long tradition of producing and supplying customers in different industries with rolling bearing and seals. Therefore the company has established relationships with its customer that in many occasions has been going on for decades. SKF also stresses the importance in their TQM manual of putting the customers need first in every decision by stating *“It is the customer's perception of our performance that determines our success”* (SKF, 2001:1). Both the respondent and the TQM manual state that SKF to meet this ambition has organized itself around customers and not around products.

People from logistic and production functions are not directly involved in the marketing process. Indirectly they have a great impact when quality of products and delivery is important factors influencing customer satisfaction and thereby the customer's image of the company. SKF views the customer as both an active and passive part in the sales process. The customer can be described as active when he sets new demands on SKF products to meet up to his requirements. The company retrieves customer information through several channels, such as: own sales force, distributors, service personnel, call-centers handling services and complaints. All customer contacts through these channels are registered electronically or, when a report is being made after a personal interaction with the customer. SKF has not directly access to the customer information generated in the distribution channel. Here SKF has to rely on information that their own sales people snap up during visits at distributors and on customer surveys. These surveys give information about customer requirements on development of new products and services as well as a picture of customer satisfaction and SKF's image position. However, SKF has today the ability to store information from the customer through different channels but lacks the possibility to transfer this information across national

borders. There is today an ongoing process within SKF to primarily interlink the European activities, but secondly to link SKF globally.

The respondent states that SKF customer analysis is an ongoing process based on earlier interactions with the customer. The aim is to meet the customers' expectation better in the future. Because the process is ongoing it is difficult to state particular phases in the process. SKF uses a key account management approach when handling important customers. Special sales teams are handling the interaction with important customers and the atmosphere is of a personal character. These customers often have an EDI solution where they can put orders to SKF. When dealing with small customers SKF uses interaction via telephone, fax machines, and call centers as a major tool in sales and service. SKF has provided Internet as a point of contact for their customers. Via the web site: *www.skf.com* can customers receive product information and also make technical calculations on bearings and seals. The company also has an e-business site named *endorsia.com* focusing on small and mid-sizes customers. The aim is that received information from earlier interactions shall work as a base for future customization. The market planning is primarily focusing on increasing the market share. The company's way to reach this objective is by selling more to already existing customers and also by attracting new customers. CRM is an important tool in the sale process supporting the salesman in his or her work by providing information about the customers' earlier product purchases, including services and maintenance done by SKF.

5.2.3 CRM's Affect on the Organizational Structure in SKF

The implementation of a CRM strategy in SKF has not affected their organizational structure regarding division of labor, departmentalization, shape, or distribution of power. The information and decision process has not either been affected by this implementation and so are also the case in the field of human resource management and reward systems. Since no organizational change has taken place in SKF the relationship between organizational units has remained unchanged.

Like many large company's, SKF has made efforts in easing the transfer of information by making a large portion of it electronically. In terms of employees, SKF put effort in recruiting customer-oriented employees and also to train sales and service personnel in sales support systems and on how to meet the customer. The respondent stressed the importance of that the people with customer contact must be interested and positive in providing service towards the customers. The company put a lot of effort into improving quality, and according to SKF TQM manual this activities starts at the individual level in a work team. First of all, when recruiting SKF values the applicants competence that is necessary in the specific job tasks. Thereafter the applicant's degree of customer focus is taken into consideration.

There has been no reorganization due to CRM and SKF has not made any alterations to ease individual employees handling of customers. In SKF the channel manager has the responsibility to coordinate the business process and the interaction with the customer. Key issues here are to identify the right customer and business opportunity and thereafter to create the right offer and to decide when the offer shall be presented for the customer. The channel manager also handles the customer interaction. The personnel in SKF that have received training or education on CRM are mostly sales personnel that have been using the system for sales support during the last 10 years.

5.3 Scania AB

Scania is the world's fourth largest manufacturer of heavy trucks. In Europe, Scania is the second largest and in Latin America the leading one. Scania is also the world's fourth largest manufacturer in the heavy bus segment. Scania is an international corporation with operations in more than 100 countries. Ninety-seven percent of its production is sold outside Sweden. The number of employees is 26 900 and the head office is located in Stockholm. Scania's industrial operations specialize in developing and manufacturing vehicles, which shall lead the market in terms of performance, life-cycle cost, quality and environmental characteristics. (Scania, 2001) Scania's business mission is:

“To supply its customers with vehicles and services related to the transport of goods and passengers by road. By focusing on customer needs, Scania shall grow with sustained profitability, thereby generating shareholder value.”
(Scania, 2001:1)

Scania's vision is:

“To be the leading company in its industry by creating lasting value for its customers, employees, shareholders and other stakeholders.” (Scania, 2001:1)

To further state their customer focus, Scania's commercial operations, which include importers, dealers and service points, shall supply customers with optimal equipment and after sales support, thereby providing maximum operating time at minimum cost over the service life of their vehicles. By focusing on customer needs, Scania shall create value-added for the customer and grow with sustained profitability. Scania stresses that by doing so the company generates shareholder value. In April 1996 Scania was listed on the stock exchange in Stockholm and New York. (Scania, 2001:1) In terms of organization, Scania is divided into three different business areas and they are further presented in their organizational chart, see figure 5.3.

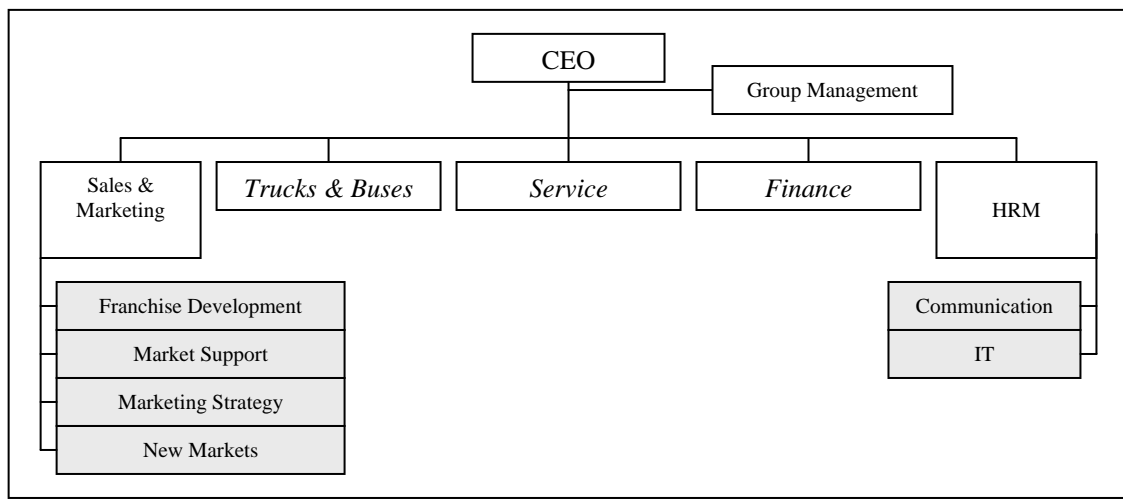


Figure 5.3 Organizational Chart of Scania

Source: The Respondent

5.3.1 The Objectives with CRM in Scania

According to Scania, the objective with CRM is to strengthen the relationship with their customers. The respondent further states that it is the profitable relationships that the company focuses on. This implies that the company needs to switch their time span of the relationship from previous when the length was equal to the product life cycle. Now, the company sees relationships in a longer time span and focuses more on the customer life cycle.

Furthermore, the respondent states that the unprofitable customers are something that the company tries to alter and transform them into profitable ones, but if this is something that is not possible, the company feels no urge to keep these customers. In short, the respondent states that long-term profitability is the most important reason for why Scania uses CRM in the company. Moreover, by creating a long-term mutual beneficial relationship with the customer, Scania ties the customer closer to the company giving them a better communication and possibility to keep the customer.

The reason for CRM in Scania are numerous and of different importance. According to the respondent, the major objectives with CRM are to assure customer loyalty by providing after-sale service/support, this implies that the relationship has only begun when Scania sells the truck to the customer and therefore there is an essential need that the after-sales activities in terms of services and support is in line with the customers preferences.

Major objectives with CRM for Scania are also to increase margins and increase win rates. The first one is a result from knowing your customers better, providing a value-sell. Since the customer is aware of Scania as a company, the urge for mere price focusing is not primarily important. Secondly, increased win rates are created since the company can withdraw from unlikely or bad deals earlier in the sales process since they know their customers to a greater extent. CRM are also used to increase Scania's service offering towards the customer. By taking over a part of the customers risk by providing finance and insurance solutions, can Scania increase its margins and total sale revenue, at the same time as its service offerings towards the customer is increased.

Other major reasons for CRM in Scania is according to the respondent to improve customer satisfaction rates due to that customers will find that the offer is more in line with their specific needs. This is also a result of better knowledge about customer preferences and needs. Moreover, the company focuses on building personal relationships with the customer, which will provide the company with growth in revenue and feedback. This information can then be used to create a high level on the service and support functions.

The company has other reasons for CRM that are of importance but not to the same extent as the above stated. These are according to the company to decrease general sales and marketing administrative costs due to that the company has a good knowledge about its target segment customers but also to use CRM to measure return on investments. Moreover, the company sees that one important goal with CRM is to handle the area of customer values i.e. identify customer values that are pertinent to a particular segment, understand the relative importance of those values to each customer segment and determine if delivery of those values will affect in a positive manner.

Furthermore, the respondent says that it is important to create unified processes and procedures in Scania. Therefore, the company has a system called Dealer Operating System –DOS in order to raise and create consistent customer interactions despite which dealer the customer interacts with. Finally, Scania states that their goal with CRM is not to increase sales revenues instead they are focusing to satisfy the customers’ needs and by doing this well they customer has incentives to be a loyal customer in the future. The respondent stated that Scania has no other goals with CRM than the theoretical presented.

Table 5.3 Objectives with CRM in Scania

Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs			◆	
Measuring results and proving return on investments			◆	
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.				◆
Assure customer loyalty by providing after-sale service/support.				◆
Introducing consistent, replicable processes and procedures			◆	
Increase sales revenues	◆			
Improve win rates				◆
Increase margins				◆
Determining if delivery of customer values will affect in a positive manner.			◆	
Reach economies of scale by mass customization	◆			
Use existing customer relationship to grow revenue				◆
Improve customer satisfaction				◆
Identifying those customer values that are pertinent to a particular segment.			◆	
Understanding the relative importance of customer values to each customer segment.			◆	
Build personal relationships			◆	
Use integrated information for excellent service				◆

Source: Author’s own construction

5.3.2 The CRM Process in Scania

Scania is putting a lot of effort in being a relationship-oriented company. The primarily objective is to get long-term profitability in their operations. The custodian of the customer base is managed by local dealerships and by the distributor for that specific market. Scania has a philosophy that not interfere to much into a distributor or a dealers activities, this is due to that it is them and not Scania that holds the best knowledge of the customer and local market conditions.

These activities can be very different in kind since they are tailored to meet the customer and the conditions at each market. The activities have one thing in common they are all focusing on the vehicle and on the service hubs stressing that they enables a good reliability and short stand for service. However, these activities must be in line with Scania’s overall marketing strategy. Scania role in the custodian of the customer base is mainly to coordinate the independence in the chain of distribution.

Scania as very simplified two sorts of customers: few-vehicle customers and fleet customers. The few-vehicle customers drive and own their vehicles. This type of customer can be either active or passive in the sales process depending on his preferences and financial status. It is not unusual that a salesman from the local dealership takes the initiative in the sales process by starting up a dialogue with the customer. This segment is by tradition Scania's strongest and the customers are valued high in Scania. The fleet customers can have several hundreds of vehicles in its fleets and have special departments for handling purchases of new cars and services. They are a very active part in the sales process and they hold a great knowledge as users. This lead to that they can specify their demands on the new vehicles.

Scania also use a key management approach with special sales team on especially the distributor level to treat this type of customers. Marketing, production, and logistics functions are working closely in the product development process. Especially the ability to deliver on time is stressed by the customers. It is important according to the respondent to increase the amount of customer information and to make it available for the people at Scania and its dealerships that need the information. The awareness of the importance of this is increasing in Scania and among its dealerships. The dealership has a very good knowledge of their customers' needs and wants.

It is difficult to transfer the customer information due to cultural issues, and legal issues. Therefore is the customer information at the distributors not at all as comprehensive and accurate as on the dealership level and its even less at Scania headquarter. The respondent sees this as a problem that is diminishing in size when the awareness of customer information increases. This is a minor problem, which is natural since the one closest to the customer has the clearest picture of the customer. It had been worse if it had been the opposite. Scania has access to information generated from its distribution channels including independent satellite workshops. Scania has also put a lot of effort into forward integration in their chain distribution. Scania's strategy has been to acquire the distributor in each market and to acquire dealerships that are of strategic importance in the local markets. By doing this they have come closer to the end users and thereby they have increased their ability to become customer focused.

The salespeople at the dealership are doing the customer analysis automatically when they have the best knowledge of their own customers and theirs needs for products and services. The process can be divided into some basic steps first Scania have to decide what customers they are aiming after. In the next step Scania uses there stored information regarding this customer. If the customer is new Scania has to collect information about his needs and wants. In the next step Scania try to use the collected information to fulfill and meet the customers expectation. Scania's marketing planning is focusing on a variety of different activities. This is due to Scania is operating on a number of different markets that all has its unique conditions. How Scania's marketing plan looks like is also affected on how Scania's organization is structured on that market as well as. Scania's interaction with its customer is mostly conducted through its dealerships and service hubs and other workshops. The interaction can also be a response on direct marketing campaigns and by visits or phone calls from salespeople from the dealerships. Invitations to road shows and product development clinics or visits to production plants are also tools that enable interaction. All this interactions is registered in the CRM database as a base for future interactions. Moreover the Internet has become a point of contact where customers for instant can buy used vehicles.

5.3.3 CRM's Affect on the Organizational Structure in Scania

CRM has affected Scania's organizational structure in several ways. The product development is now being conducted in a "clinic" with closer cooperation with the marketing function than before. In this clinic are several of Scania's core competences working together to develop new products in cooperation with customers that are invited into the clinic, so that they can express their needs and wants in an early stage in the development of a new product.

Scania has also since 1995 put a lot of effort into forward integration in their distribution chain. Scania's strategy has been to acquire the distributor in each market and to acquire dealerships that are of strategic importance in the local markets. Today Scania control its distributors in the European markets except Portugal, Ireland, and Iceland. However, the impact from CRM on production units has according to the respondent been relative small.

In Scania the ambition to become more customer focused has lead to customer cogitation in the information and decisions processes regarding planning and control, budgeting and performance measuring. Customer satisfaction has become one of the most widely used criteria on how to measure Scania's performance.

The customer has stressed that delivery on time is an important criteria so therefore is the ability to deliver on time an important issue when deciding bonuses for Scania's personnel. When addressing the issue of automation, Scania stresses that the company has engage in activities to make information available to their employees. The company is putting more effort into making the customer information more accessible. The respondent states that Scania educates and train their employees in an internal education system, called the Marketing academy. The focus is on training and education of the distributors in the company's marketing philosophy and strategies. It is then up to each distributor to transfer this knowledge to individual dealerships.

A Customer centric mind is not a stressed objective when selecting and recruiting new employees at Scania. The respondent views this criterion as so obvious and naturally that it is unconsciously a part in the candidate profile in the recruitment and selection process. Recruiting customer focused employees in all business, and production functions have been a natural thing during the last 10-15 years and especially since Scania become independent from SAAB in 1995. The respondent states that the company has not made any alterations in their leadership style to ease the possibilities for each customer interacting employee to adjust in order to meet customer demands.

The company states that in terms of coordinating marketing activities it is the regional manager, in this case the distributor that are in charge. The distributor or retailer is also responsible for the identification of right customer, creation of the right offer and deciding the right time to present the offer. They are also responsible for the customer interaction, except when large international customers are handled, which is done on a central level.

5.4 Skandinaviska Enskilda Banken AB

André Oscar Wallenberg founded Stockholm's Enskilda Bank in 1856, the first appearance of the bank. In January 1972, Skandinaviska Banken merged with Stockholms Enskilda Bank into the new bank, Skandinaviska Enskilda Banken - SEB. Today, SEB is a European financial corporation primary for companies and financially active private persons. The Group is represented in some 20 countries around the world by 670 offices and has approximately 21,000 employees. The company has a total of four million customers, and 800 000 are Internet customers. By December 2000 the company had administered capital to a total value of 910 billion SEK. The company headquarter is located in Stockholm. The business mission of SEB is:

“SEB's business concept is to create value for customers and shareholders through leading competence and long-term relationships. “ (SEB, 2001,p.7)

The vision of SEB is:

“To be the leading "e-centric" customer-driven supplier of financial services in Europe.” (SEB, 2001, p.6)

In a short period of time SEB has changed, from doing “everything for everybody” particularly in Sweden, to being a supplier of financial services for well-defined target groups in Europe. The company focuses on creating value for the customers in order to retrieve profitable customers and thereby higher profit. In order to come up to these expectations and demands, SEB must have a good knowledge about its customers, develop its relations with them and manage its business according to their demands. All alternative ways of contact must be used in order to offer maximum accessibility. During 1999, the overwhelming part of SEB's staff and customers were in Sweden, where also most of the income was generated. Today, more than half of both employees and customers are outside Sweden and 57 per cent of gross income originated from non-Swedish markets compared with 27 per cent in 1999. The company is organized into the following divisions *Nordic Retail & Private Banking*, *SEB Germany*, *Corporate & Institutions*, *SEB Invest*, *SEB Trygg Liv*, *The Baltic & Poland*, which is presented in figure 5.4. (SEB, 2001)

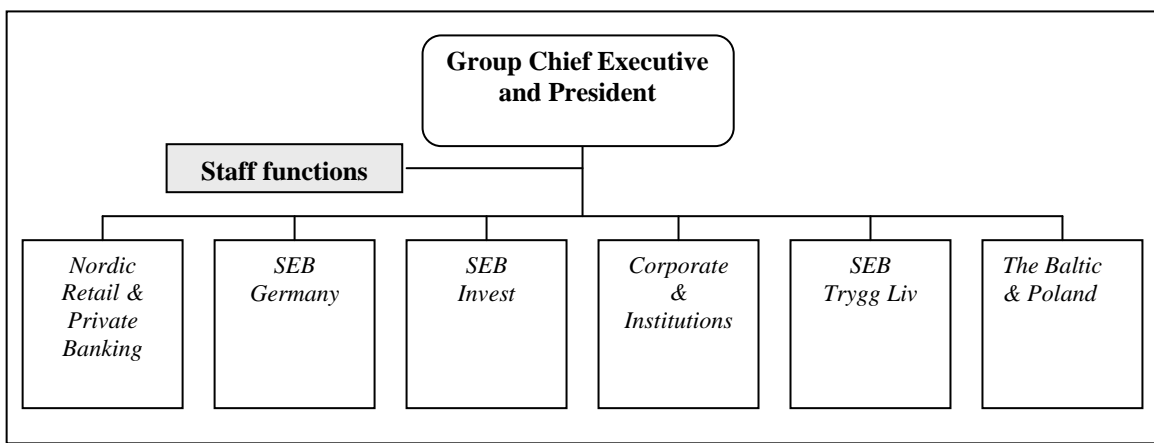


Figure 5.4 Organizational chart of SEB

Source: SEB, 2001, p.11

5.4.1 The Objectives with CRM in SEB

SEB main objectives with CRM are to improve the process to communicate with the right customer and to provide each customer the right offer through the right channel at the right time. By doing this SEB uses the right resources towards the right customers hereby can the customer receive satisfaction on, for the SEB, a cost efficient way.

SEB is today striving from a product-oriented structure and strategy towards a customer focused one. SEB started this journey several years ago and according to the respondent CRM thoughts has gain a stable ground in SEB, but still there are a lot of work before the final destination will be reached. Today each business area has its own business mission and vision and these are not always concordant and in line with the other business areas objectives. The organizational structure, with several business areas and production units can also work as an obstacle when turning the focus on the customer.

The respondent claims that SEB and its business is moving closer to their customers in a manner that some times can be described as small step forward and sometimes two step backwards; but the long term direction is toward a customer focused structure. The benefits of a CRM approach that SEB is striving towards are higher levels of customer retention and higher profitability per customer. SEB has very high stated objectives with its use of CRM. The reason for this is that SEB see this strategy as the foundation for future competitiveness of the company. Therefore, they regard the following activities as very important:

- To increase sales revenues, resulting from spending more time with customers, which results from spending less time collecting information about the customer.
- To increase win rates, since the company withdraws from unlikely or bad deals earlier in the sales process.
- To improve margins, resulting from knowing your customers better, providing a value-sell, and discounting price-less.
- To improve customer satisfaction rates due to that customers will find that the offer is more in line with their specific needs.
- To decrease general sales and marketing administrative costs due to that the company has a good knowledge about its target segment customers. Thereby the company is using its resources better when no effort is a waste of money or time.
- To build personal relationships with the customer, which will provide the company with feed back.
- To reach economies of scale by mass customization.
- To assure customer loyalty by providing after-sale service/support.
- To identify those customer values that are pertinent to a particular segment.
- To understand the relative importance of those values to each customer segments.
- To determine if delivery of those values will affect in a positive manner.
- To communicate and deliver the appropriate values to each customer in ways the customer wants to receive the information.
- To measure results and proving return on investments.
- Introducing consistent, replicable processes and procedures
- Use existing customer relationship to grow revenue
- Use integrated information for excellent service

These above stated objectives with CRM are further presented in table 5.4 and SEB has according to the respondent no other objective with their CRM activities.

Table 5.4 Objectives with CRM in SEB

Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs				◆
Measuring results and proving return on investments				◆
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.				◆
Assure customer loyalty by providing after-sale service/support.				◆
Introducing consistent, replicable processes and procedures				◆
Increase sales revenues				◆
Improve win rates				◆
Increase margins				◆
Determining if delivery of customer values will affect in a positive manner.				◆
Reach economies of scale by mass customization				◆
Use existing customer relationship to grow revenue				◆
Improve customer satisfaction				◆
Identifying those customer values that are pertinent to a particular segment.				◆
Understanding the relative importance of customer values to each customer segment.				◆
Build personal relationships				◆
Use integrated information for excellent service				◆

Source: Author's own construction

5.4.2 The CRM Process in SEB

According to the respondent, SEB is today more transactional oriented but are moving more and more towards a relationship oriented view. SEB could, according to the respondent been even more relationship oriented if the company had executed the intended CRM effort that was planned to integrate CRM in the whole organization. However, the executive board felt that the company was not ready to fully transform the company to a CRM structured organization and therefore postpone the project.

SEB has identified two important activities in the handling of the customer base. Firstly, on a central level conduct analysis in order to find the right and profitable customers. Moreover, to develop new customer handling processes to ensure good and high service level in the customer contacts with the already established customers. Secondly, on a local level, the most important activity is to have good knowledge in regards to the customer base, and this is something that SEB has, according to the respondent. There are situations where centrally planned activities are being used on a local level.

In regards to the customer's activeness or passiveness in the sales process, the customer is regarded as an active participant. This is due to that the customer is closely involved in the actual production of the service or product. This implies that the company must have an open dialogue where the customer is given space to express his or her wants and needs. This is also affected by which channel the customer interacts with the

company and therefore, the analysis of the customers needs is much more extensive when the customer uses the bank offices as point of interaction, mainly because personal communications are more easily facilitated in that specific channel.

The production of services and products are being conducted in specific product units, i.e. SEB Invest, SEB Trygg Liv. When introducing a new product, this can be done based on two different approaches. Firstly, the bank creates a new product and then tries to sell it by using a push strategy. Secondly, customers reveal their preferences and wants in regards to a new product solution and then the bank creates the product after a dialogue with the customer. This are two different approaches that are used in SEB, but the company is striving towards the second alternative, producing a product that they know customers wants and needs.

According to the respondent, SEB can take use of the information received from the customer and transfer it throughout the channel, but also between different channels. The information received in the distribution channels can be monetary transaction, loans, retirement plans, life insurance, and more specifically, what different products and services the customer is interested of. However, there have been and still are a resistance to some extent within the company to work in this new manner based on a customer-centric approach. The information received from the customer is mainly used to refine product offering and offer the customer the right product, at the right time, using the right channel.

Customer analysis is conducted in SEB on a central level by a market analysis department. On a local level a bank counselor executes this at the bank offices. The customer analysis process used by SEB is based on information. This information can be old one received through a interaction channel and thereafter stored in a database or new one transferred at the same time as the analysis takes place. Thereafter a customization can start aiming after this special customers needs and wants. Finally, some activity is planned and executed towards this special customer or customer segment. In all steps some response or feedback will be looped back. Database marketing is a frequently used activity in this field

In terms of interaction, the bank wants to create different channels for interaction that will appeal all customers. The bank interacts via the following channels; personal meetings at the bank office, phone calls, Direct mail, tele-banks (call centers), e-mail, fax, Internet, WAP, and ATM's. Not everyone wants to use the Internet as their channel for interaction and therefore there must be a wide array of different customer contact points between the company and the customer. Furthermore, the respondent states that using bank offices is the most expensive channel, followed by telephone and the Internet, which is the cheapest. Therefore, the customer who wants to use a specific channel must accept the cost of using it. Based on this, the bank tries to guide each customer into the most appropriate channel for both parties so this creates a win-win situation for the involved parties.

5.4.3 CRM's Affect on the Organizational Structure in SEB

There has been no change of SEB organizational structure regarding division of labor, departmentalization, and distribution of power etc, due to the use of CRM, so in that sense has CRM not affected SEB organizational structure. CRM has had a minor impact

on the information and decision process regarding planning and control, budgeting and performance measuring when analysis generated from stored customer data are included as an foundation in the decision making process. The respondent states that despite this advancement the organization lacks capacity and to some extent ability to view the operations with a customer focus.

The reward system has been affected by CRM since relationships with customers are valued higher and the actual sales figures has decreased in impact when setting the criteria's for salary, bonuses and other form of compensations. When measuring the relationship, activities like the number of customer contacts, visit, and activities etc, are used. Up till today promotion have been based upon other criteria's but there are signs that customer focus or the ability to enhance relationship activities will maybe in the future have an impact on the selection of candidates in a promotion process.

As most banks SEB has laid off a large amount of their personnel during the nineties, at the same time as they have recruited new employees with new skills into all business areas. The main criterion when selecting a new employee is competence, i.e. his or her ability to deliver results in the daily work. Customer focus are stressed in the way that a SEB employee must like to meet and work with people of different kinds

To some extent has CRM affected the relationship between organisational units regarding their interdependency, diversity and the degree of uncertainty. Very simplified the bank consists of two parts: production units and the retail bank. The production units are by nature very eager to sell their products to so many customers as possible. The retail bank acts as an emissary for the customer aiming to fulfil their needs and wants towards the rest of the organisation.

To some functions has SEB recruited specialist with the right background to handle CRM technology. Most of the training has been conducted at the bank offices and the areas that have been focused on are to make the personnel more customer-focused by creating an ambition to raise the level of satisfaction in each customer contact. The term CRM is not widely used within SEB instead customer focus, customer satisfaction, customer retention and customer loyalty is commonly used terms. The company has a decentralized management style that enables employees to act and to take responsibility in their daily work. This management style favors empowerment but however there are also some guidelines on how to act and some decisions are centralized to higher levels. As a step toward implementing a customer focus SEB has set up a market advisory board consisting of representatives from business areas, divisions, and product units. This board is aiming to create a consensus view on the customer base and is trying to match the SEB product offering towards the different customer segments needs and wants.

The roles in the marketing organization are as follows. The central market function coordinates the marketing process in the company. The head of this function is the sales & marketing director and the organizational seat for this position and function is in the staff organization. Central market in cooperation with analysis identifies the right customer and business opportunities for SEB. Thereafter central market is tailoring the right offer towards the customer. The presentation of the offer towards the customer is also made by the central market function. The retail bank manages the customer interaction in one or several channels.

5.5 FöreningsSparbanken AB

FöreningsSparbanken traces its origin back to the savings bank movement and the cooperative bank movement. During the years has the savings banks and cooperative banks merged into larger banks. FöreningsSparbanken is the result of the merger between Föreningsbanken and Sparbanken Sverige in 1997. (FöreningsSparbanken, 2001) FöreningsSparbanken's business mission is:

"To be the clear choice among banking alternatives for private, individuals, companies, the agricultural sector, municipalities, country councils and organizations by offering a range of customized, easy-to-use financial services." (FöreningsSparbanken, 2001, p.16)

The vision for FöreningsSparbanken is:

"To create the bank of opportunities" (FöreningsSparbanken, 2001, p.16)

In Sweden, FöreningsSparbanken has 4.1 million private customers and 231 000 business customers and the total assets in the bank is 833 billion SEK. To meet their needs, the Banks has during the last years developed modern system components, electronic channels and data warehouse to enable new services and an increasing dialogue with the customers whether how they chooses to use the bank. Furthermore, the company states that each business unit shall focus on creating increased value for their customers in the relationship. FöreningsSparbanken organization has four business units: *retail business area, business areas, alliances business area and support function*. This is further demonstrated in their organizational chart. (FöreningsSparbanken, 2001) See figure 5.5.

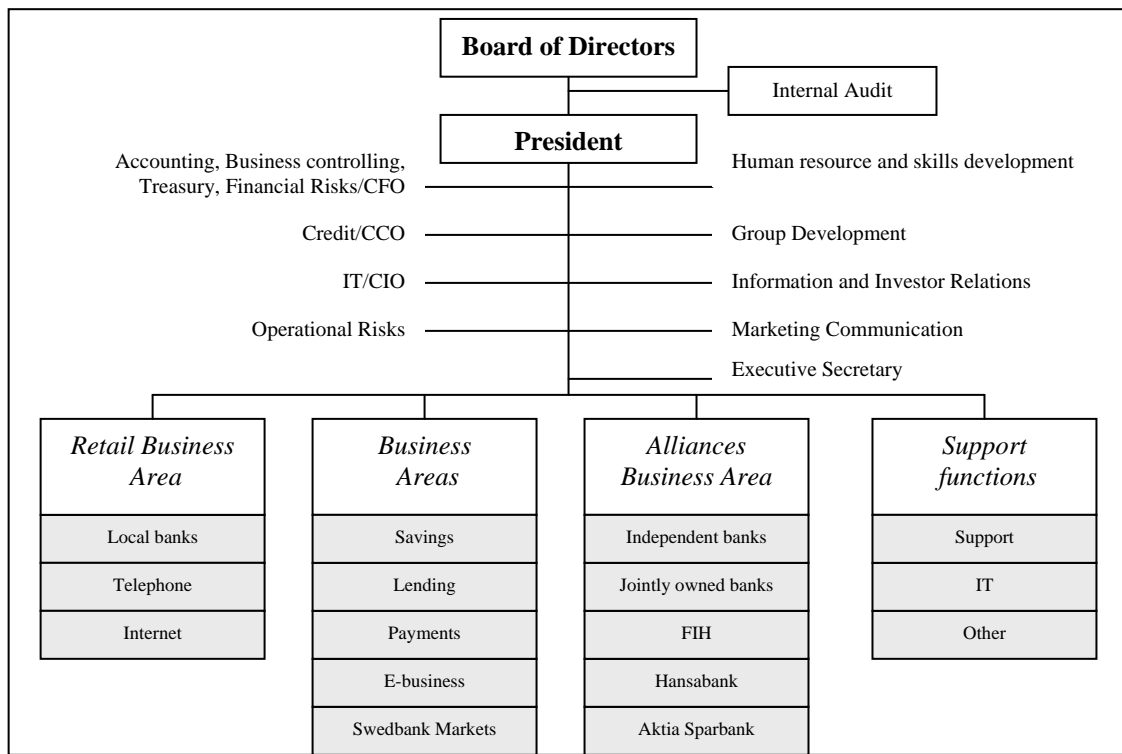


Figure 5.5 Organizational Chart of FöreningsSparbanken

Source: FöreningsSparbanken, p.16

5.5.1 The Objectives with CRM in FöreningsSparbanken

According to the respondent, the objective with CRM is to find the right customer and provide the right offers for each customer. Furthermore, to use the right channel to provide the right offers as well as providing it on the right time is also essential objectives for CRM within FöreningsSparbanken. The reason for this is that the company is moving from being very product oriented and is now viewing the situation from the customer's eyes. The focus within FöreningsSparbanken is to create long-term profitability and finding out what products the customer want, not what products the company wants to sell.

There are different objectives with CRM within FöreningsSparbanken. The major objectives are to increase customer satisfaction rates due to that customers will find that the offer is more in line with their specific needs and to build personal relationships with the customer, which will provide feed back to company. Moreover, the company can by using CRM decrease general sales and marketing administrative costs due to that the company has a good knowledge about its target segment customers. Therefore, according to the respondent, the company is using its resources better when no effort is a waste of money or time. Other major objectives with CRM are to identify those customer values that are pertinent to a particular segment and determine if delivery of those values will affect the company positively.

The respondent also states that the objectives with CRM is to communicate and deliver the appropriate values to each customer in ways the customer wants to receive the information. Moreover, a major objective is to use existing relationships with their customers in order to grow revenue since it is the company's belief that it is easier to sell to a satisfied existing customer than a new one.

Other objectives with CRM in FöreningsSparbanken is to increase sales revenues, which will result from spending more time with customers and this is a results from spending less time collecting information about the customer. Moreover, by using CRM, the company can know more about their customer, which will lead to an increase in margins. Furthermore, FöreningsSparbanken has some minor objectives with CRM. These are to increase win rates, since the company withdraws from unlikely or bad deals earlier in the sales process. By using mass customization, the company can reach economies of scale, but CRM is also used in FöreningsSparbanken to a minor extent to measure results and provide return on investment. To assure customer loyalty by providing after-sale service/support is not an objective with CRM for FöreningsSparbanken. Moreover, the respondent state that FöreningsSparbanken can use the integrated service to create a high level of service to the customers and that this is measured to be of medium importance. Also, introducing consistent and replicable processes to create security for the customer, since they are being treated and handled in the same professional way, despite where they interact with FöreningsSparbanken. FöreningsSparbanken does not identify any other objectives with CRM. The company has above stated several different objectives with CRM. These are exhibited on the following page in table 5.5

Table 5.5 Objectives with CRM in FöreningsSparbanken

Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs				◆
Measuring results and proving return on investments		◆		
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.			◆	
Assure customer loyalty by providing after-sale service/support.	◆			
Introducing consistent, replicable processes and procedures			◆	
Increase sales revenues			◆	
Improve win rates		◆		
Increase margins			◆	
Determining if delivery of customer values will affect in a positive manner.			◆	
Reach economies of scale by mass customization			◆	
Use existing customer relationship to grow revenue				◆
Improve customer satisfaction				◆
Identifying those customer values that are pertinent to a particular segment.				◆
Understanding the relative importance of customer values to each customer segment.			◆	
Build personal relationships				◆
Use integrated information for excellent service			◆	

Source: Author's own construction

5.5.2 The CRM Process in FöreningsSparbanken

According to the respondent, FöreningsSparbanken has been a transactional oriented company throughout its existence. The company's view on customers has begun to switch from a transactional oriented focus towards a relationship oriented one. The reason for this according to the respondent is that FöreningsSparbanken mainly due to business reasons, to receive and create long-term profitability. A reason why the transaction-oriented approach has been dominant is that the company's business units have had a very strong influence and have implemented a very transactional-based view. According to the respondent, the company is today still more transactional oriented then relationship oriented.

In terms of the custodian of the customer base, the most important activities in FöreningsSparbanken are the link between the local branch office employees and their customers. To ensure a unified view, management of the local activities towards the customers is controlled and monitored from a central position as well. According to the respondent, the customer at FöreningsSparbanken is an active part in the sales process, since their preferences, wants and needs are revealed at that particular moment. Due to the fact that different business areas have had and still have a strong position in the company, their own objectives have influenced the marketing function. FöreningsSparbanken is today undergoing a transition towards retail banking, a new business concept within the financial industry. Now the bank offices serve as retailer for the different products that the business areas produce. A customer can interact with FöreningsSparbanken through several channels such as; personal meetings at the bank office, phone calls, Direct mail, tele-banks (call centers), e-mail, fax, Internet, WAP,

and ATM's. In terms of the information received from each customer, FöreningsSparbanken documents the information in the specific channel. For example, a person interacting with the bank through the use of the Internet will therefore be registered in that channel. However, there is no channel integration when no distribution of information occurs between the different channels that the customer can use. Furthermore, the company today has trouble to get information from the customer unless that specific individual actually gives information.

According to the respondent, the customer analysis process in FöreningsSparbanken is structured in the following way: *pre-analysis, market planning, create new information*. The first step, pre-analysis is the process of analyzing customer specification and investment strategies. The analysis is done through a process of customer identification. Secondly, market planning, where the process aims among other things to define specific customer offers, and distribution channels. Finally, create new information, which means to capture and analyze data from the customer dialogue that the company has received from the interaction channels. This is a continuing learning process focusing on learning more about each individual customer. The market planning in FöreningsSparbanken is aiming to support the ongoing work with creating relationships between the company and their customers. On a local level, the company uses automated solutions to assist the customer interactions.

The planning of the customer interaction is planned on a central level of the company and there they try to coordinate initiatives from different business areas. These initiatives or activities can either be aiming for a specific customer segment or a specific individual. Almost all activities are planned on a central level but tools for creating local activities exist.

5.5.3 CRM's Affect on the Organizational Structure in FöreningsSparbanken

FöreningsSparbanken has today not been affected by CRM in term of organizational structure. The focus on customer centricity has been present for quite some time but there is a lack of a comprehensive view of the topic in the company. The transition towards a retail banking organization where the bank offices acts as retailer for the production or businesses areas are one way to implement a unified definition of the customer and how the company should act in regards to individuals. Furthermore, FöreningsSparbanken cannot say that CRM has affected the information and decision process from a CRM perspective. The company has not taken CRM into the organization and followed it to 100 percent. Therefore, the information and decision process remains affected to a minor extent.

According to FöreningsSparbanken every change in an organization can also mean alterations in the reward and promotion system. In the case of FöreningsSparbanken, the company has used an approach similar to the balance scorecard idea. They define this system as tools for the future, in which the company measures customer satisfaction and employee satisfaction. However, this way of measuring satisfaction amongst employees has no strong link to CRM and therefore, the promotion and reward system is according to the respondent not affected by the introduction of CRM in the organization.

Every organization is according to the respondent focusing on getting the best employee to the right place. Since FöreningsSparbanken has a customer-focused view on how to do business, people with those qualities are wanted. However, the specific criteria of each employee differs a lot due to which customer segment and business area the employee is intended to work.

In FöreningsSparbanken, CRM has affected the relationship between the production and business units. According to the respondent, CRM has affected the different organizational unit and their relationships to a minor extent. However, CRM enables the company to identify the different point of contacts between organizational units. Thereby, the company can establish a common agenda and create a unified definition of a customer and what focus the different activities towards them should have. The respondent further states that the CRM process is very time consuming when being introduced and that there is a long stage from idea to introduction and finally establishment.

FöreningsSparbanken has, according to the respondent, made efforts in computerizing their operations in order to make the information available for more people within the organization. A lot of information that previous was filed on paper is now being filed electronically. The reason for this is to minimize the administration in the company but also facilitate customer interaction through telephone and the Internet. Furthermore, FöreningsSparbanken has made other efforts in the process of being more customer-focused. In regards to employees and recruiting the company has like almost all other banks been in the process of down sizing the organization. However, according to the respondent, the company has taken special efforts in focusing on maintaining customer-focused employees, and of course hiring people with that skill when new recruitments have been needed.

FöreningsSparbanken has made no organizational changes due to the implementation of CRM. The company has the same organization before and after CRM was introduced. The only change in terms of organization is the customer-centric view, which has led to the establishment of retail banking as a way of conducting business in the company. Furthermore, since CRM is no established conception within the company, the level of education in the subject is low. Instead, the company focuses on their own way of being customer focuses through measuring customer focus and customer satisfaction. The respondent further state that the level of education in terms of distributing the company view on customer relationship activities is to low, but refers this issue to a problem on a local level. According to the respondent, has FöreningsSparbanken during the previous years, altered their policies towards a more flexible organization that enables the employee to engage in relationship building activities towards a specific customer. The tools and the means are available but this has not been fully established within the organization yet. In regards to how CRM have had any impact on the roles in the marketing organization, the respondent states that this is an ongoing process within FöreningsSparbanken and is therefore hard to specify. The manager in charge of the retail banking section is today handling the business or marketing processes in the company. Moreover, the respondent further says that the campaign manager is responsible for both identification of the right customer, creation of right offer to that customer and decision on when the offer shall be presented to the customer. The actual interaction between the customer and the company is being handled on the local bank office.

6. Analysis

In the previous chapter, the data collected in this research was presented. In this chapter the data will be analyzed. Firstly, a within case analysis is conducted where the data from each company is separately compared with the frame of reference to see whether it fits or not. Secondly, a cross case analysis is provided, where the data collected from the five cases will be compared with each other. We will also during the analysis process beginning to explain and discuss possible reasons, patterns and tendencies that are found in the empirical data. The analysis is presented in a manner that addresses the three research questions of this study.

6.1 Within Case Analysis of Skanska AB

In this section, a within case analysis of Skanska will be presented. Hence, the data obtained from the company will be compared with the frame of reference.

6.1.1 *The Objectives of CRM in Skanska*

The theoretical propositions regarding the first research question, concerning the objective with CRM covers many different areas. The categorization of these objectives follows the path of Burnett (2001) that organizes each objective under the three different areas: *cost saving*, *revenue enhancement* and *strategic impact*. The other author's presented objectives have in this thesis been classified according to Burnett's (2001) categorization to see in which of these areas the company focus or addresses the importance of CRM.

Skanska's main objective with CRM is to create potential for their employees around the organization with a system that actively support the marketing and sales work. The respondent stressed that the system is not intended for the executive management level. This objective is not in accordance with our frame of reference and indicates that Skanska is a company that view CRM as a marketing tool and not as the business concept its constitute of.

When viewing the theoretical *cost saving* objectives and the relative importance in Skanska, the company states that one major objective with CRM is to decrease general sales and marketing administrative cost. Medium important costs saving objectives with CRM is to measuring results and proving return on investment and also assure customer loyalty based on that the company provides after-sales service/support. The theoretical cost saving objectives by Newell (2000), communicating and delivering the appropriate values to each customer in ways the customer want to receive the information was of no importance as well as Kalakota & Robinson's objective form (1999), to introduce consistent, replicable processes and procedures. The obtained information from Skanska is presented in table 6.1 as well as their relative importance.

Table 6.1 Cost Saving Objectives with CRM in Skanska

Cost Saving Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs				◆
Measuring results and proving return on investments			◆	
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.	◆			
Assure customer loyalty by providing after-sale service/support.			◆	
Introducing consistent, replicable processes and procedures	◆			

Source: Author's own construction

When analyzing this section of CRM objectives, it becomes clear that Skanska's objectives are in accordance to the theory with the focus on decreasing general sales and marketing administrative costs. Furthermore, the other stated objectives is in line with the proposed theoretical but Skanska does not see two of the presented objectives by Newell (2000), communicating and deliver the appropriate values and secondly, Kalakota & Robinson (1999), introducing consistent replicable processes and procedures. However, in general, Skanska and their objectives are in accordance with the theories and primarily with lowering marketing costs.

The second classification of objectives with CRM, *revenue enhancement* i.e. generate more profit also follows the classification by Burnett (2001). The major revenue enhancement objective in Skanska is to increase win rates. Since the company and the market they are present in, constitute primarily of official offers and requests, the level of received project is essential to the company. Therefore, it does not come as a complete surprise that Skanska sees this as a major objective. There are three other objectives with CRM for Skanska that are of little importance and that is to increase sales revenues, increase margins and determining if delivery of customer values will affect in a positive manner. Finally, to reach economies of scale through mass customization and use existing customer relationships to grow revenue are of no importance to the company. Skanska's objectives that fall under the revenue enhancement classification are presented in the below-included table 6.2.

Table 6.2 Revenue Enhancement Objectives with CRM in Skanska

Revenue Enhancement Objectives	None	Minor	Medium	Major
Increase sales revenues		◆		
Improve win rates				◆
Increase margins		◆		
Determining if delivery of customer values will affect in a positive manner.		◆		
Reach economies of scale by mass customization	◆			
Use existing customer relationship to grow revenue	◆			

Source: Author's own construction

All the obtained objectives from Skanska are inline with the theoretical alternatives. They are of different importance to the company but still they match the selected variables. Their importance also reflects both Skanska's view on relationships as well as how the market functions. The objective with increasing win rates seems to be understandable since the market conditions demand this in order to stay competitive. What is interesting to see is that two of the objectives proposed in the literature review

and frame of reference is not important to Skanska. Primarily, the objective to use existing customer relationships to grow revenue and also to reach economies of scale by mass customization might show a transactional company wanting to be relationship oriented but is not.

In the final area of objectives, *strategic impact* according to the classification by Burnett (2001), is one interesting finding that Skanska has no major strategic objectives with CRM. However, one medium important objective is to use integrated information for excellent services. Other objectives such as understanding the relative importance of customer values to each customer segment and build personal relationships are of little importance. And, finally, to improve customer satisfaction and identifying those customer values that are pertinent to a particular segment are of no importance to the company. To simplify the studying of the strategic impact objectives with CRM for Skanska, they are as previous objectives, presented in a table, see table 6.3.

Table 6.3 Strategic Impact Objectives with CRM in Skanska

Strategic Impact Objectives	None	Minor	Medium	Major
Improve customer satisfaction	◆			
Identifying those customer values that are pertinent to a particular segment.	◆			
Understanding the relative importance of customer values to each customer segment.		◆		
Build personal relationships		◆		
Use integrated information for excellent service			◆	

Source: Author's own construction

When comparing the data collected with the theory, it becomes clear that all proposed theoretical objectives are not actual objectives for Skanska. Two of the presented objectives, improve customer satisfaction and identifying those customer values that are pertinent to a particular segment was not seen as objectives with CRM for the company. Regarding advantages of creating customer satisfaction, the company does not see any strategic advantages of creating this, which Burnett (2001) suggested. This can be due to that the company present CRM system does not support such an objective and therefore do not have anything to compare with. Based on this, it also can be assumed that the company has not perceived any advantages of creating customer satisfaction activities. However, the respondent sees an advantage of customer satisfaction but today this is not a focus with their CRM activities. Furthermore, the reason for that the company sees no goal in identifying the relative importance of customer values to each customer segment is puzzling. One could ask that since the company has so many customers, should this not be a reason for engaging in this activity to determine the relative importance of customer values to each customer segments?

Skanska's objective with CRM is to create potential for their employees around the organization with a system that actively support the marketing and sales work. The company states that it is a system for the employees, not the managerial level alone. When combining the three different areas of objectives, as presented in table 6.4, it may become clear on what specific objectives the company focuses on.

Table 6.4 Analysis of the Objectives with CRM in Skanska

Cost Saving Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs				♦
Measuring results and proving return on investments			♦	
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.	♦			
Assure customer loyalty by providing after-sale service/support.			♦	
Introducing consistent, replicable processes and procedures	♦			
Revenue Enhancement Objectives	None	Minor	Medium	Major
Increase sales revenues		♦		
Improve win rates				♦
Increase margins		♦		
Determining if delivery of customer values will affect in a positive manner.		♦		
Reach economies of scale by mass customization	♦			
Use existing customer relationship to grow revenue	♦			
Strategic Impact Objectives	None	Minor	Medium	Major
Improve customer satisfaction	♦			
Identifying those customer values that are pertinent to a particular segment.	♦			
Understanding the relative importance of customer values to each customer segment.		♦		
Build personal relationships		♦		
Use integrated information for excellent service			♦	

Source: Author's own construction

Skanska has today only two major objectives with CRM. One is the cost saving objective by Burnett (2001), to decrease general sales and marketing administrative cost. Furthermore, their other major intention with CRM, also by Burnett is to increase win rates, i.e. revenue enhancement. These two objectives are those that dominate Skanska and their view on CRM. There are three other objectives of medium importance, measuring results and proving return on investment, assure customer loyalty by providing after-sale service/support and finally, to use integrated information for excellent services.

These five objectives could be regarded as the foundation for why Skanska uses CRM. It can further be noticed that 37.5 percent of the theoretical proposed objectives were not regarded within the company. So from the three different areas of classifications, Skanska sees lowering sales and marketing costs and increased win rates as their major objective. Furthermore, when combining the answer received from Skanska, it become clear that three of the five important objectives for CRM are located within cost savings and therefore the reason for why Skanska used this management view may lay within those answers.

Since CRM is founded from relationship marketing, one can bring the attention to objectives such as improve customer satisfaction, communicating and the deliver appropriate values to each customer in way that the customer wants, identifying those customer values that are pertinent to a particular segment. These objectives should

probably all be ranked higher in a company that is expressing their customer-focused view. Since relationship marketing is all about fulfilling individual customers needs and wants, these answers undoubtedly receives attention. Furthermore, objectives such as to use existing customer relationship to grow revenue is basic marketing philosophy, i.e. it costs much more to sell to a new customer than an old one. The answers to all those raised questions are not easy and clear cut. Since the industrial market is often very transaction oriented, this may also be the case with Skanska and that they may believe in price and volume instead of relationship variables such as long time-span, mutual benefits and win-win situations.

6.1.2 The CRM Process in Skanska

Financial custodian of the customer base. Within Skanska the most important activity in their custodian of the customer base is to identify the conveyed and disclosed needs of their customers and then with this knowledge try to receive customer satisfaction by delivering the right value to the customer. As we can see it is Skanska in line with Peppers & Rogers (1998) when their focus is on identifying the needs of their customers and then by involving the customer on his own conditions in the value creation process.

Production, Logistics, and Service Delivery. The company appreciate customers that are active in the selling process when its facilitating Skanska's ability to satisfy their needs. This is in accordance with Peppers and Rogers (1998) ideas of how to truly deliver customized product or service. However, it's up to the customer, as Skanska stated, to choose how active or passive he or she wants to be in selling process. Skanska lacks a marketing organization and instead the marketing function is incorporated into the production organization where also the logistic function is incorporated. Important to note is that the theory by Peppers & Rogers (1998) is talking about functions not organizational units. So with that in mind we can say that Skanska is working in line with the theory by Peppers & Rogers (1998) and seems to be customer centric minded.

Market Communication, Customer Service, and Interaction Dialogue. Skanska uses several tools to start up or continue a dialogue with its customers. The project team performs the major part of the interaction with the customer. The gathering and storing of customer information in Skanska seems also to be in line with the theory by Peppers & Rogers (1998) when the data systems enables Skanska's marketing communication to pick up the dialogue where it stopped yesterday.

Sales Distribution and Channel Management. Skanska fulfills Peppers & Rogers (1998) requirements concerning the area of control over its distributions channels. The reason to this is that Skanska is providing a service or a product that is customized to a high level and that cannot be transferred or stored in a traditional chain of distribution. This enables them as Peppers & Rogers (1998) suggest to easily generate information from the distribution channels. However, how Skanska uses this information is a question that the respondent would not answer based on the company believe that this should be kept confidential.

Knowledge discovery. In Skanska most of the knowledge discovery is from the information received from the customer systematically, this refers to the registration of each customer interaction or meeting that occur and that those events are logged in the data system, expressing what has been said, decided or planned. After this everyone that needs that information can log on and receive necessary data. As we can see it this enables the process of customer identification, customer segmentation, and customer prediction as suggested by Peppers & Rogers (1998). However, how Skanska uses this information is a question that the respondent would not answer based on the company's believe that this should be kept confidential. This is also the situation in regards to how the customer analysis process is structured. The respondent disclosed that the company uses key figures in terms of loyalty, frequency and volume of purchase etc but would not go deeper into the subject based on the believe that this is critical information.

Market planning. Skanska's view of marketing planning is in line with Swift (2001) when the market planning is conducted on each regional market taking local conditions and customers into consideration. The investment in customer relationships is also in accordance with the theory. The major reason to this can be that the customers' demands and involvement in production process is important when the company can receive information that can be vital for a customization.

Customer interaction. Customers mostly interact with the members of the team that Skanska has assigned for the project. This interaction can be via letter, e-mail, stationary and cellular telephones, and fax machines and also by meeting the customer face to face. The last one is most frequently used and the other ones is mostly a complement. Skanska also uses direct mail as a direct marketing tool to present news about themselves their products and services. The use of contact points is in accordance with the suggested ones by Swift (2001). However, some of the suggested contact points like agents, retail branches and call-centers and also Skanska does not use ATM's. The reasons for this can be industry specific when agents and retailers are not used in the construction business. Call center and also ATM as a contact points seems also to be ruled out since the complexity in the products or services are difficult to convey via telephone or wire.

Analysis and refinement. The respondent believed that usage of the received customer information should stay confidential at Skanska. Therefore he didn't comment on how their customer analysis process is structured. The respondent disclosed that the company uses key figures in terms of loyalty, frequency and volume of purchase etc but would not go deeper into the subject based on the believe that this is critical information for the company. A further analysis would only lead to a decrease in validity and reliability, when such attempt would be speculations from our side.

6.1.3 CRM's Affect on the Organizational Structure in SEB

Structure. Skanska states that CRM has not affected the organizational structure regarding shape, departmentalization, distribution of power, or division of labor.

Information and decision processes. This area has been affected by CRM when marketing plans now is more precise than before. This is a result of the more comprehensive information gained from customer interactions. This has provided a better base for making the right prioritizations regarding projects and customers.

Reward systems. Skanska states that there had been no changes in the reward system concerning compensation and promotion due to the implementation. The interdependency and uncertainty between the organizational units, and the diversity among them remains the same as before the implementation of CRM.

People. In this area it is mostly recruiting and training that have been affected by CRM and the company has conducted extensive training and education.

Task. There has been no effect on the relationship between organizational units due to the implementation of CRM.

What areas that have been altered are presented in table 6.5.

Table 6.5 Organizational Design in Skanska Affected by CRM

<i>Organizational design variables</i>	<i>Affected by CRM</i>
Structure	No
Information and decision processes	Yes
Reward System	No
People	Yes
Task	No

Source: Author's own construction

When analyzing the section regarding organization design variables and comparing the answers received with the theoretical propositions stated in the frame of reference, it appears that Skanska agrees with the theory to a minor extent. The five variables included in the theory are mostly not affected by CRM. The variable, information and decision processes are according to the company affected since the Skanska now uses a better foundation for their decisions. The variable, people has also been affected when training have been conducted as the theoretical proposition suggested. When viewing table 6.5, the result pretty much speak for it selves since Skanska appears to not identify the need to make alterations in the other areas. The change in regards to information and decision processes could imply that the company views CRM as no more than just a data base system for information handling instead of view upon it as a total management view that CRM actually constitutes of.

The second area of the analysis regarding how CRM has affected the organization covers the transformation from transactional to relationship oriented. Since all marketing basically was transactional, a company aiming to develop a relationship-oriented perspective must make some sort of change towards that goal. The company has made some alterations to ease the flow of information between employees and departments. Previous, the information stayed at the person who received it but the computerization of information has led to increased availability. Skanska has today not replaced a lot of employees to enforce a more customer-focused organization. Instead of attrition, Skanska has conducted training on CRM during the last years for different categories of employees. Skanska has put more effort into recruiting customer-oriented employees than before, but still the most important criteria hiring a new employee are his or her capability to do the work. No activities in the area of reorganization have been conducted due to CRM. Skanska has also a decentralized management style that enables each employee to take initiative in his or her work and towards the customers. This is a prerequisite for success when all-important decisions must be taken close to the customer by the project team.

Skanska is a company that fulfills the majority of change areas suggested by McDermott in Peppers & Rogers (1999). In the below included table, the answers from Skanska concerning this issue is presented, see table 6.6 on the following page.

Table 6.6 Organizational Change in Skanska Affected by CRM

<i>Organizational change variables</i>	<i>Affected by CRM</i>
Automation	Yes
Attrition	No
Reorganization	No
Training and Education	Yes
Empowerment	Yes

Source: Author's own construction

The company has made a transfer towards the paperless office when efforts have been made to ease the distribution and access of information. Furthermore, the company has conducted training and education of the employees on all level regarding CRM and uses a decentralized management style that enables each employee to take initiatives in his or her customer interactions. Therefore, it can be analyzed that Skanska agrees with the theory in all areas to a certain extent. The two areas where the company differs are reorganization and attrition since no reorganization or replacement of the work force has been made to strengthen the implementation of a relationship-oriented focus.

When comparing Skanska with Swift (2001) ideas on how to structure a market organization, we can see that up till today CRM has had no impact on the roles in Skanska's marketing organization. In Skanska it is the chief marketing officer that coordinates the business process at a central level and by the district managers at a local level. The district managers also have the responsibility to identify business opportunities and to keep up with coming construction projects that customer in his area is planning for. Based on these activities he sets up a team that creates a solution based on the customers' specifications for the project. The project team then presents this solution to the customer and will later on handle the interaction, if Skanska is selected as contractor.

When analyzing this, it becomes clear that Skanska agrees with the theoretical propositions by Swift (2001) to some extent. The chief marketing officer or the district managers act as two different role figures in the marketing organization. Primarily, this individual is referred to as the CRM Marketing VP since he or she is responsible for the management of the marketing activities. In the case of Skanska, this person can also be considered to be equivalent to the marketing analyst since they identify business opportunities and find customers.

Moreover, the same person handles the tasks presented in the theory by Swift (2001) as connected to the segment manager, since that person owns the business opportunities or the business problems such as customer retention, customer acquisition, and customer profitability. The project team constructed in Skanska may be referred to as the campaign managers since this group designs the offer, timing etc towards the customers. Nevertheless, the district manager or chief marketing officer depending on if the customer is on a local or central level seems to handle the majority of the functions in the marketing organization.

6.2 Within Case Analysis of Svenska Kullager Fabriken AB

The second company investigated was SKF and here the within case analysis of the company follows and the data obtained from the company will be compared with the frame of reference of the thesis.

6.2.1 The Objectives of CRM in SKF

The main objective for SKF in their work with CRM is to create and store customer information at one central spotting. This information is the foundation for their base of customer knowledge, generated in different channels developed for customer interaction. The gained customer knowledge is a vital tool for various individual SKF employees to increase the efficiency when meeting one of SKF's customers. This objective is not in line with our frame of reference and indicates that SKF may view CRM as a just a tool for marketing and sales and not as the business concept its actually constitute of.

When following the same categorization as Burnett (2001) one can see that in the first segment, *cost saving*, SKF has identified two major objectives with CRM. These are to communicate and deliver the appropriate values to each customer in ways the customer wants to receive the information. Moreover, assure customer loyalty by providing after-sale service/support. The objectives of medium importance are to measure results and to view whether the investment was positive in terms of return. Two other objectives of minor importance are located in the cost saving area and that is to decrease general sales and marketing administrative costs and introducing consistent replicable processes and procedures. The cost saving objectives with CRM in SKF is described in table 6.7

Table 6.7 Cost Saving Objectives with CRM in SKF

Cost Saving Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs		♦		
Measuring results and proving return on investments			♦	
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.				♦
Assure customer loyalty by providing after-sale service/support.				♦
Introducing consistent, replicable processes and procedures		♦		

Source: Author's own construction

It becomes clear the all the objectives in this area are in line with the proposed theoretical ones. None of the goals was regarded as objectives of no importance. Moreover, no other goals in the cost saving classification were presented by SKF. The objective created by Newell (2000) to communicate and deliver the appropriate values to customer in ways the want to receive it may imply that SKF focuses on doing ways in accordance to customer preferences. The customer loyalty goal by Galbreath & Rogers (1999) and the high rank it received might come as a logical result from SKF's ambition to please their customers.

Pure coincidence or intended, one can see that Burnett (2001) and his proposed objectives with CRM dominate the *revenue enhancement* objectives in SKF. Newell's (2000) selected variable, to determine if delivery of customer values will affect in a positive manner, was not considered as a objective with CRM in SKF and to reach economies of scale through mass customization by Galbreath & Rogers (1999) only received the value of minor importance by the company. The received data from SKF in terms of revenue enhancement objectives is presented in table 6.8.

Table 6.8 Revenue Enhancement Objectives with CRM in SKF

Revenue Enhancement Objectives	None	Minor	Medium	Major
Increase sales revenues			◆	
Improve win rates			◆	
Increase margins				◆
Determining if delivery of customer values will affect in a positive manner.	◆			
Reach economies of scale by mass customization		◆		
Use existing customer relationship to grow revenue				◆

Source: Author's own construction

SKF appears when analyzing this section to be a highly transactional company with some relationship-oriented features. The last one is shown by their high rank of Kalakota & Robinson's suggested goal from (1999), which is to use existing customers to grow revenue. However, SKF focuses their energy on increasing sales, increasing win rates and increasing margins. This can be hard to do without getting into a transactional-based orientation. Once again, as mentioned in the analysis of Skanska, the industrial companies are known to be very transactional-focused and might place more confidence in the product than in relationships.

The last classification by Burnett (2001) implies objectives with CRM that can create competitive advantages for the companies through the *strategic impact* they will have. SKF values the theoretical objectives of CRM in terms of strategic impact as described in table 6.9

Table 6.9 Strategic Impact Objectives with CRM in SKF

Strategic Impact Objectives	None	Minor	Medium	Major
Improve customer satisfaction				◆
Identifying those customer values that are pertinent to a particular segment.			◆	
Understanding the relative importance of customer values to each customer segment.			◆	
Build personal relationships				◆
Use integrated information for excellent service			◆	

Source: Author's own construction

SKF sees two major objectives with CRM when referring to strategic impact, firstly to improve customer satisfaction but also to build personal relationships. The other presented objectives all receive a medium importance rank by the company. SKF views both the identification and understanding of customer values pertinent to a specific customer segment as major important but also to use integrated information for excellent services.

When viewing table 6.9, it becomes clear that strategic impact is an area that SKF focuses on since all five different objectives are given at least medium importance. From a relationship perspective all goals are a result of a relationship-oriented firm in regards to strategic impact. Improve customer satisfaction is something that only can be done through the knowledge about customers wants and needs. Therefore, under this classification, SKF seems to be a company accommodating the basics of relationship marketing.

When analyzing the original table containing all different goals with CRM, analysis can be made regarding in what areas SKF's goals agrees with the theoretical ones. The objectives are demonstrated in table 6.10.

Table 6.10 Analysis of the Objectives with CRM in SKF

Cost Saving Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs		♦		
Measuring results and proving return on investments			♦	
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.				♦
Assure customer loyalty by providing after-sale service/support.				♦
Introducing consistent, replicable processes and procedures		♦		
Revenue Enhancement Objectives	None	Minor	Medium	Major
Increase sales revenues			♦	
Improve win rates			♦	
Increase margins				♦
Determining if delivery of customer values will affect in a positive manner.	♦			
Reach economies of scale by mass customization		♦		
Use existing customer relationship to grow revenue				♦
Strategic Impact Objectives	None	Minor	Medium	Major
Improve customer satisfaction				♦
Identifying those customer values that are pertinent to a particular segment.			♦	
Understanding the relative importance of customer values to each customer segment.			♦	
Build personal relationships				♦
Use integrated information for excellent service			♦	

Source: Author's own construction

SKF is a company that has at least one major objectives with CRM in all the three different areas. They all are in accordance with theory and therefore, SKF can most likely be classified as a company working under the assumptions and ideas that the theoretical framework supports. Furthermore, it can be stated that primarily, SKF focuses on two areas, in which they want to receive benefits from their CRM activities. Firstly, cost saving since the company believes that through CRM one can lower overall costs and thereby creating competitive advantage. The second area is strategic impact, which in total dominates the company's goals with CRM. All different proposed goals are given very high remarks and therefore it can be argued that CRM is for SKF a matter of strategic issues primarily and revenue enhancement as well as cost saving secondly.

It is interesting to see that a company like SKF, involved in an industrial market is both interested in building personal relationships with their customers and to improve customer satisfaction that one can say constitutes that basis of CRM and relationship marketing. At the same time, the company focuses on revenue enhancement through increased sales; higher margins and improvement in win rates. Without jumping to conclusions, it seems like SKF and that their CRM activities primarily focus on strategic issues and hope thereby to gain benefits from the two other classifications of objectives.

6.2.2 *The CRM Process in SKF*

Financial custodian of the customer base. SKF tends to be a company that focuses on the customer and his needs. The organization around customers and not products is the most important activity in the custodian of the customer base. In doing so SKF is more able to take advantage of the identified differences between individual customers. All this is in accordance with Peppers & Rogers (1998) suggestions.

Production, Logistics, and Service Delivery. SKF differs from the theory by Peppers & Rogers (1998) in the area of how the customer is involved in the sales process, when he is passive in a straight re-buy situation and active when buying new products. The reason to this can probably be found in the value that each purchase brings the customer. In the area of integrating logistics and production functions in the marketing process is SKF partly in line with the theory when these functions are indirectly involved in the marketing process and have a great impact when product quality and delivery is important factors influencing customer satisfaction.

Market Communication, Customer Service, and Interaction Dialogue. SKF is working in line with the theory by Peppers & Rogers (1998) when they have created a systematic approach to collect and save important customer information. However, it is interesting to find that they do not put so much effort into receiving first hand information about each single customer that uses a distribution channel that SKF doesn't control.

Sales Distribution and Channel Management. The lack of customer information from the distribution channels mentioned above has lead to that SKF has to rely on second hand sources from the distributor and on customer surveys. This tactic also brings the disadvantage that customers are seen as a segment, not as an individual customer. SKF inability to transfer information across national borders is also an obstacle when customer has operations in several countries. As we can see it SKF has some obstacles that can obstruct or complicate their ability to receive feedback, continue a dialogue from the spot it ended earlier and to customize offers. SKF hasn't applied to the ideas of Peppers and Rogers (1998) on how to gain customer information from the distribution chain. This indicates that SKF can receive false or fragmented customer information.

Knowledge discovery. The company has a systematical gathering and storing of customer data that are in line with Swift (2001). However the fact that SKF has today no access to customer information from distribution channel as well from foreign SKF subsidiaries when the information not could be conveyed through national borders is a weak spot in their knowledge discovery process. This implies that SKF has difficulties to act in spirit of Swift (2001) when they don't have a full picture of the customer and his needs and wants or actual size as customer. All this is a consequence of that they only has a fragmented view of their customers.

Market planning. The company's main focus in marketing planning seems transaction oriented. However, the way the company act to fulfill their main focus is relationship oriented when using existing customer knowledge to increase their performance. As already mentioned above the customer data have shortcomings, but we can however see the direction towards a customization that SKF is striving for. How SKF is handling this activity is as we see it in accordance with Swift (2001)

Customer Interaction. The use of contact points is in accordance with the suggested ones by Swift (2001). However, it seems like the use of ATM as a contact points is branch specific and is not used by SKF. The company has also different approaches when handling large and smaller customers. As we can see it is possible for the special sales team handling large accounts to customize offers and information. However, SKF is in a situation already discussed, where the information is not complete enough to enable a customization towards minor customer. This is partly in line with Swift (2001) theory regarding customer interaction.

Analysis and refinement. The way SKF handles this issue is in line with the theory by Swift (2001) and stressed by the statement "It is the customer's perception of our performance that determines our success". To live up to this requirements it's necessary for SKF to focus on the ongoing customer analysis process based on earlier interactions with the customer. The aim is to meet the customers' expectation better in the future, by a customization.

6.2.3 CRM's Affect on the Organizational Structure in SKF

Structure. The implementation of a CRM strategy in SKF has not affected the organizational structure regarding division of labor, departmentalization, shape, or distribution of power.

Information and decision processes. The area of information and decision process has not either been affected by this implementation.

Reward systems. This area are also unaffected by implementation of CRM in SKF.

People. However, SKF have put more effort in recruiting customer-oriented employees and also training on CRM

Task. Since no organizational change has taken place in SKF the relationship between organizational units has remained unchanged.

What areas that have been altered are presented in table 6.11.

Table 6.11 Organizational Design in SKF Affected by CRM

<i>Organizational design variables</i>	<i>Affected by CRM</i>
Structure	No
Information and decision processes	No
Reward System	No
People	Yes
Task	No

Source: Author's own construction

When analyzing the data collected from SKF and comparing it with the theoretical proposed organizational design variables by Galbraith & Kazanjian (1986) it becomes clear the SKF does not agree with the theoretical arguments in this area, except in the *people* variable. The introduction of CRM in the company has not affected the organizational variables in any way and the suggested areas such as *structure, information and decision processes, reward system* and *task* is not viewed as necessary areas to adjust when introducing CRM in SKF.

The company change theory by McDermott, presented in Peppers & Rogers (1999) suggests that *automation, attrition, reorganization, training and education* and finally *empowerment* are areas need to be coped with in order to make the transition from transactional-oriented to a customer-focused company. The organizational change variables and how they have been affected by CRM is presented in table 6.12.

Table 6.12 Organizational Change in SKF Affected by CRM

<i>Organizational change variables</i>	<i>Affected by CRM</i>
Automation	Yes
Attrition	No
Reorganization	No
Training and Education	Yes
Empowerment	No

Source: Author's own construction

Like many large company's, SKF has made efforts in easing the transfer of information by making a large portion of it electronically. But the company has made no changes among the employees to ease the introduction of CRM, as suggested by McDermott in Peppers & Rogers (1999). Furthermore, no reorganization has occurred as well as any struggles to increase the empowerment for employees involved in customer contacts. In terms of training and education it is mostly the sales personnel that have received this.

SKF is a solid Swedish manufacturing company, established 1907 and this could maybe be one answer to why the company has not made that many extensive alterations or changes when introducing CRM. When comparing the empirical data received from the company with the selected theories in the frame of reference and in this case more precise the company change by McDermott, in Peppers & Rogers (1999), it appears to be that SKF agrees with the theory to a minor part. The company states that the area referred to by McDermott as automation, is something that the company has done since they have implemented an electronic document system to ease the accessible of information for the company. This is inline with the suggested theoretical variables as well as training and education, which is also an area that SKF has put efforts into when introducing CRM. However, the only people who have received education and training are sales personnel and other employees may lack the appropriate knowledge regarding CRM. The other variables, attrition is something that SKF does not agree with theory, since no changes among employees to retrieve a more customer-focused staff has been conducted. This could perhaps lie in the foundation of that the company may already have those types of employees or maybe that the company's ingenuity tradition has made such alterations difficult to implement. CRM has also not led to any reorganizations of the company and therefore, this is another area where SKF does not agree with theory. As McDermott states, when switching the focus from transactional to customer-focus empowerment make it easier for each individual employee when they can decide how to maximize the customer interaction.

Swift (2000) has as mentioned in the frame of reference suggested five different positions or job tasks that need to be covered and handled when working customer centric. In SKF the channel manager has the responsibility to coordinate the business process and the interaction with the customer. Key issues here are to identify the right customer and business opportunity and thereafter to create the right offer and to decide when the offer shall be presented for the customer. Since one person is according to SKF responsible for the whole business process and the interaction with the customer, this makes the analysis easy for us to conduct. The company supports the theoretical proposed and suggested work tasks that must be conducted, but not the way they should be executed. This is due to that SKF has only one person involved and responsible for the whole process and therefore this is not in accordance with the theory by Swift (2001). It is important to notice that the company has identified the essential tasks but the placement of the total workload may indicate that a task suggested by theory to be handled by five positions, is in SKF solved by one, maybe is based on that these activities are not viewed as important in the company.

6.3 Within Case Analysis of Scania AB

The third case study object, Scania will in this section be analyzed when the empirical data and frame of reference will be compared in order to discover similarities and differences.

6.3.1 The Objectives of CRM in Scania

The company's main objective of CRM is to strengthen the relationships with their existing customer and more accurate, the profitable customers and by doing this the company will reach long-term profitability. This objective is not totally in accordance with our frame of reference but it conveys that Scania's main objective is in the area of strategic impact and that indicates that Scania is a company viewing CRM as more than a just a marketing tool.

When addressing Burnett's classification from (2001), cost saving, revenue enhancement and strategic impact, it becomes clear that overall many theoretical proposed goals are themselves important goals for Scania. In terms of the first area, *cost saving*, the company has the following objectives, described in table 6.13

Table 6.13 Cost Saving Objectives with CRM in Scania

Cost Saving Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs			♦	
Measuring results and proving return on investments			♦	
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.				♦
Assure customer loyalty by providing after-sale service/support.				♦
Introducing consistent, replicable processes and procedures			♦	

Source: Author's own construction

In regards to cost saving, Newell's objective (2000) to communicate and deliver the appropriate values to each customer in ways they want to receive the information is ranked as a major objective as well as Galbreath & Rogers goal from (1999) to assure customer loyalty through after-sale service/support. Furthermore, the respondent states that decreasing general sales and marketing administrative cost, a goal stated by Burnett (2001) is a goal of medium importance. Another theoretical presented objective by Newell (2000), to measure result and prove return on investment has also been ranked as medium importance, as well as the final objective by Kalakota & Robinson (1999), to introduce replicable and consistent channel processes and procedures. Analyzing this part of the objectives or goals with CRM in Scania, the entire stated objective by the company agrees with the theoretical proposed and the company has not stated any additional ones. Therefore, one can argue that Scania follows the guidelines of previous research and ranks those objectives that researchers have presented as both important and relevant. Scania believes that through CRM the company can lower its costs or have at least identified the possibility to do so.

Next of Burnett (2001) classifications, *revenue enhancement* reveals interesting findings. Scania states that out of the six possible goals, three are ranked as major objectives with CRM. Burnett (2001) has presented three objectives with CRM and two of those, increase win rates and increase margins are all marked as major. The third proposed objective, to increase sales revenue, is of no important for Scania in the sort run since they are aiming to satisfy the customer. The third major objective is according to Scania to use existing customer relationships to grow revenue, a goal originated by Kalakota & Robinson (1999). The second medium reason for CRM in Scania is to determine if delivery of customer values will affect in a positive manner. One objective by Galbreath & Rogers (1999) is not viewed, as a objective for Scania and that is to reach economies of scale through mass customization. All answers are displayed in table 6.14.

Table 6.14 Revenue Enhancement Objectives with CRM in Scania

Revenue Enhancement Objectives	None	Minor	Medium	Major
Increase sales revenues	♦			
Improve win rates				♦
Increase margins				♦
Determining if delivery of customer values will affect in a positive manner.			♦	
Reach economies of scale by mass customization	♦			
Use existing customer relationship to grow revenue				♦

Source: Author's own construction

Scania shows signs that they have placed a lot of attention to CRM. The company has noticed that through CRM, they can increase revenues and profits, by selling to existing customers and therefore avoids the high costs of selling to new customers as well as by knowing more about their customers they can increase both sales volumes, win rates and margins. All their objectives in terms of revenue enhancement are in line with the theories. One objective, to reach economies of scale by mass customization is not viewed as a objective and this could maybe imply that Scania is not interested in creating customer segments, to ease the handling of the customers. It might be the case that Scania is more interested in meeting individual customers wants and needs by really identifying their specific criteria, preferences, wants and needs.

CRM is as the name reveals a management perspective and therefore, some *strategic impact* must come out of such a structure and strategy. Scania once again views this part of objectives, strategic impact as highly important. The theories present five different objectives and all of them are rank at least as medium importance to the company. They are all presented in the below-included table 6.15.

Table 6.15 Strategic Impact Objectives with CRM in Scania

Strategic Impact Objectives	None	Minor	Medium	Major
Improve customer satisfaction				♦
Identifying those customer values that are pertinent to a particular segment.			♦	
Understanding the relative importance of customer values to each customer segment.			♦	
Build personal relationships			♦	
Use integrated information for excellent service				♦

Source: Author's own construction

Scania addresses two major strategic impact objectives with CRM and that is to improve customer satisfaction rates, by Burnett (2001), due to the fact that the customer will find that the offers is more in line with their specific needs. Furthermore, the company can also use integrated information for excellent service, a objective created by Kalakota & Robinson (1999).

This information can be used to excel the service or support functions, which can lead to improved customer satisfaction. Scania has ranked these two objectives as major with CRM. All these objectives are in line with the theories. To identify and understand the importance of customer values to a specific segment by Newell (2000) are two objectives that are been viewed as medium important.

Finally, Galbreath & Rogers theoretical suggestion from (1999) to build personal relationships was also ranked high by Scania. Strategic impact issues have been a focus for Scania. All the stated objectives with CRM in that area are in line with the theoretical stated ones and all are ranked high.

When combining the three different areas of theoretical objectives with CRM, cost saving, revenue enhancement and strategic impact a certain pattern may evolve that are interesting to view and reflect over. These three classifications are brought together in table 6.16.

Table 6.16 Analysis of the Objectives with CRM in Scania

Cost Saving Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs			♦	
Measuring results and proving return on investments			♦	
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.				♦
Assure customer loyalty by providing after-sale service/support.				♦
Introducing consistent, replicable processes and procedures			♦	
Revenue enhancement Objectives	None	Minor	Medium	Major
Increase sales revenues	♦			
Improve win rates				♦
Increase margins				♦
Determining if delivery of customer values will affect in a positive manner.			♦	
Reach economies of scale by mass customization	♦			
Use existing customer relationship to grow revenue				♦
Strategic Impact Objectives	None	Minor	Medium	Major
Improve customer satisfaction				♦
Identifying those customer values that are pertinent to a particular segment.			♦	
Understanding the relative importance of customer values to each customer segment.			♦	
Build personal relationships			♦	
Use integrated information for excellent service				♦

Source: Author's own construction

To analyze the company's objectives with CRM is very easy in some ways and more difficult in other. When viewing table 6.16, one can summarize Scania as company that has goals with CRM that correlates very accurately to the stated theoretical propositions. Furthermore, the company may be viewed as very relationship-oriented and their refusal to the objective of reaching economies of scale by mass customization reveals most likely that the company is very customer individual focused and that they really are aiming to fulfilling the wants and needs of each customer. But without jumping the story ahead, the analysis also reveals that the company ranks almost all objectives high and a question may be raised if it is possible to have so many objectives with CRM in one company. Scania states that and therefore, the analysis further reveals that Scania most likely has identified that benefits of CRM can be held in both cost saving, increasing revenue and strategic impact issues. One may argue that Scania uses CRM as the actual concept was intended. A complete strategic tool to create competitive advantage through focusing on managing the relationship a company has with its customers. Finally, to sum up the analysis, Scania is a company that follows the theoretical path created by several authors and their goals agrees with the company.

6.3.2 The CRM Process in Scania

Financial custodian of the customer base. Scania is putting a lot of effort in being a relationship-oriented company and is well in line with Peppers & Rogers (1998) since the dealerships and distributors manage the custodian of the customer base locally. Those are working customer centric at the level closets to the customer and in a

customized manner. This is also supported by the fact that Scania concentrates on coordinate the customer activities taking place.

Production, Logistics, and Service Delivery. Scania has two different types of customer: few-vehicle customers and fleet customers. They can be described as mostly active and Scania's salespeople are also trying to turn the passive customers into active ones. This gives Scania good opportunities to customize its products and services, when they receive quality customer information. It is also interesting to note that Scania has combine the knowledge from production and logistics into the marketing process in order to meet the customers demands as suggested by Peppers & Rogers (1998).

Market Communication, Customer Service, and Interaction Dialogue. Scania is working well in line with the theoretical proposition by Peppers & Rogers (1998), and seems to have an ambition to go even further when stressing the importance of increasing the amount of customer information and also by making this information more available.

Sales Distribution and Channel Management. Scania has integrated forward in their chain of distribution to gain control over the daily operation and to obtain customer information. This strategy was not suggested by Peppers & Rogers (1998) but seems reasonable in this line of industry. However, a forward integration might have a negative impact on the entrepreneurial spirit. Scania also raised question of that cultural issues, and legal issues can act as a hindrance when transferring customer information across borders.

Knowledge discovery. Scania acts in accordance with Swift (2001) regarding knowledge discovery. Their CRM data system enables them to gather and store customer information received from distributors and dealerships. Most of this information is used at the local level where the customer interaction takes place. The customer information is enabling a focus on the single customers needs and wants as proposed by the theory.

Market planning. Scania's view of marketing planning is in line with Swift (2001) when the market planning is conducted on each regional market taking local conditions and customers in to consideration. Scania's marketing plan is also affected on how Scania's organization is structured on a specific market as well. This is not in line with Swift (2001) but seems very reasonable in a short-term perspective when the organization is regarded as a fix factor. The investment in customer relationships is also in accordance with the theory by Swift (2001). The major reason to this can be that the customers' involvement in selling process is important in order to reach customer satisfaction.

Customer Interaction. The use of contact points is in accordance with the suggested ones by Swift (2001). However, it seems like the use of ATM as a contact points is branch-specific and is not either used by Scania. The company has also different approaches when handling large and smaller customers. As we can see it is possible for both the key account team handling fleet customers and a dealership salesmen handling few vehicles customers to customize offers and information. Scania is in a situation where the customer information received earlier can work as a foundation for customization. This is in line with Swift (2001) theory regarding customer interaction.

Analysis and refinement. Scania's analysis and refinement process is in accordance with the theoretical suggestions by Swift (2001). The sales people at the dealership are

conducting the process automatically. This implies that Scania has a well-structured approach close to the customer that in the end shall provide the customer the expected value end thereby a satisfaction.

6.3.3 CRM's Affect on the Organizational Structure in Scania

Structure. CRM has affected Scania's organizational structure in several ways. The product development is now being conducted in a closer cooperation with the marketing function. In the product development clinics are several of Scania's core competences working together to develop new products in cooperation with customers. However, the impact from CRM on production units has been relative small.

Information and decision processes. The ambition to become more customer focused has lead to customer cogitation in the information and decisions processes regarding planning and control, budgeting and performance measuring. Customer satisfaction has become one of the most widely used criteria on how to measure Scania's performance.

Reward systems. The reward system in Scania has been altered so that bonuses are received when products are being delivered on time and the people variable has also been altered so that both recruitment and leadership style is influenced by the customer-centric approach.

People. Scania has conducted extensive training and education in this area that have been affected by implementation of CRM.

Task. There has been no affect on the relationship between organizational units due to the implementation of CRM in Scania.

What have been altered in Scania is presented in table 6.17.

Table 6.17 Organizational Design in Scania Affected by CRM

<i>Organizational design variables</i>	<i>Affected by CRM</i>
Structure	Yes
Information and decision processes	Yes
Reward System	Yes
People	Yes
Task	No

Source: Author's own construction

Scania stresses in its business mission that the company should supply its customers with vehicles and services related to the transport of goods and passengers by road and focus on customer needs. This is also in line with the findings from the analysis of this first section of research question three. The company shows to be agreeing with the theoretical proposition of Galbraith & Kazanjian (1986) since they perceive four out of five design variables to have been affected by the introduction of CRM. The only area that the company believes has not been affected is task, which relates to uncertainty, diversity and interdependence. Therefore, one might find it interesting that task has not been affected since the all other areas have been affected.

When comparing the empirical data received from Scania with the theory selected, Scania appears to follow the guidelines stated by McDermott' theory presented in Peppers & Rogers (1999). Scania's answers are displayed in table 6.18.

Table 6.18 Organizational Change in Scania Affected by CRM

<i>Organizational change variables</i>	<i>Affected by CRM</i>
Automation	Yes
Attrition	Yes
Reorganization	Yes
Training and Education	Yes
Empowerment	Yes

Source: Author's own construction

The company states that they have made customer information more accessible to employees and does therefore agree with McDermott since they have made alterations in this area. Another part that Scania is inline with the theory in regards to attrition, since the company uses customer focused variables when hiring a new employee and handling other HRM functions.

The third suggested area by McDermott in Peppers & Rogers (1999) is in terms of reorganization. The respondent stated that Scania now has a closer cooperation with both marketing department and customers in the product development. This is to some extent inline with theory but McDermott takes it much further and suggest that the whole company should be reorganized.

The training and education of staff as suggested by the theory is Scania aware of. Their marketing academy focusing on the distributors is most certainly inline with the theoretical proposition. However, the company does not agree with theory since they do not perceive the need to train all employees in customer relationship thinking as large and necessary and focuses mostly on sales personnel.

The leadership alteration to create empowerment among employees is something that the respondent states have been made. Therefore, it can be stated that Scania and the theory is in line. It is however, hard to make any extensive analysis regarding the leadership alterations in the company, when it is hard to measure in terms of impact on the distributors and dealerships.

In the area of Swift (2001) theory on how companies can structure their CRM marketing organization has Scania stated that three different actors can be identified as the person in charge of coordinating marketing activities, namely the identification of right customer, creation of the right offer and deciding the right time to present the offer. These can be either, distributor, retailer or in the case of large international customers, the head quarters of Scania. It is however interesting when analyzing that it is the distributor or retailer that are responsible and therefore it can be stated that Scania agrees with the theory except that one person is responsible for all marketing activities.

6.4 Within Case Analysis of Skandinaviska Enskilda Banken AB

In this section, a within case analysis of SEB will be presented. Here, the data obtained from the company will be compared with the frame of reference.

6.4.1 The Objectives of CRM in SEB

SEB main objectives are to improve the process to communicate with the right customer and to provide each customer the offers through the right channel at the right time. By doing this, SEB can create customer satisfaction. This objective is in line with the theoretical proposition in our frame of reference since Swift (2001) theory is incorporated in Burnett (2001).

In the first area, concerning *cost saving* objectives, SEB displays a very unified view of their objectives with CRM. All SEB objectives within this area are viewed as to have major importance. The CRM cost savings objectives in SEB is presented in table 6.19

Table 6.19 Cost Saving Objectives with CRM in SEB

Cost Saving Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs				♦
Measuring results and proving return on investments				♦
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.				♦
Assure customer loyalty by providing after-sale service/support.				♦
Introducing consistent, replicable processes and procedures				♦

Source: Author's own construction

When viewing table 6.19, it becomes clear that the analysis of SEB in terms of *cost saving* objectives is not so difficult since all company goals are equal to the theoretical ones. All are ranked as major importance, which lead to the assumption that SEB has identified this area and realized that large benefits can be received. However, when taking into consideration that the CRM project within the company was postponed, it is questionable if all objectives can be achieved and if they all have major importance.

The second area regarding *revenue enhancement* is an area that all companies want to achieve, despite CRM or not. In the study of SEB, once again the company perceives all goals as major in terms of importance. The objectives are demonstrated in figure 6.20.

Table 6.20 Revenue Enhancement Objectives with CRM in SEB

Revenue Enhancement Objectives	None	Minor	Medium	Major
Increase sales revenues				♦
Improve win rates				♦
Increase margins				♦
Determining if delivery of customer values will affect in a positive manner.				♦
Reach economies of scale by mass customization				♦
Use existing customer relationship to grow revenue				♦

Source: Author's own construction

The above displayed table demonstrates interesting observations regarding the case study object, SEB. All their objectives are in line with the theories and the company identified no other objectives. Moreover, when analyzing this, the interesting paradox appears, SEB perceives the revenue enhancement objectives as high as the cost saving objectives. Either, the company is very customer focused as they state in among other things, their business mission. This is most certainly the case, but transactional motives can also underlie the same revenue enhancement objectives as above stated, except to use existing customer relationships to grow revenue.

To reach economies of scale by mass customization may disclose that the company feels that CRM can cut corners in the work towards individual customers. This question is raised since the company may generalize a customer categorized in a specific segment and his or her preferences due to that another customer in the same segment has revealed this.

The final area, *strategic impact* is also of great importance to SEB. The answers received from SEB are displayed in table 6.21. Here, all objectives presented based on the theoretical foundation of the thesis are ranked as major important to the company. They are in line with the theories and therefore, once again, SEB focuses highly on area of objective, in this case, strategic impact. Strategic impact objectives are highly relationship-oriented in nature and SEB seems to aiming to fulfilling them.

Table 6.21 Strategic Impact Objectives with CRM in SEB

Strategic Impact Objectives	None	Minor	Medium	Major
Improve customer satisfaction				♦
Identifying those customer values that are pertinent to a particular segment.				♦
Understanding the relative importance of customer values to each customer segment.				♦
Build personal relationships				♦
Use integrated information for excellent service				♦

Source: Author's own construction

The analysis of SEB might become more interesting when combining the three different classification areas and analyze the total amount of objectives within the company as conducted in table 6.22

Table 6.22 Analysis of the Objectives with CRM in SEB

Cost Saving Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs				♦
Measuring results and proving return on investments				♦
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.				♦
Assure customer loyalty by providing after-sale service/support.				♦
Introducing consistent, replicable processes and procedures				♦
Revenue Enhancement Objectives	None	Minor	Medium	Major
Increase sales revenues				♦
Improve win rates				♦
Increase margins				♦
Determining if delivery of customer values will affect in a positive manner.				♦
Reach economies of scale by mass customization				♦
Use existing customer relationship to grow revenue				♦
Strategic Impact Objectives	None	Minor	Medium	Major
Improve customer satisfaction				♦
Identifying those customer values that are pertinent to a particular segment.				♦
Understanding the relative importance of customer values to each customer segment.				♦
Build personal relationships				♦
Use integrated information for excellent service				♦

Source: Author's own construction

SEB appears to be the perfect case study object in terms of answers received relating to this thesis first research question. SEB views all objectives as major important and therefore has an equally large focus on cost saving, revenue enhancement and strategic impact. This is both interesting and questionable. It might imply that SEB is very far ahead in their CRM work but since the company postponed the new project, it could be viewed, as the company does not perceive CRM as highly important in their line of business.

The question that arises is, based on the postponement of the project, how CRM objectives can have major importance or if the answers received should be regarded as the intended goals of CRM. Without drawing any conclusions, the second answer appears to be more logical. A company not perceiving CRM as so important that they need to totally integrate it into the company, might not see all benefits of CRM as major, since they alone would speak for the actual implementation of this relationship oriented management view. Maybe we receive an answer that will clear our doubts when analyzing the case against the following research questions.

6.4.2 The CRM Process in SEB

Financial custodian of the customer base. SEB has two major activities in the handling of their customer base. Firstly, on a central level conducting analysis in order to find the right and profitable customers. Moreover, to develop new customer handling processes to ensure good and high service level in the customer contacts with the already established customers. Secondly, on a local level, the most important activity is to have good knowledge about the customer base. SEB is working towards the spirit of Peppers & Rogers (1998) theoretical proposition. However, their thinking seems to be systematical with mechanistically influences at the same time as they are focusing on individual customers in an, as we see it, attempt to mass-customize its activities.

Production, Logistics, and Service Delivery. SEB acts in accordance with Pepper & Rogers (1998), when the customer is an active participant in the selling process. This is due to that the customer is closely involved in the actual production of the service or product. In the area of integrating production into the marketing process has not SEB reached so far as Peppers and Rogers (1998) suggest. However, the strive is to integrate the marketing functions more in the production function by using existent customer knowledge regarding preferences and wants in the product development process.

Market Communication, Customer Service, and Interaction Dialogue. The CRM system within SEB is in full accordance with Peppers & Rogers (1998) when it ensure that the dialogue with a customer today picks up where it left off yesterday as well as it enables customer feedback and act as a base for customization. The ability to transfer customer information both in channels and to some extent between channels is of great importance when the stored information becomes more accurate and available for different users.

Sales Distribution and Channel Management. This is not a complex issue for SEB since all channels are owned and controlled by the bank.

Knowledge discovery. SEB is well in line with Swift (2001) in the area of knowledge discovery and particularly regarding their ability to transfer information across different channels.

Market planning. The market planning process in SEB is mostly focusing on customer activities. This view is to some extent product oriented when customer is matched to product and not the opposite. The banks ambition is in line with Swift (2001) when it focuses on the use of existing customer information to refine product offering and to offer the customer the right product, at the right time, using the right channel.

Customer Interaction. The bank is working in accordance with Swift (2001) in the area of customer interaction. The bank has created different interaction channels for different customers and it is up to the customer to choose a channel that suits him. However, a customer who wants to use a specific channel must accept the cost of using it. Based on this, the bank tries to guide customers into the most appropriate channel for both parties so this creates a win-win situation.

Analysis and refinement. SEB is working in line with the theory by Swift (2001) when collecting, and analyzing customer information to be able to customize offers and

service towards individual customers. SEB also states that feedback is received in all this stages, which is according to Swift (2001) a important criteria for customization.

6.4.3 CRM's Affect on the Organizational Structure in SEB

SEB will in this section be analyzed by comparing the theories in the frame of reference with the empirical data collected. Starting with the first section, dealing with the organizational design variables by Galbraith & Kazanjian (1986)

Structure. SEB states that there has been no change of organizational structure regarding division of labor, departmentalization, and distribution of power etc.

Information and decision processes. Furthermore, the company states that CRM has had a minor impact on the information and decision process regarding planning and control.

Reward systems. In terms of reward system, this has been affected by CRM since relationships with customers are valued higher and the actual sales figures has decreased in impact when setting the criteria's for salary, bonuses and other form of compensations

People. The company aims at hiring people with customer-focus skills but also people with specific CRM qualities. SEB have been affected by the implementation of CRM and has conducted training and education in the area.

Task. The company states that CRM to some extent has affected the relationship between organisational units regarding their interdependency, diversity and degree of uncertainty. The answers received from the company are presented in table 6.23.

Table 6.23 Organizational Design in SEB Affected by CRM

<i>Organizational design variables</i>	<i>Affected by CRM</i>
Structure	No
Information and decision processes	Yes
Reward System	Yes
People	Yes
Task	Yes

Source: Author's own construction

As Galbraith & Kazanjian (1986) states, five organizational design variables need to be coped with when altering organization of the company. When addressing table 6.20, it is easy to identify that SEB has altered some design variables. The structure has not been affected or changed due to the introduction of CRM and therefore the company and theory is not in line concerning this variable. The information and decision process is however something where the company agrees with the afore-mentioned theory, but only to a minor extent. One area where both SEB and the theory by Galbraith & Kazanjian (1986) are in accordance refers to the variable concerning the reward system.

Today, customer relationships are valued much higher and sales figures have decreased in importance when addressing issues such as salary and bonuses. The people variable have also been affected by CRM to a minor extent in particularly regards to education and training, since SEB mostly have been in the process of downsizing the organization and therefore have had little room for hiring new employees. The task has been affected

since the bank consists of two parts: production units and the retail bank. The production units are by nature very eager to sell their products to so many customers as possible. The retail bank acts as an emissary for the customer aiming to fulfil their needs and wants towards the rest of the organisation, and therefore Galbraith & Kazanjian (1986) and SEB goes hand in hand.

When addressing the second issue as stated by McDermott in Peppers & Rogers (1999), the shift from transactional based to relationship-oriented view. How SEB perceive the organizational change variables and their affect by CRM is presented in table 6.24.

Table 6.24 Organizational Change in SEB Affected by CRM

<i>Organizational change variables</i>	<i>Affected by CRM</i>
Automation	Yes
Attrition	No
Reorganization	No
Training and Education	Yes
Empowerment	Yes

Source: Author's own construction

The company states that increasing availability of information in the company is necessary. The analysis of this section reveals that SEB in many areas act accordingly to the theoretical propositions stated by McDermott in Peppers & Rogers (1999). The company has a high level of technology to ease the transfer of information between different employees. Nevertheless, the respondent states that this process is not perfected and further attention is necessary. Therefore it can be argued that SEB in this area agrees with theory to a medium extent. Attrition as defined by McDermott is not in line with the empirical finding in SEB since the company has been forced to diminish the organization; no room has been left for this area.

Reorganization has occurred in the company but not due to the introduction of CRM and the shift as McDermott in Peppers & Rogers (1999) states, from transactional based to relationship oriented. The shift in organization is based on the overall shift in the financial industry, not due to CRM and therefore the company does not follow the theory. However, in terms of training and education, this has been done to increase the awareness of the employees in areas regarding customer satisfaction mostly on a local level. Despite that, SEB acts according to the theory.

Empowerment, the last area covered in the theory is another topic where the company goes hand in hand with the theory to some extent. The company gives certain possibilities for employees to act individually but as long as they follow the company overall guideline.

The last area regarding this research question, the marketing organization is based on the theory by Swift (2001), which describes how companies can structure their CRM marketing organization with a basic idea to focus around the key communication and interaction process.

The roles in the marketing organization at SEB are as follows. The central market function coordinates the marketing process in the company. The head of this function is the sales & marketing director and the organizational seat for this position and function is in the staff organization. Central market in cooperation with analysis identifies the

right customer and business opportunities for SEB. Thereafter central market is tailoring the right offer towards the customer. The presentation of the offer towards the customer is also made by the central market function. The retail bank is one of several channels that manage the customer interaction. Swift (2001) states that one task is to coordinate the marketing process and here SEB act accordingly since the central marketing function covers this task. Furthermore, the same department also handles the identification of the right customer but also the creation of proper offers. This is also in line with the theory by Swift (2001). Moreover, the actual presentation of the offer and time for presentation is handled from a central level.

6.5 Within Case Analysis of FöreningsSparbanken AB

In this section, the final within case analysis of the thesis involving the company FöreningsSparbanken will be displayed. Here, the empirical data obtained from the company will be compared with the theoretical based frame of reference.

6.5.1 The Objectives of CRM in FöreningsSparbanken

The main CRM objective of FöreningsSparbanken is to find the right customer and provide the right offers for each customer. Furthermore, to use the right channel to provide the right offers as well as providing it on the right time is also essential. This objective is in line with our proposed theoretical foundation presented in our frame of reference, due to the incorporation of Swift (2001) into Burnett (2001).

FöreningsSparbanken identified only one major *cost saving* objective with CRM and that is to decrease general sales and marketing administrative costs. Two other objectives are ranked as medium important and that is Newell's (2000) objective to communicate and deliver right value in the right way. Kalakota & Robinson's (1999) to introduce replicable and consistent channel processes and procedures are also viewed as medium important to the company. FöreningsSparbanken states that measuring results and proving return on investment is only of minor importance and assuring customer loyalty by after-sale service/support is not regarded as a objectives based on that the company believes that they produce a service that is consumed upon delivery. The objectives with CRM in regards to cost saving issues are displayed in table 6.25.

Table 6.25 Cost Saving Objectives with CRM in FöreningsSparbanken

Cost Saving Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs				♦
Measuring results and proving return on investments		♦		
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.			♦	
Assure customer loyalty by providing after-sale service/support.	♦			
Introducing consistent, replicable processes and procedures			♦	

Source: Author's own construction

In terms of analyzing the data collected from FöreningsSparbanken, the company's objective with CRM in regards to cost saving objectives agrees with the theories presented in the frame of reference. Merely one objective, to assure customer loyalty by providing after-sale service support was not regarded FöreningsSparbanken. The major motive for CRM from a cost saving perspective is to lower general sales and marketing administrative costs. Medium important reasons is to communicate and deliver the right values to each customer segment in the right way but also applying Kalakota & Robinson's (1999) goal to introduce consistent, replicable processes and procedures. The objectives for CRM in the company agrees with the theory and the logical choice that after-sale service/support was not selected since FöreningsSparbanken produces services that are mostly consumed upon production.

FöreningsSparbanken has one major objective in terms of *revenue enhancement* and that is to use existing customer relationships to grow revenue since the company strongly believes that it is more expensive to sell to a new customer than an already existing one. Increase sales revenues, increase margins, and determine if delivery of customer values will affect in a positive manner and reach economies of scale by mass customization are all goals listed as medium important to the company. To increase win rates are only regarded as a goal of minor important and are along with the other objectives in this classification specified in table 6.26.

Table 6.26 Revenue Enhancement Objectives with CRM in FöreningsSparbanken

Revenue Enhancement Objectives	None	Minor	Medium	Major
Increase sales revenues			♦	
Improve win rates		♦		
Increase margins			♦	
Determining if delivery of customer values will affect in a positive manner.			♦	
Reach economies of scale by mass customization			♦	
Use existing customer relationship to grow revenue				♦

Source: Author's own construction

Relationship marketing is founded on believes that for a company to prosper, one must use their already existing customers, establish a mutual benefit i.e. relationship with them and hence be more successful. FöreningsSparbanken's all answer is in accordance with theory and the prime motive for CRM in terms of revenue is to use existing customers, also in accordance with relationship marketing theories. The four other objectives market as medium important may reveal that FöreningsSparbanken either has proved that relationship orientation is more successful or that the transactional focus of increasing sales revenue, increasing margins and mass customization is still dominate. The last issue is *strategic impact* objectives and FöreningsSparbanken states that their major objectives in terms of strategic are as Burnett (2001) states to improve customer satisfaction. Furthermore, to identify customer values that are pertinent to a specific customer segment and build personal relationships are also classified as major objectives. The two remaining objectives are ranked as medium and those are according to the company, understand the relative importance of customer values to each customer segment and use integrated information for excellent services. These objectives are presented in table 6.27.

Table 6.27 Strategic Impact Objectives with CRM in FöreningsSparbanken

Strategic Impact Objectives	None	Minor	Medium	Major
Improve customer satisfaction				◆
Identifying those customer values that are pertinent to a particular segment.				◆
Understanding the relative importance of customer values to each customer segment.			◆	
Build personal relationships				◆
Use integrated information for excellent service			◆	

Source: Author's own construction

All the above-mentioned theoretical objectives are confirmed by FöreningsSparbanken to be empirical objectives of the company. All are marked as at least medium importance and it is clear that FöreningsSparbanken focus strongly on the strategic impact of CRM. Nevertheless, the company's objectives are in line with the theoretical ones in this area. When combining the different classification into one table as in table 6.28, interesting results may appear as well as the development of questions.

Table 6.28 Analysis of the Objectives with CRM in FöreningsSparbanken

Cost Saving Objectives	None	Minor	Medium	Major
Decrease general sales and marketing administrative costs				◆
Measuring results and proving return on investments		◆		
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.			◆	
Assure customer loyalty by providing after-sale service/support.	◆			
Introducing consistent, replicable processes and procedures			◆	
Revenue Enhancement Objectives	None	Minor	Medium	Major
Increase sales revenues			◆	
Improve win rates		◆		
Increase margins			◆	
Determining if delivery of customer values will affect in a positive manner.			◆	
Reach economies of scale by mass customization			◆	
Use existing customer relationship to grow revenue				◆
Strategic Impact Objectives	None	Minor	Medium	Major
Improve customer satisfaction				◆
Identifying those customer values that are pertinent to a particular segment.				◆
Understanding the relative importance of customer values to each customer segment.			◆	
Build personal relationships				◆
Use integrated information for excellent service			◆	

Source: Author's own construction

In the above conducted analysis of each classification it has been stated that FöreningsSparbanken's objectives agrees with the theoretical foundation of the frame of reference. The company focuses most likely at all three different areas, cost saving, revenue enhancement and strategic impact. It seems however that the prime focus is

more of a strategic impact than the two additional categories. Therefore one might argue that FöreningsSparbanken sees CRM as firstly a tool for strategic impact and secondly cost saving and revenue enhancement. FöreningsSparbanken shows clear signs that they are customer-focused but still CRM has yet been a completely established management view within the company. Despite that, the company focus on the strategic segment are both interesting but also it may come as a surprise to many financial customers since that industry has been under the transformation the recent years towards less bank offices and more non-personal interactions.

6.5.2 The CRM Process in FöreningsSparbanken

Financial custodian of the customer base. The most important activity in FöreningsSparbanken regarding the custodian of the customer base is to act as a link between the local branch offices employees and their customers. By doing that a unified view and management of the local activities towards the customers is controlled and monitored from a central position. This activity is not in line with the theoretical proposition by Peppers & Rogers (1998). Furthermore is conveys a product oriented approach to handle its customers developed centrally in the bank.

Production, Logistics, and Service Delivery. A customer is an active part in the sales process, since their preferences, wants and needs are revealed at that particular moment. FöreningsSparbanken is here in line with the theory by Peppers & Rogers (1998) when they receive and store customer information that can be used for customization of product and services towards the individual customers needs and wants. Due to the fact that the different business areas has a strong position in the company, their own objectives have influenced the marketing function. With this in mind we can only state that FöreningsSparbanken is partly in line with the theory. This implies that FöreningsSparbanken have a strong product oriented influence that needs to be more relationship marketing influenced by a stronger customer focus.

Market Communication, Customer Service, and Interaction Dialogue. The CRM system within FöreningsSparbanken is in accordance with Peppers & Rogers (1998) when it ensures that the dialogue with a customer today picks up where it left off yesterday as well as it enables customer feedback and a base for customization. However, the ability to transfer customer information is to some extent not in line with Peppers & Rogers (1998) when information only can be transferred within and not between channels.

Sales Distribution and Channel Management. This is no complex issue for FöreningsSparbanken since all channels are owned and controlled by the bank.

Knowledge discovery. FöreningsSparbanken is in line with Swift (2001) in the area of knowledge discovery. However, their ability to transfer information across different channels is reducing their performance to customize offers and services.

Market planning. The market planning process in FöreningsSparbanken is aiming to support the ongoing work with creating relationships between the company and their customers. On a central level they try to coordinate customer interaction and initiatives from different business areas. These activities can either be aiming for a specific customer segment or individual. The banks ambition is well in line with Swift (2001) when it focuses on investments in the relationship that hopefully will strengthen it.

Customer Interaction. The bank is working in accordance with Swift (2001) in the area of customer interaction. The bank has developed several interaction channels for different customers and it is up to the customer to select a suitable one. As we can see it is FöreningsSparbanken handling their customer interaction in line with Swift (2001).

Analysis and refinement. FöreningsSparbanken is working in line with the theory by Swift (2001) when collecting, and analyzing customer information to be able to customize offers and service towards individual customers. FöreningsSparbanken also states that feedback is received in all this stages, which is according to Swift (2001) an important criterion for customization.

6.5.3 CRM's Affect on the Organizational Structure in FöreningsSparbanken

Structure. FöreningsSparbanken organizational structure has today not been affected by CRM in term of shape, distribution of power, division of labor etc.

Information and decision processes. Furthermore, FöreningsSparbanken cannot say that CRM has affected the information and decision process from a CRM perspective. The company has not taken CRM into the organization and followed it to 100 percent.

Reward systems. According to the respondent, every change in an organization can also mean alterations in the reward and promotion system. They define this system as a tool for the future, in which the company measures customer- and employee satisfaction. However, today there has been no affect from CRM in this area.

People. Since FöreningsSparbanken has a customer-focused view on how to do business, people with those qualities are wanted. However, the specific criteria of each employee differs a lot due to which customer segment and business area the employee is intended to work. Training and education within the area of CRM have been conducted.

Task. CRM has in FöreningsSparbanken affected the relationship between the organizational production and business units. According to the respondent, CRM has affected the different organizational part and their relationships to a minor extent. The above-received answers are presented in table 6.29.

Table 6.29 Organizational Design in FöreningsSparbanken Affected by CRM

<i>Organizational design variables</i>	<i>Affected by CRM</i>
Structure	No
Information and decision processes	No
Reward System	No
People	Yes
Task	Yes

Source: Author's own construction

When analyzing this last case study object, FöreningsSparbanken, it appears that the company and Galbraith & Kazanjian (1996) perceive the organizational design variables of different importance. FöreningsSparbanken does not recognize that: *structure, information and decision processes, and reward systems* have been affected by the introduction of CRM and therefore differ from the theory. The variables that FöreningsSparbanken and Galbraith & Kazanjian (1986) agree upon are *people* and *task*.

In regards to McDermott (1999), FöreningsSparbanken and their given answers are presented in table 6.30.

Table 6.30 Organizational Change in FöreningsSparbanken Affected by CRM

<i>Organizational change variables</i>	<i>Affected by CRM</i>
Automation	Yes
Attrition	No
Reorganization	No
Training and Education	Yes
Empowerment	Yes

Source: Author's own construction

McDermott in Peppers & Rogers (1999) argues, like FöreningsSparbanken that automation is needed. The company has in accordance with the theory begun to file information electronically to ease access for the employees. The analysis of this variable indicates the company act as the theory stipulates. The following variable, attrition has been hard for the company to follow. Nevertheless, despite downsizing within the organization, FöreningsSparbanken has identified the need to have customer-focused employees and therefore tries to find those individuals. Based on that, the analysis leads to the result that the company acts as the theory suggest to their best ability.

In regard to reorganization as McDermott (1999) states, FöreningsSparbanken has not made any alteration to the organization based on the introduction of CRM and therefore, this is an area where theory and empirical data obtained for FöreningsSparbanken goes separate ways. Training and education are also not used to a wide extent in terms of CRM. Mostly it is done on a local level since the concept is not established completely within the company. So, once again, theory and actual empirical finding differs to some extent, in their view of relative variable importance. As a former general, McDermott mean that empowerment should be facilitated, which should result in a flexible organization that let each employee that have customers contact act in a way that fulfills the customer wants and needs to the maximum ability. FöreningsSparbanken has done so and therefore follows the theoretical propositions.

The final section covers the five important roles in the marketing organization defined by Swift (2001). In regards to how CRM have hade any impact on the roles, the respondent states that this is an ongoing process within FöreningsSparbanken and is therefore hard to specify. The manager in charge of the retail banking section is today handling the business or marketing processes in the company. Moreover, the respondent further says that the campaign manager is responsible for both identification of the right customer, creation of right offer to that customer and decision on when the offer shall be presented. The local bank office is handling the interaction with the customer.

The analysis of this section reveals that FöreningsSparbanken act as Swift (2001) wants them to despite that they have not identified the need to further divide the work tasks into more positions. The retail banking section act as Swift (2001) suggests in terms of CRM Marketing VP, the title may differ but their responsibilities are the same. The campaign manager handles both identification of the right customer, the creation of the right offer and when it should be presented. In theory, those tasks are divided upon three different positions but still, FöreningsSparbanken acts to a large extent as theory suggest. The offer is presented in several channels and the interaction is handles by the bank. Nevertheless, FöreningsSparbanken once again acts as Swift (2001) stipulates.

6.6 Cross Case Analysis

This second part of the chapter deals with the cross case analysis. The four cases will be compared with each other in order to try to see tendencies and identify causes for possible outcomes.

6.6.1 The Objectives of CRM

In table 6.31, we have displayed the findings of each case in order to discover differences and similarities in how the investigated companies views the objectives of CRM in terms of importance.

Table 6.31 A Comparison of the Objectives with CRM

Cost Saving Objectives	<i>Skanska</i>	<i>SKF</i>	<i>Scania</i>	<i>SEB</i>	<i>Förenings Sparbanken</i>
Decrease general sales and marketing administrative costs	Major	Minor	Medium	Major	Major
Measuring results and proving return on investments	Medium	Medium	Medium	Major	Minor
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.	None	Major	Major	Major	Medium
Assure customer loyalty by providing after-sale service/support.	Medium	Major	Major	Major	None
Introducing consistent, replicable processes and procedures	None	Minor	Medium	Major	Medium
Revenue Enhancement Objectives	<i>Skanska</i>	<i>SKF</i>	<i>Scania</i>	<i>SEB</i>	<i>Förenings Sparbanken</i>
Increase sales revenues	Minor	Medium	Medium	Major	Medium
Improve win rates	Major	Medium	Major	Major	Minor
Increase margins	Minor	Major	Major	Major	Medium
Determining if delivery of customer values will affect in a positive manner.	Minor	None	Medium	Major	Medium
Reach economies of scale by mass customization	None	Minor	None	Major	Medium
Use existing customer relationship to grow revenue	None	Major	Major	Major	Major
Strategic Impact Objectives	<i>Skanska</i>	<i>SKF</i>	<i>Scania</i>	<i>SEB</i>	<i>Förenings Sparbanken</i>
Improve customer satisfaction	None	Major	Major	Major	Major
Identifying those customer values that are pertinent to a particular segment.	None	Medium	Medium	Major	Major
Understanding the relative importance of customer values to each customer segment.	Minor	Medium	Medium	Major	Medium
Build personal relationships	Minor	Major	Medium	Major	Major
Use integrated information for excellent service	Medium	Medium	Major	Major	Medium

Source: Author's own construction

It is interesting to see that all the investigated companies does not one time agree with the importance of the stated theoretical objectives of CRM. In many cases, the case study objects perceive the objectives as presented but their importance differs. Moreover, these differences can be interesting to observe since two companies within the financial industry, FöreningsSparbanken and SEB have been used. Scania and SKF may be classified as manufacturing companies and therefore, their similarities and differences should be observed with interest. Skanska as a construction company may also demonstrate the industrial market and give interesting answers.

When referring to the first area of objectives, *cost saving*, as mentioned by Burnett (2001), all companies have stated at least on of the presented objectives as major. SKF and Scania have ranked the same two objectives; to communicate and deliver the right values to each customer in the right way but also to assure customer loyalty by after-sale service/support. Skanska, like FöreningsSparbanken and SEB regards decreasing general sales and marketing administrative costs as the major objectives in terms of cost saving. Skanska for instance, has regarded the objective to communicate and deliver the appropriate values to each customer in ways the customer wants to receive the information, as of no importance in contrast to the other companies that perceive this as at least medium important. Furthermore, to decrease sales and marketing administrative cost and measuring results and proving return on investments are the only two objectives that are thought to be an overall goal for all the companies since all has marked them despite various importance.

The second area of objectives, *revenue enhancement*, is an interesting category since many of the objectives can be perceived to be transactional oriented if regarded falsely. The name of the game in every business activity is to make money and to stay competitive, it may be important to increase sales, a objective which is regarded by all the case study objects as important but SEB is the only one who views this as a major objective with CRM. The second objective to increase win rates is another important area in business activities despite what line of industry the company operates in. Here, once again all the companies have a similar picture of this objective and rank it as at least minor important, as stated by Skanska. Increase margins is another way to make the company more profitable and once again all companies agree with differences in the objectives relative importance. All those three objectives can be very transactional when taken out of the CRM concept and may very well be used as objectives in a non-CRM company or organization, Nevertheless, in this formulation and under the CRM view, they constitutes objectives that companies that uses CRM can benefit from.

The following three objectives are more interesting to observe. Not that they are more important but that at least one of the companies has disregarded each of the following objectives and ranked it as no importance. What also may be noticeable is that all those companies are the manufacturing companies, and as previous mentioned in the thesis, industrial companies tend to be very transactional-oriented but they try either to change that or hide the fact that relationship marketing is poorly implemented in those types of companies. Firstly, to determine if delivery of customer values will affect the company in a positive manner is regarded as a objective with CRM in all companies except SKF. Moreover, to reach economies of scale by mass customization is not perceived by either Skanska or Scania as an objective of CRM, but ranked as major by SEB, medium as FöreningsSparbanken and minor by SKF.

The last objective of revenue enhancement benefits with CRM may be the most interesting one in this category when making the cross case analysis. Once again, not because it is most important but more based on that this objective, to use existing customer relationship to grow revenue is a basic, relationship-oriented focused formed in the school of relationship marketing. Here, SKF, Scania, FöreningsSparbanken and SEB all rank this objective as major based on their mutual belief that it is cheaper and more effective to sell to an established customer than a new one. Basic transactional marketing also argues that it is more expensive to sell to a new customer and an old one. Therefore, it is highly surprising that a company such as Skanska perceive this goal as no importance. Could this maybe be based on the fact that Skanska is not really relationship-oriented due to their line of industry or current market condition?

Strategic impact is the final of the three categories of CRM objectives by Burnett (2001). The five proposed theoretical goals are regarded by at least on company as important and since no other objectives of this sort was identified by either case study object, the data received agrees highly with the theories. When making the cross case analysis between the companies involved in the thesis it once again becomes clear that no goal has received the same ranking by all the involved companies.

The first objective, to improve customer satisfaction is as mentioned under the cost saving objectives and the objective to use existing customer relationships to grow revenue, based from relationship marketing. Every company should if their focus is long-term aim to improve customer satisfaction, mainly due to that customers are not endless and therefore if customers are treated without giving them satisfaction, they will soon run out of number. All companies, except Skanska, rank improving customer satisfaction as major.

The interesting part is not that Skanska differs in their view of the relative importance of this objective but the fact that the company sees this objective as of no importance what so ever. Just like the issue concerning to use existing customer relationships to grow revenue, once again, the question arises why this is not perceived as at least some importance. This could be regarded as the most important strategic impact objective in general and this increases the attention brought to the answer received from Skanska. Finally, this goal may be labeled as the most important strategic impact objective with CRM when adding the answers received from the different companies.

Furthermore, to identify customer values that are pertinent to a particular, Skanska also neglects this goal, but the other companies rank this as medium or more and the following goal that are interrelated to the previous mentioned are ranked as medium by SKF, Scania and FöreningsSparbanken. SEB that marked all goals with major differs from the majority as well as Skanska that regard this goal as minor.

The next objective, to build personal relationship constitutes the foundation of CRM or relationship-orientation. Three companies, SKF, FöreningsSparbanken and SEB conclude with this theoretical proposition and mark this objective as high. Scania view this as a medium important objective. To build personal relationships with their customer is in Skanska only regarded as minor and once again Skanska may reveal them selves as highly transactional focused. The final objective, to use integrated information for excellent service is important for all companies and has therefore got medium or major importance ranking from all case study objects.

To sum up, the cross case analysis of research question one, all three classifications by Burnett (2001) are used by Swedish companies. We can also see that the majority of the companies in this study had at least one major objective in each classification. However, we are not able to accurately identify which area of classification that is most important for Swedish companies.

6.6.2 The CRM Process

Table 6.32, list our conceptual framework for research question two and shows, within each case, if a similarity was identified, partially identified, or not identified. Furthermore, the specific issues, which we were unable to find correlations or deviations to, are marked with a question mark.

Table 6.32 A Comparison of the CRM Processes

<i>How can the CRM processes be described</i>	Skanska	SKF	Scania	SEB	Förenings Sparbanken
<i>Financial custodian of the customer base.</i>	Yes	Yes	Yes	Yes	Yes
<i>Production, Logistics, and Service Delivery</i>	Yes	Yes	Yes	Partly	Partly
<i>Market Communication, Customer Service, and Interaction Dialogue</i>	Yes	Partly	Yes	Yes	Partly
<i>Sales Distribution and Channel Management</i>	Yes	No	Partly	Yes	Yes
<i>Knowledge discovery</i>	Yes	Yes	Yes	Yes	Yes
<i>Market planning</i>	Yes	Yes	Partly	Yes	Yes
<i>Customer interaction</i>	Partly	Partly	Yes	Yes	Yes
<i>Analysis and refinement</i>	?	Yes	Yes	Yes	Yes

Source: Authors own construct.

As visualized in table 6.32, there are a lot of similarities between our cases when it comes to our second research question of how CRM processes in Swedish companies can be described. As for the *Financial custodian of the customer base* all five cases was in accordance with the theory. *Production, Logistics, and Service Delivery* was also in line with the theory and to some extent only partially in SEB and FöreningsSparbanken. In the area of *Market Communication, Customer Service, and Interaction Dialogue* were also three companies in line with the theory and SKF and FöreningsSparbanken was partially in line with the theory. Three companies handled *Sales Distribution and Channel Management* in accordance with the theory and Scania partially differed. Here it is very interesting to note that SKF differed from the theory and the rest of the companies when they didn't act according to the theory. Regarding *Knowledge discovery* was all five companies in line with the theoretical suggestion. In the area of *Market planning* was Scania partially in line and the other four companies in line with the theory. Skanska and SKF handled *Customer interaction* only partial in line with the theory, while the other three companies managed it in accordance with the theory. The *Analysis and refinement* process was performed as the theory suggested in four of the companies and for the fifth company; Skanska we couldn't identify this process since the respondent didn't disclosed any information.

6.6.3 The Affect CRM has on the Organization

Table 6.33 lists our conceptual framework for research question three and shows, within each case, if similarities was identified, or not identified.

Table 6.33 A Comparison of the Organizational Design Variables

<i>Organizational design variables</i>	<i>Affected by CRM</i>				
	<i>Skanska</i>	<i>SKF</i>	<i>Scania</i>	<i>SEB</i>	<i>Förenings Sparbanken</i>
Structure	No	No	Yes	No	No
Information and decision processes	Yes	No	Yes	Yes	No
Reward System	No	No	Yes	Yes	No
People	Yes	Yes	Yes	Yes	Yes
Task	No	No	No	Yes	Yes

Source: Author's own construction

When comparing the five case study objects, that all stipulates to be involved in CRM activities, it may come as a surprise as shown in table 6.33 since many of the theoretical proposed variables by Galbraith & Kazanjian (1986) were not identified and affected when introducing CRM in the companies. In regards to the first variable, *structure*, CRM had not affected any of the companies' organization except Scania. Despite that many of the companies might have identified a potential need to change the organizational structure, this is something than cannot be altered over night and should be perceived as fixed on a short-run basis. Furthermore, all companies today have most likely organizational structures that support current business operation but CRM is changing the way companies conduct business and therefore it is likely that this variable will have greater affect in the future.

Information and decision processes are the second variable presented by theory and this is an area where we can see the largest similarity between the cases and theoretical suggestion. The introduction of CRM leads to increased customer knowledge and this implies that information and decision processes early might be affected when the company receives a more accurate foundation for the decisions that enables customization to a greater extent.

The third variable refers to *reward system* and how the use of CRM has affected the companies' policy in this area. It is very interesting to find that two companies, Scania and SEB, were in line with the theoretical suggestion. These companies had also identified the necessity of alteration in the information and decision processes and have most likely retrieved benefits from earlier experiences when better customer knowledge has led to improved business performance. They are now as we see it, entering the next stage in their CRM maturity compared with the other case study objects.

The fourth variable focusing on *people* is the only variable where all the case study objects agree simultaneously with theory. All companies have realized the importance of customer focused employees and therefore put a lot of effort into both identifying those existing employees that possess those qualities but also when hiring new people in position that require these kind of skills. Furthermore, all companies train and educate their employees, according to Galbraith & Kazanjian (1986). However, we can from this research see tendencies that these efforts are mainly on sales and marketing personnel and not involving the entire company workforce.

In the final variable *task*, all manufacturing companies had not made any alterations in this area regarding diversity, interdependency and uncertainty in their organization. We were able to find that both FöreningsSparbanken and SEB, located in the financial industry had made changes in this area. These changes were however small but indicate that a shift in this area towards the theoretical propositions is undergoing. To sum up Galbraith & Kazanjian (1986) organizational design variables, we can see that CRM have not affected all variables in a single company. In all studied companies, at least one variable remained unaffected by the use of CRM.

McDermott in Peppers & Rogers (1999) suggests five company change variables that are needed to alter when shifting from transactional focused to relationship-oriented. The answers received from the companies are displayed in table 6.34 according to our conceptual framework for research question three and shows, within each case, if similarities were identified, or not identified.

Table 6.34 A comparison of the Organizational Change variables

<i>Organizational change variables</i>	<i>Affected by CRM</i>				
	<i>Skanska</i>	<i>SKF</i>	<i>Scania</i>	<i>SEB</i>	<i>Förenings Sparbanken</i>
Automation	Yes	Yes	Yes	Yes	Yes
Attrition	No	No	Yes	No	No
Reorganization	No	No	Yes	No	No
Training & Education	Yes	Yes	Yes	Yes	Yes
Empowerment	Yes	No	Yes	Yes	Yes

Source: Author's own construction

The first organizational change variable *automation* shows that all companies despite their line of industry has made efforts concerning increased access of information due to computerization. This indicates that Swedish companies have adapted to the theoretical suggestions by McDermott in Peppers & Rogers (1999) in this area. However, we cannot clearly state that these adaptations are due to CRM or other reasons.

When comparing the five case study objects in the area of *attrition* only one company has made alterations towards the theoretical ideas of McDermott in Peppers & Rogers (1999). Some of the other companies stated that attrition had been used but not due to CRM. This indicates that CRM had not been established in the companies' management of human resource.

In regards to the third variable, *reorganization*, only one company has adopted to the theoretical foundations presented by McDermott in Peppers & Rogers (1999). It is interesting to notice that it is Scania that is in the forefront of this area. In the analysis above, Scania has demonstrated a willingness to adapt to theoretical suggestions in the area of CRM's affect on the company organization. We are of the opinion that this change variable is probably the most difficult to implement and therefore, the companies' mature ness must be high before taking this step.

Training & Education is an area where all companies agree with the theory by McDermott in Peppers & Rogers (1999) to some extent. However, as mentioned before only certain categories of employees have been attending this training and education programs. This indicates that more efforts must be made before a customer-focused organization is developed.

Empowerment is the final organizational change variable presented by McDermott in Peppers & Rogers (1999). When comparing the companies used in this thesis, we can see that SKF is the only company that does not agree with the theoretical suggestions. However, all other companies work in line with the theory or towards the theoretical suggestions. These alterations enable according to the theory a more flexible organization that eases a customer centric approach. This indicates that Swedish companies have good opportunities to use initiatives from individuals in their change process towards a more customer centric company.

McDermott's organizational change variables in Peppers & Rogers (1999) are fully used by only one company, Scania. All the other companies have at least two variables that are unaffected by CRM.

The last part of research question three refers to Swift (2001) and the five positions in the marketing organization needed when using CRM. The answers received from the companies are displayed in table 6.35 according to our conceptual framework and shows, within each case, if similarities were identified, or not.

Table 6.35 A Comparison of the CRM Marketing Organization

<i>Positions suggested by Theory</i>	<i>Handled in the company by</i>				
	<i>Skanska</i>	<i>SKF</i>	<i>Scania</i>	<i>SEB</i>	<i>Förenings Sparbanken</i>
CRM Marketing VP	Chief Marketing Officer or District Manager	Channel Manager	Regional Manager or Distributor or Retailer	Sales and Marketing Director	Head of Retail Banking
CRM Marketing Analyst	Chief Marketing Officer or District Manager	Channel Manager	Distributor or Retailer	Sales and Marketing Director and Marketing Analysis	Campaign Manager
CRM Campaign Manager	Project Team	Channel Manager	Distributor or Retailer	Sales and Marketing Director	Campaign Manager
CRM Segment Manager	Chief Marketing Officer or District Manager	Channel Manager	Distributor or Retailer	Sales and Marketing Director	Campaign Manager
CRM Channel Manager	Project Team	Channel Manager	Distributor or Retailer	Sales and Marketing Director	Local Bank office

Source: Authors own construction

When analysing the last part of research question three, one can see that no of the case study objects have organized their marketing organization in accordance with theoretical proposition by Swift (2001). The work task in the suggested marketing roles by Swift (2001) was handled in all companies by fewer roles than described in the theory. In two companies, SKF and Scania these five different roles were appointed to one single position. Regarding Skanska and SEB these theoretical suggested positions were appointed to two different positions. Finally, FöreningsSparbanken had followed the theoretical guidelines most and thereby appointed the five different roles to three different positions.

These findings indicate or guide towards that Swedish companies not have adapted to the theoretical suggestions in this area. Moreover, this can also indicate that the roles in the companies marketing organizations are still transactional oriented. If this is true the result will most probably be that the companies will not receive the full benefits of CRM. This could have affects when the companies conduct internal analysis of the overall business performance, which will most certainly give a false indication in regards to how well the CRM strategy works for the company. This can have impact on how the company's further CRM expansion will be executed.

7. Conclusions and Recommendations

The previous chapter provided an analysis of the data collected in this study. In this chapter, conclusions will be drawn from the findings in the analysis and in this way we will try to answer the three research questions posed in chapter one. In the final part of this chapter we will give our recommendations to management of the companies in this research. We will also give recommendations for theory and for further research within the area studied.

7.1 Conclusions

The results drawn from this study should be viewed in the light of the research methods employed and is valid for this sample. The study provides substantial support as to the applicability of many of the variables and respective conceptualizations provided in theory to the study of CRM in companies. The frame of reference was also shown to be well suited to the investigation of how companies use CRM.

The First Research Question. Firstly, we will try to answer our first research question that reads: “How does Swedish companies perceive the objectives of CRM?”

It can be concluded that the objectives with CRM found in this thesis that seems to be valid regardless of business context is:

- Decreased general sales and marketing administrative costs.
- Measuring results and proving return on investments.
- Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.
- After-sale service/support.
- Introducing consistent, replicable channel processes and procedures.
- Increased sales revenues.
- Improve win rates.
- Increased margins.
- Determine if delivery of customer values will affect positively.
- Reach economies of scale through mass-customization.
- Use existing customer relationship to grow revenue.
- Improved customer satisfaction rates.
- Identifying customer values that are pertinent to a particular segment.
- Understanding the relative importance of values connected to each customer segment.
- Build personal relationships.
- Use integrated information for excellent service.

Of these objectives we can conclude that the following objectives are the most important for Swedish companies engaging in CRM activities. In the area of cost saving objectives with CRM, we can conclude that Swedish companies focus on the objective to decrease general sales and marketing administrative costs through the use of CRM. In the area of revenue enhancement, Swedish companies perceive the objectives to improve win rates and increase margins as the most important ones as well as to use existing customer relationship to grow revenue. The last area of objectives with CRM refers to strategic impact and here Swedish companies focus on improved customer

satisfaction, to build personal relationships and to use integrated information for excellent service as the major objective with CRM.

The second research question reads as follows: “How can the CRM process in Swedish companies be described?” In this section we will try to provide an answer to this question.

A major finding in this thesis is that Swedish companies to a large extent uses the CRM processes that are suggested by the theory by both Peppers & Rogers (1998) and Swift (2001). We can also from their answers see that the direction is towards a more customer centric management of customer relations in these companies. We can therefore describe the CRM processes in a Swedish company according to Swift (2001) activity oriented CRM process in four steps:

- Knowledge discovery.
- Customer interaction.
- Market planning.
- Analysis & refinement.

Or/and as the steps that Peppers & Rogers (1998) suggests in his function oriented CRM process:

- Financial custodian of the customer base.
- Production, logistics, & service delivery.
- Customer communication.
- Distribution & logistics.

Furthermore, this study also highlights that all studied companies has adapted the view of the financial custodians of the customer base by Peppers & Rogers (1998) on treating their customer base as a primary asset and to carefully managing their investment in this asset. This thesis also concludes that production and logistic functions must be more involved in the marketing process in order to be more capable to customize its actual offering towards the needs and preferences of each individual customer as suggested by Peppers & Rogers, (1998).

It is interesting to notice that one company, SKF hasn't applied to the ideas of Peppers and Rogers (1998) on how to gain first hand customer information from the distribution channels. This indicates that SKF can receive false or fragmented customer information and that customisation can be difficult to execute. This will also lead to the disadvantage that the customers are seen as a segment not as an individual customer.

We can also conclude that the inability to transfer customer information across national borders or between distribution channels also is an obstacle that can obstruct or complicate their ability to receive feedback, continue a dialogue from the spot is ended earlier and to customize their offers. Another interesting finding in the area of CRM processes is that one company, Scania has used forward integration in order to gain control over daily operations and obtain customer information, which facilitates customization.

Independently of how we describe the CRM processes in a Swedish company as function oriented or action oriented, we can clearly state that Swedish companies has accepted and implemented the processes that is a condition for handling customer as individuals and not as a part of segment, i.e. the companies has gained a base for implementing a customer centric view in its operations.

The Third Research Question. Finally, we will answer our last research question that is: “How is the organization affected by the introduction of CRM in Swedish companies?”

When comparing the five case study objects, that all stipulates to be involved in CRM activities, it may come as a surprise since many of the theoretical proposed variables by Galbraith & Kazanjian (1986), McDermott in Peppers & Rogers (1999) and Swift (2001) were not fully affected when using CRM in the companies. We can therefore conclude that the organizational structure in Swedish companies has not been affected by the use of CRM to any larger extent.

We can conclude that the organizational design variable by Galbraith & Kazanjian (1986), that have been most affected is *people* and especially in the area of training and education trying to implement a customer focus. However, this effort has been mostly targeting market and sales personnel and not the entire company work force. This weakness will result in that CRM will work as a sales support system, not as the total business concept it is intended to be.

In the area of organizational change variables by McDermott in Peppers & Rogers (1999), we can conclude that two organizational change variables, *automation* and *training and education* are affected within Swedish companies when using CRM. We can also conclude in this area that the majority of companies have not taken any actions towards changing the organizational structure or employee structure that the organizational change variables, *attrition* and *reorganization* suggests. Steps in these directions would ease the transformation towards the customer centric company.

The CRM marketing organization roles in Swedish companies differs from the theoretical propositions by Swift (2001). We can conclude that Swedish companies have not adapted to the theoretical suggestions in this area. Further conclusions can be drawn from this fact, which shows that the roles in Swedish companies marketing organization still are highly transactional-oriented.

Overall conclusions. We have in this thesis made three main findings. Firstly, Swedish companies have well developed objectives with CRM that exist within the three classification areas, *cost saving*, *revenue enhancement* and *strategic impact*. Secondly, Swedish companies have accepted and implemented CRM processes that is a condition for the transition to a customer centric company. Thirdly, the organizational structure in Swedish companies has not been affected by the use of CRM due to that Swedish companies have not adapted to the CRM business framework. Today, Swedish companies mostly use CRM as a sales and marketing support system.

7.2 Recommendations for Management

After concluding this thesis, we have come up with a number of issues we feel can be beneficial to the company manager interested in receiving knowledge in this area. These recommendations are listed below:

- *Success factor.* Managers must understand the importance of customer relationship in their operations and view CRM as a vital tool to become successful. The first step is to understand that the CRM framework is something that involves the whole company's organization and business, and not just the marketing and sales function.
- *Continues learning processes.* Many companies rely on old business frameworks and claim that they are customer focused and use clichés like “with the customers best in our mind” as a way to state their position. In becoming truly customer focused they need to create a process that enables the organization, as a whole to continuously learn from its customer.
- *Customer information.* To be able retain a true picture of the customers need and wants; it is necessary to have an information system that register all interaction. More over, this system must enable the transfer of customer information across distribution channels and country borders.
- *Customization.* The integration of production and logistic functions into the marketing process is almost a prerequisite for a customer centric handling of customer interactions and customization in a company.
- *Organizational change.* Independently of how far a company has got in there strive towards a customer centric handling of customer relations; it is necessary to create awareness for organizational change. This is due to that the company sooner or later will face the need for an reorganization as a response to the gained customer knowledge and to the new business opportunities that it enables.

7.3 Recommendations for Theory

In the analysis chapter we were able to see how well the literature used agrees with the findings in our research. The literature corresponds rather well with what we have been able to find out, but we do have findings that constitute our implications for theory. We have deductively formulated our purpose and research questions, based on previous studies by numerous authors. We have in this thesis described, explored and begun to explain how Swedish companies use CRM. We have studied the objectives, the processes and how the organization is affected by CRM in five different case studies.

This thesis contributes to theory in that it provides an empirical investigation as to how established theory regarding customer relationship management relates with how CRM is used in Swedish companies. Since there are very limited amount of studies focusing on how CRM is used in not only Swedish companies, this thesis provides a foundation from which further studies may be done.

7.4 Recommendations for Further Research

While conducting this research, some interesting subjects for further research have turned up. Firstly, it would be possible to concentrate on one variable within the CRM processes, for example the customer interaction and investigating it in depth during the customer communication in a variety of interaction channels. By investigating a single variable in depth one might be able to obtain a more detailed picture of CRM affect the interaction processes.

Another topic for further research is to make an investigation based on quantitative data. To do a quantitative research would make it easy to get a clear picture of what direction the CRM framework is striving towards in a larger setting. Another data collection method that could be used is participant observation. To participate in a company's interaction process for a certain time period could provide the investigator with an in-depth understanding of how customer relationships are processes are managed in practice.

Finally, it would be interesting to study the outcome of CRM in a customer relationship in terms of satisfaction, trust, value, and loyalty. In writing this thesis, a number of different issues have come up, which we feel would be interesting to see future research done upon. Hence, we will now present a list of suggestions for future research that we think are suitable topic for a future thesis.

- To perform the same study on small- and mid-sized companies in different line of industries.
- To perform a study on the organizations inclination to change due to a more customer focused approach.
- To perform a study focusing on how the organization structure are transforming to become more customer centric.

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Interviews

Andersson, Lennart B. *CRM Project Manager*, FöreningsSparbanken 11th of December 2001.

Rudén, Jan. *Vice President Nordic Sales*, SKF 13th of December 2001.

Pusic, Göran. *CRM Project Manager*, SEB 13th of December 2001.

Grufman, Lars. *Customer Information Manager*, Scania 19th of December 2001.

Lilienberg, Anders. *Chief Marketing Officer*, Skanska 21st of December 2001.

Intervju guide

Allmänt

Företags namn:

Anställda:

Respondentens namn:

Respondentens position:

Målsättningar med CRM

1. Vad/vilka är era målsättningar med CRM?
 2. Varför är dessa målsättningar viktiga för ert företag?
 3. Har ni som målsättning i CRM arbetet:
 - Att öka försäljnings intäkter, då mer tid kan spenderas hos kunderna, då mindre tid används för informationsinhämtning om kunder?
 - Att öka antal lyckade affärer, då företaget kan dra sig ur ofördelaktiga eller dåliga affärer tidigare i försäljningsprocessen?
 - Att öka marginaler, då bättre kunskap om kunden ger ett mervärde samtidigt som rabatter ej erfordras?
 - Att öka kund tillfredställelsen eftersom kunderna finner att erbjudandena är i linje med deras behov?
 - Att minska försäljnings- och marknadsföringskostnader eftersom kunskapen om kund segmenten är förbättrad. Därigenom kan företaget använda sina resurser effektivare då ingen åtgärd är slöseri med tid eller pengar?
 - Att bygga personliga relationer med kunden, vilken i sin tur skall ge feedback?
 - Att nå skalekonomiska fördelar genom mass customization?
 - Att genom after-sale service/support skapa lojala kunder?
 - Att identifiera de väsentliga kundvärdena för ett speciellt segment?
 - Att förstå den relativa vikten av dessa kundvärden i varje kund segment?
 - Att bestämma om leverans av dessa kundvärden kommer att ge en positiv effekt?
 - Att kommunicera efter hur kunden vill ha informationen, och leverera rätt värde till varje kund?
 - Att mäta resultat och avkastning på investeringar?
-

- Att introducera oföränderliga, kopierbara processer och tillvägagångssätt.
- Att använda existerande kundrelationer till att öka intäkterna.
- Använda integrerad information för att ge utmärkt service.

Uppskattning av målsättningar med CRM

Målsättning	Ingen	liten	medium	stor
Öka försäljningsintäkter				
Öka antal lyckade affärer				
Öka marginaler				
Öka kund tillfredställelsen				
Minska försäljnings- och marknadsföringskostnader				
Bygga personliga relationer med kunden				
Nå skalekonomi via mass customization				
Skapa lojala kunder via after-sale service/support				
Identifiera de väsentliga kundvärdena för ett speciellt segment.				
Förstå den relativa vikten av dessa kundvärden i varje kund segment				
Bestämma om leverans av kundvärden kommer att ge en positiv effekt.				
Kommunicera och leverera rätt värde till och på ett sätt kunden vill ha informationen på.				
Mäta resultat och avkastning på investeringar				
Introducera oföränderliga, kopierbara processer och tillvägagångssätt.				
Använda existerande kundrelationer till att öka intäkterna.				
Använda integrerad information för att ge utmärkt service				

4. Har ni några andra målsättningar med CRM?

CRM processer

1. Är ert företag transaktionsorienterat eller relationsorienterat, varför?
 2. Vad är de viktigaste aktiviteterna i er förvaltning av kundbasen?
 3. Är kunden en aktiv eller passiv part i försäljningen?
 4. Hur är produktion och logistik funktionerna inblandade i marknadsfunktionen?
 5. Hur tar företaget tillvara på information från kunden?
 6. Hur har företaget tillgång till kundinformation genererad i distributionskanalerna?
-

7. Hur ser er kundanalysprocess ut?
 - (steg – typ av information - syfte)
8. Vad fokuserar er marknadsplanering mot?
9. Hur planeras interaktion med kunden?
 - (kanal – kundanpassning - etc.)
10. Hur används information som erhållits från interaktionen med kunden?

CRM organisation

1. Hur har CRM påverkat er organisationsstruktur?
 - (arbetsuppdelning, avdelningar, form, maktfördelning)
 2. Hur har CRM påverkat er informations och beslutsprocess?
 - (planering och verksamhetsstyrning, budgetering, uppföljning)
 3. Hur har CRM påverkat era belöningssystem?
 - (kompensation/befordran)
 4. Hur har CRM påverkat HRM?
 - (rekrytering och urval, omplaceringar, utbildning)
 5. Hur har CRM påverkat förhållandet mellan organisationsenheter?
 - (ömsesidigt beroende, skiljaktigheter, motsättningar)
 6. Har ert företag vidtagit åtgärder som går mot det ”papperslösa kontoret”?
 7. Har ert företag vid nyrekryteringar ansträngt sig för att anställa kundorienterade personer?
 8. Har ert företag genomfört några organisations förändringar vid eller efter införandet av CRM?
 9. Har ert företag tränat eller utbildad personalen på CRM?
 - (vilka anställda och hur)
 10. Har företaget en ledningsstil som ger de anställda en möjlighet till självstyre i sitt ansvarsområde?
 11. Har CRM påverkat roll fördelning vid er marknadsföringsorganisation?
 12. Hur ser roll fördelningen ut?
 - vem koordinerar marknadsförings processen ?
 - vem identifierar den rätta kunden och affärsmöjligheter ?
 - vem skapar de rätta erbjudandena gentemot kunden ?
 - vem bestämmer när erbjudandet skall presenteras ?
 - vem hanterar interaktionen med kunden ?
-

Interview guide

General information

Company name:

Employees:

Name of the respondent:

The respondent's position:

CRM Objectives

1. What is /are your objective/s with CRM?
 2. Why are these objectives the most important for your company?
 3. In the process of CRM, is one of your objectives?
 - To increase sales revenues, resulting from spending more time with customers, which results from spending less time collecting information about the customer.
 - To increase win rates, since the company withdraws from unlikely or bad deals earlier in the sales process.
 - To increase margins, resulting from knowing your customers better, providing a value-sell, and discounting price-less.
 - To improve customer satisfaction rates due to that customers will find that the offer is more in line with their specific needs.
 - To decrease general sales and marketing administrative costs due to that the company has a good knowledge about its target segment customers. Thereby the company is using its resources better when no effort is a waste of money or time.
 - To build personal relationships with the customer, which will provide the company with feed back.
 - To reach economies of scale by mass customization.
 - To assure customer loyalty by providing after-sale service/support.
 - To identify those customer values that are pertinent to a particular segment.
 - To understand the relative importance of those values to each customer segment.
 - To determine if delivery of those values will affect in a positive manner.
 - To communicate and deliver the appropriate values to each customer in ways the customer wants to receive the information.
 - To measure results and proving return on investments.
-

- To introducing consistent, replicable processes and procedures.
- To use existing customer relationship to grow revenue
- To use integrated information for excellent service

Valuation of objectives with CRM

Objectives	None	Minor	Medium	Major
Increase sales revenues				
Increase win rates				
Increase margins				
Improve customer satisfaction				
Decrease general sales and marketing administrative costs				
Build personal relationships				
Reach economies of scale by mass customization				
Assure customer loyalty by providing after-sale service/support.				
Identifying those customer values that are pertinent to a particular segment.				
Understanding the relative importance of customer values to each customer segment.				
Determining if delivery of customer values will affect in a positive manner.				
Communicating and delivering the appropriate values to each customer in ways the customer wants to receive the information.				
Measuring results and proving return on investments				
Introducing consistent, replicable processes and procedures.				
Use existing customer relationship to grow revenue.				
Use integrated information for excellent service.				

4. Do you have any other objectives with CRM?

CRM processes

1. Is your Company transaction or relationship oriented, why?
 2. What is the most important activity in your custodian of the customer base?
 3. Is the customer an active or passive part in the sales process?
 4. How are the production and logistics functions involved in the marketing process?
 5. How does the company take use of the information received from the customer?
 6. Do the company have access to customer information generated in distribution channels?
-

7. How is your customer analysis process structured?
 - (phases – types of information - purpose)
8. What are the focuses with your market planning?
9. How is the customer interaction managed?
 - (channel – customization - etc.)
10. How are the customer information received from the interaction used?

CRM organization

1. How has CRM affected your organizational structure?
 - (Division of labor, departmentalization, shape, distribution of power)
 2. How has CRM affected your information and decision process?
 - (Planning and control, budgeting, performance measuring)
 3. How has CRM affected your reward systems?
 - (Compensation/promotions)
 4. How has CRM affected HRM?
 - (Recruitment and selection, transfer promotions, training and development)
 5. How has CRM affected the relationship between organizational units?
 - (Interdependency, diversity, uncertainty)
 6. Has your company taking any action towards the creation of the paperless office?
 7. Has your company focused on recruiting customer-focused employees?
 8. Has your company made any organizational changes due to the implementation of CRM?
 9. Has your company trained or educated the personnel on CRM?
 - (Whom an how)
 10. Has the company a management style that enables empowerment?
 11. Has CRM had any impact the roles in the marketing organization?
 12. How do the roles in the marketing organization look likes?
 - Who coordinates the business process?
 - Who identifies the right customer and business opportunity?
 - Who creates the right offer towards the customer?
 - Who decides when the offer shall be presented for the customer?
 - Who manages the customer interaction?
-