

A Preliminary Investigation of the understanding and implementation of CRM systems in Cyprus.

Ria Morphitou
Assistant Professor
University of Nicosia

Contact Person

Ria Nicoletti Morphitou
46 Makedonitissas Ave., P.O. Box 24005, 1700 Nicosia, Cyprus
Tel. 00357 96280128
E-mail: morphitou.r@unic.ac.cy

A Preliminary Investigation of the understanding and implementation of CRM systems in Cyprus.

Abstract

A customer relationship management system, by its simplest definition, is a process to compile information that increases understanding of how to manage an organization's relationships with its customers. In this simple view, a CRM system consists of two dimensions, analysis and action (Cram, 2001).

An independent research and consulting company defines CRM as a management approach that enables organizations to identify, attract and increase retention of profitable customers by managing relationships with them. In other words CRM is a combination of people, processes and technology that seeks to understand a company's customers. It is an integrated approach to managing relationships by focusing on customer retention and relationship development. (Chen, Popovich, 2003)

This paper aims, through extensive literature review and primary research, to give a clear view of how local companies perceive CRM. Our main purpose is to find out how, and in what extend do companies in Cyprus develop and implement a CRM strategy since there is no available published data on the topic. It is obvious that this preliminary report will be followed by extensive research. A major limitation of this paper is the unwillingness of a great number of respondents to participate in this project.

As a general concluding comment we could say that companies in Cyprus apply some relationship marketing principles but their efforts are **not** based on a strategic plan. Only two out of the ten organizations who responded to our interviews have a solid, documented CRM strategy. The actions / methods that most companies use in relation with customer relationship management are mostly result of a "spur of the moment" by individuals, either managers or sales staff. It can be easily concluded that most Cypriot companies operate towards CRM in an unplanned way.

Key Words

Customer Relationship Management, Loyalty, Retention,

Methodology

Drawing on the above theoretical framework, a review of the purposes of the present study suggests the use of qualitative methods is appropriate. The reason for that is that the aims are **exploratory** - to investigate how private companies in Cyprus perceive CRM and also in what extend they develop and implement a CRM strategy. They are also **explanatory**- to clarify the advantages for implementing a CRM strategy. Furthermore, the purposes of this research are also descriptive to an extent as it intends to provide a clear picture of the existing situation in the examined background.

Research was based on both primary and secondary sources. Field study, in particular personal interviews through the use of a structured questionnaire was considered to be the most appropriate method for collecting primary data. The respondents were either the general managers or marketing managers of the organizations. In total 10 companies have responded to our inquiry.

The initial aim of this project was to collect opinions from those individuals who are, or should be, highly involved in the planning of a CRM strategy within their organizations. To identify which individuals were the most suitable for the interviews two main questions were posed:

1. Is the potential interviewee knowledgeable about the topic?
2. Does the potential interviewee have substantial background information about the organisation and in particular about the examined issues of CRM?

The information provided by the interviews covers all the research issues. However, questioning also a sample of other business organizations would add to a more objective picture of the current situation. In order to gain a more rounded view on how familiar with the concept and implementation of CRM organizations in Cyprus are, questionnaires have been handed personally to the directors of various business organizations of the island. Out of the

17 companies that were asked to take part in the research project only 10 responded which actually opportunity in sampling. Out of the ten respondents, three were Marketing Managers in Banks and the other seven Marketing Managers in chain retail stores. The low response rate is still an indication of how managers in Cyprus perceive CRM in Cyprus; as something secondary. The semi structured questionnaire used comprised by both close-ended and open ended questions, so as the respondents could answer it easily even if they were not familiar with CRM principles. Such knowledge is essential in deciding the most suitable strategy for the successful implementation of relationship marketing principles. It is necessary to stress here that in Cyprus the majority of organizations are small, family run firms where the manager/owner is a family member without necessarily a business background or education.

The time limits of both parties- researcher and respondents- was a decisive factor in selecting questionnaires with closed ended questions as the method for gathering information from them, rather than interviews. The type of interview was the semi-structured one because the purpose was to maintain a balance between a free-flowing and a directed conversation. This type has an overarching topic, general themes, targeted issues and specific questions, with a predetermined sequence for their occurrence but the researcher has the discretion to pursue any other issues that emerge.

The questionnaire comprised of background questions, in order to collect demographic information, and also of attitudinal questions. Also, an introductory statement explaining the nature and the purpose of this research was included in interviews and questionnaires as well in order to inform the respondents about this study. It was also emphasised that all the sensitive information passed to the researcher would be treated with confidentiality and that anonymity would be kept. The companies were under no obligation to participate as it was on a voluntary basis. The questionnaires were administered in person by the researcher. It was decided that the type of questions that were most appropriate for the exploratory purpose of this study were close-ended questions.

Background

Many years ago retailing of anything (groceries, fruit, clothes, banking etc) was very personal. The people providing the services/products would know their customers intimately, their special requirements and treat them different (Russel-Jones, 2002). To survive in

today's dynamic marketplaces, companies clearly need to establish strategies that can survive the turbulent changes in the market environment. Recent advances in technology along with changes in legislation have meant that distribution channels are now much more complex than they used to be.

Customer relationship management is not a new concept. In the beginning banking was founded wholly within this concept. In the last 30 years or so though, the concept was eclipsed since much of the customer focus was lost as organizations were preoccupied with mergers, recession, new technologies and regulation (Russel-Jones, 2002). Customers lost their uniqueness, as they became an "account number" and shopkeepers lost track of their customers' individual needs as the market became full of product and service options. (Chen and Popovich, 2003). Recently however-driven by the increasing complexity of the market and increasing competition-CRM has been rediscovered as a major tenet of customer retention (Russel-Jones, 2002). Many companies today are racing to re-establish their connections to new as well as existing customers to boost long-term customer loyalty. Some companies are competing effectively and winning this race through the implementation of relationship marketing principles using strategic and technology-based customer relationship management applications. (Chen and Popovich, 2003)

It is important to note one of the key precepts underpinning a supplier-buyer relationship: "As a supplier you have no right to expect that buyers will continue forever to take your offerings." You have to earn that right and keep on demonstrating that you are still worthy to supply them (Russel-Jones, 2002).

It is also essential to understand that acquisition of new customers is not the same as retention. Acquisition is necessary to build share initially since it is the first relationship that potential customers have with you. Retention though, has completely different drivers. Satisfaction with the service/products and trust in the organization and its staff are the main factors here. Nonetheless, it costs five times more to acquire a new customer than to retain an existing one.

Building a relationship program in a company requires hard work. There are certain steps that have to be followed in the correct order so as to achieve the desirable outcome. Firstly, an identification of key customers has to be done. Here the company must identify and select its

largest or best customers. Then the person currently serving the customer should receive training on relationship management or be replaced by someone more skilled in that area. It is very important that the relationship manager has certain characteristics that are similar or appealing to the customer. This will make a stronger bond. Thirdly, we have the development of a clear job description for relationship managers. Here their reporting relationships, objectives, responsibilities and evaluation criteria are described. These persons must not have many customers assigned to them because it will be very difficult to satisfy them all and it might result to losing vital customers. After this, each manager must develop annual customer relationship plans that would state objectives, strategies, specific actions and resources required for each customer. Finally, the company must appoint a person who will be in charge of all those relationship managers. He/she will have to develop job descriptions, evaluation criteria and resource support to increase effectiveness. (Kotler *et al.*, 2005: 480)

It is important to note that relationship marketing is not meant for every customer that a company has. The aim is to recognize those customers on which you can invest and meet their needs in a more profitable and effective way than competitors.

Organizations come face to face with customer information every day through touch points. These points have to do with every contact between the customer and the organization which means customer purchases, sales force contacts, service and support calls, website visits, satisfaction surveys, credit and payment interactions or even market research studies. (Kotler *et al.*, 2005: 481)

If information at touch points is collected frequently then the company can create its own customer database, in other words use customer relationship management (CRM). According to Andrian Payne (2007: 18), Customer Relationship Management is often used interchangeably with the terms “relationship marketing”, “customer relationship marketing”, “customer management”, “customer managed relationships” etc. A more detailed definition of CRM will be given in the next chapter but in simple words, CRM consists of sophisticated software and analytical tools that integrate customer information from all sources, analyze it in depth, and apply the results in order to build stronger customer relationships (Kotler *et al.*, 2005: 481).

Literature Review

Customer service defined as the set of behaviours that a business undertakes during its interaction with its customers. It can also refer to a specific person or desk which is set up to provide general assistance to customers, or the predominant process for creating and sustaining customer loyalty as well as promoting customer retention (Internet website 1). Another definition of customer service is the overall activity of identifying and satisfying customer needs. This term can be used in three different ways:

- I. As a difference of 'products', where products are tangible things. Services are intangible things like a taxi journey, a hair-cut, or advice on insurance.
- II. As an extra you get when you buy a product. You buy a new computer and the shop will 'service' it for you – that is, it will make sure the computer will carry on working well.
- III. As a general description of the desired relationship between a supplier and a customer. 'Service' in the sense is based on the principle that every commercial transaction is a service (Internet website 2).

When a customer visits a local retailer to buy sanitary ware, they are able to benefit in some cases from the additional service of having the products installed from them or even hope for getting a good 'service' from the retailer, who will be happy to help them with advice about the properties of different types of sanitary ware, payment terms, delivery etc.

One of the most important ingredients of the marketing mix for products and services is customer service. High quality customer service helps to build customer loyalty. Customers today are not only interested in the product they are being offered but all the additional elements of service that they receive from the greeting they receive when they enter a retail outlet, to the refund and help that they receive when they have a complaint about a faulty product that they have paid for (Internet website 3).

More formally, CRM is a business strategy that uses information technology to provide an enterprise with a comprehensive, reliable, and integrated view of its customer base so that all processes and customer interactions help maintain and expand mutually beneficial relationships. CRM thus is a technique or a set of processes designed to collect data and provide information that helps the organization evaluate strategic options (Edelstein, 2001).

It brings together lots of pieces of information about customers, customer characteristics, sales transactions, marketing effectiveness, responsiveness, and market trends (Fickel, 1999). A CRM strategy should help organizations improve the profitability of their interactions with current and potential customers while at the same time making those interactions appear friendlier through individualization and personalization (Edelstein 2001).

CRM has evolved from advances in information technology and organizational changes in customer-centric processes. Companies that successfully implement CRM will reap the rewards in customer loyalty and long run profitability (Chen and Popovich, 2003).

The need for CRM is underlined by the following three observations:

- Some customers are more profitable than others - some lose you money
- Loyal customers are more profitable - new customers cost 5 to 10 times more to acquire
- Customers expect relationships - companies rarely provide them

A company has to create customer relationships that deliver value beyond the provided by the core product. This involves added tangible and intangible elements to the core products thus creating and enhancing the “product surround” (Zineldin, 2000).

Customer delivered value can be defined as the total value offered to a customer less the total cost to the customer. Total customer value can include functional value of the product, service value, emotional value, social value, conditional value, and epistemic value, and image. On the other hand, total customer cost can include monetary price, time, shopping efforts, energy and psychological cost value.

Now, more than ever, flexibility and effectiveness in business are key elements. A CRM package that fitted your business a decade back may now be hopelessly inadequate.

Companies have to think again if they once rejected CRM because of the costs involved. New, responsive systems can be cheaper than your competitor's current maintenance bill. And new systems can be a great way of addressing the main points in your business, delivering results fast. However, don't think of CRM as a quick fix, it's a strategic tool that impacts the

heart of your business, so you need to set goals and then measure the business benefits (Zineldin, 2000).

Data mining can discover patterns of customer behaviour that human analysts would not spot. Technology is widely used by retailers, who create massive repositories of customer data, purchases, names, addresses, income levels and so on, in order to analyse people's buying habits on a giant scale.

Why? Because that gives them a powerful tool to predict future customer patterns and thus either match business initiatives against the patterns or create new products and services that the data suggests would be popular.

Four survey results related to CRM applications in UK companies showed that major considerations for companies using CRM is to improve customer satisfaction level, to retain existing customers and to improve customer lifetime value. Providing strategic information from the CRM systems appears less important than improving satisfaction level and customer lifetime value (Xu and Walton, 2005).

Relationship marketing is the on-going process of identifying and creating new value with individual customers and then sharing the benefits of this over a lifetime of association. It involves the understanding, focusing and management of on-going collaboration between suppliers and selected customers for mutual value creation and sharing through interdependence and organizational alignment (Convergence Management Consultants Ltd, 2008). In simpler words, it is a marketing strategy designed to achieve long-term relationships with customers, suppliers, and distributors to improve overall profitability and success. (AllBusiness.com, 2008)

Collaborative CRM

Collaborative CRM aims to get various departments within a business, such as sales, technical support and marketing, to share the useful information that they collect from interactions with customers. For instance, feedback from a tech-support center could be used to inform

marketing staff about specific services and features requested by customers. Collaborative CRM's ultimate goal is to use information collected from all departments to improve the quality of customer service, and, as a result, increase customer satisfaction and loyalty. (Inside CRM, 2008)

According to Payne (2006: 24), while operational and collaborative CRM historically had the greatest emphasis, companies are now more aware of the need for analytical CRM in order to enable better optimization of their customer-facing activities and create value both for the customer and the enterprise.

e-CRM

E-CRM refers to the use of e-commerce tools or electronic channels in CRM (Payne, 2006: 24). Channels, through which companies can communicate with their customers, are growing each day, and as a result, acquiring their time and attention has turned into a major challenge. One of the reasons e-CRM is so popular nowadays is because digital channels can create unique and positive experiences – not just transactions – for customers.

According to Kincaid (2003: 59-60), the internet is a powerful tool for most companies, if they know how to take advantage of it of course. Customers prefer it because they get more information and greater control, something that they seem to like. In addition, the internet is an extremely cost effective medium for delivering customer interactions. Automating elements of sales, order-taking, customer service and support make great economic sense.

These days a new subcategory of e-CRM is emerging, mobile CRM or mCRM. Although e-CRM allows customers to access company services from various places, since the internet access points are increasing by the day, mCRM makes it easier for customers or managers to access the systems for instance from a mobile phone or PDA with internet access, resulting in high flexibility. For example, several banks give the opportunity to their customers to learn their remaining account balance through a simple sms on their mobile when they withdraw money from their accounts.

When and Why CRM fails

Organizations have been implementing such systems for almost a half century. However, successful implementation is elusive to many companies, mostly because they do not understand that CRM requires company-wide, cross-functional, customer-focused business process re-engineering. Early (2002) noted that 75 to 85 percent of CRM implementations fail. Bain's 2001 survey of management tools ranked CRM in the bottom three for satisfaction out of 25 popular management tools (Rigby et. al., 2002), while Kehoe (2002) found that up to 20 per cent of business executives claim that CRM initiatives had damaged customer relations.

Based on both, the successes and failures that have been experienced, several problems that implementing firms face are identified. Some of these problems are caused by a failure to provide the proper focus for the project, and some are caused by a failure to develop the system in the proper way.

Failure to develop the system the proper way

Both management and the developers contribute to errors made in developing the system once the project gets underway. These errors take the following form:

- The developers lack the required technical knowledge and skills. If it is clear from the outset that sufficient CRM, data warehousing and data mining expertise does not exist within the organization then outside specialists should be added to the team.
- The developers fail to define all the risks and begin by selecting development tools rather than by defining functional requirements and system objectives. Both, management and the developers should agree on the scope of the project. This determination is influenced by the goals and objectives of the new system, by system and project risks that the developers face, and by time and resource constraints.
- CRM initiatives require vision and each and every employee must understand the purpose and changes that CRM will bring. Re-engineering a customer-centric business

model requires cultural change and the participation of all employees within the organization. Some employees may choose to leave and others will have positions eliminated in the new business model. Successful implementation of CRM means that some jobs will be significantly changed. Management must show its commitment to an ongoing company-wide education and training program. In addition to enhancing employee skills and knowledge, education boosts motivation and commitment of employee and reduces employee resistance (Chen and Popovich, 2003).

- The developers fail to recognize the importance of quality and overlook the importance of privacy and security. The performance criteria are measures of what the users expect from the system in terms of speed, quality, security and privacy. The developers should conduct a feasibility study to consider how feasible the system is in terms of technology, economic justification, legal and ethical issues, and the time schedule.
- Managers and the developers fail to perform a post-implementation evaluation. It must be ensured that job evaluations, compensation programs, and reward systems are modified on a basis that facilitate and reward customer orientation. After all, how people are measured will determine their behaviour.

Research Findings

Based on the answers of the respondents, we tried to search for the deeper messages that derive from this survey.

Based on the findings of our research, 5 of the companies defined CRM as a combination of people, processes and technology that focuses on decreasing a company's costs and maximizing profits by retaining existing customers and acquiring new customers. This shows that, in general, the definition of CRM and its objectives are not so familiar to most companies in Cyprus. Objectives mentioned in the last two definitions give a more appropriate view to what CRM actually is. Acquiring new customers and decreasing costs is not a CRM objective. Instead, the collection of data related to customers and understanding

of their needs and demands are essential elements towards CRM development that will improve customer satisfaction level and customer lifetime value.

Moreover, only 3 of the respondents stated that their company has a CRM strategy. At the same time, the majority (9), of the companies agreed that CRM should be part of every company's strategic plan and only 1 stated neutral. Everyone though agreed that there is a direct link between CRM and profit. The question is, if they really believe that why don't they do something about it?

Lastly from the three companies who stated that they already have a CRM strategy, only one started to implement before 1970 whilst the other two started after 2000.

In the second part the questions: "How important do you consider the following to the deployment of a CRM culture in your company?", was posed for a number of principles. The respondents were asked to evaluate each one of the sixteen statements (on a scale 1-5, 5 being the most important) based on their company's commitment to each one of them.

A detailed analysis of the findings is presented below:

"Select the most advanced CRM software. Technology is the magic wand that will guarantee success."

Nine of the respondents stated that the selection of the most advanced software is not the most important factor for the successful operation of a CRM system. Six of those valued it as highly important. Indeed, technology is not the magic wand that will guarantee success; it is mostly up to the cultivation of a CRM culture amongst the management and the employees.

Retain current customers and generate repeat orders

Six of the respondents valued this statement as very important (mark 5) while the other three ranked it as important (mark 4). Customer retention is one the basic principles of CRM and it should be a priority for every company. Even though the results in this question demonstrate that they do understand the importance of repeat purchases, we will see in the following questions that they do not fully understand how to achieve it.

Attract new customers

The fact that it costs 5-10 times more to acquire a new customer than retaining a current customer didn't seem to bother our respondents since five ranked the acquisition of new customers as 'very important' to the deployment of a CRM culture in their company. No one disagrees that it is important for every organization to increase their customer portfolio. But as CRM is concerned the main objectives are the increase of customer satisfaction and increase of the lifetime value of current customers

Ensure that top management is aware of CRM strategies and is capable of giving strong executive support.

For this statement opinions vary. Some consider it not important, some are neutral and for some it is a main concern. The truth is that customer-centric management requires top management support and commitment to relationship marketing principles throughout the entire CRM implementation. Unfortunately they did not completely realise that implementing a CRM strategy should be a philosophy within the organization and not a mere promotional tool.

Give emphasis on HRM – Recruitment and training of new and current employees.

As it was mentioned before, an organization that cannot understand that CRM ultimately depends on the quality of its employees will never succeed. Seven of the respondents share this belief while there is also a small percentage that doesn't.

Most companies value their employees and place a lot of emphasis on their training and development, and also acknowledge and reward their employees, which is important for a healthy working environment.

Focus on internal marketing and particularly front-line employees

The front line employees are the ones who come to a direct contact with the customers. Again eight of the respondents value this statement as 'important' and 'very important'. This question justifies what some of them stated earlier.

Focus on valued customers

Eight of the respondents believe that their company should focus on valued customers while the other 2 think that all customers should be handled the same way. The main belief is that different customers should be treated differently. Employees should have specific instructions about how valued customers are to be treated and what sort of flexibility for decision-making do they have. The ultimate objective is to make sure that the particular customer is handled with the appropriate level of care.

Welcome complaints. Give your customer a voice.

Complaint management is a topic that wasn't discussed in detail in this paper. Although it is considered to be important, especially in customer win back situations. Seven of the respondents stated that customer complaints should be a main concern for their companies.

Focus on costs, products and organization.

As far as CRM is concerned focus should be on the customers. Five of the respondents valued this statement as important for CRM deployment while the other five are neutral.

Maintain customer data base. Keep contact info and track all contact events.

Eight of the respondents highlight the importance of maintaining a customer data base. Firms cannot claim a customer focus or attempt to satisfy customers unless they have customer knowledge. Through data warehousing technology companies can associate and transform customer data into customer intelligence that can be used to form a better understanding of customer behaviour. Customer data includes all sales, promotions, and customer service activities.

Use customer info in your day-to-day operations to build relationships.

Same comments apply for this statement. Eight out of ten respondents believe that customer information should be used by their companies in their daily operations to build relationships.

Analyze root causes of defections. Understand why customers are leaving the company.

The big majority of the respondents seven stated that it is very important for their companies to know why customers are leaving them. Such information would enable them to take corrective measures so as to avoid similar incidents in the future or shift to win back strategies. Unfortunately they have not set up a system to monitor the reasons(s) why customers leave.

Create employee loyalty.

Only six of the respondents noted that employee loyalty is important to the successful deployment of CRM culture within their organizations. Kind of unexpected response since a loyal employee would do anything in his/her power to satisfy a customer in order for his/her employer to be happy. Training can surely develop an employee's abilities but it does not ensure that he/she will perform well unless he/she is happy with the working environment and feels obligated against the company to serve its customers the best way possible. Employee loyalty is a critical factor for CRM.

Reward employees on the basis of number of sales or transactions completed.

A loyal employee shouldn't need this kind of motives to perform well. Although, 4 of the respondents stated that rewarding employees on the basis of the number of sales is a good way to improve their performance. The majority of the respondents though stated neutral. This strategy may create problems in the working environment if employees get competitive.

Differentiate- offer something distinctive to the customers.

Whether a company can offer something distinctive to its customers depends on the kind of industry that is engaged. For companies that provide not only goods but also services it is a good strategy to follow. Most of the respondents (seven) agreed with that statement. Every customer wants to feel special and important. With the right approach and marketing efforts this can be achieved.

Think of the lifetime value of each customer and build a good relationship

Seven of the respondents answered that the lifetime value of each customer should be taken into consideration and the creation of a good relationship should be pursued.

Emphasis should be given on the customers who have a good strategic value (potential share of customer) to the company. Personalised campaigns could be created for these groups of customers.

Conclusions

Research showed that companies in Cyprus generally apply some relationship marketing principles but their efforts are not based on a strategic plan. Referring to our research objectives, it demonstrates that our respondents generally do understand the need and importance of CRM but they do not essentially have the background to implement it effectively yet. All the respondents though agreed that there is a direct link between CRM and profit. The question is if they really believe that why don't they do something about it? Eight of the companies that responded to the questionnaire operate towards CRM in an unplanned way. The main driving force of the current implementation of some CRM applications appears to be improving operational efficiency, rather than acquiring strategic customer information. The provision of analytical CRM solutions in Cyprus is limited to some large organizations mainly banks and retail chains. It is suggested that CRM systems should enhance not only an organization's ability to interact, attract and build one-to-one relationships with customers but also the ability to gain customer knowledge.

In order to have a successful CRM system, companies must invest in up-to-date technology. This will give them the opportunity to respond faster and provide better service. But some companies over-rely on technology and they forget that at the end of the day, CRM has to do with people and depends a lot on the quality of their employees' work. Merely relying on a technological solution or assuming that a high-tech solution is better than a low-tech one, is a costly pitfall.

The success of a CRM strategy is often measured in terms of customer retention – sometimes referred to as customer loyalty, customer share development – for example the proportion of customer purchases in a particular product or service category a marketer can capture- and customer advocacy (word of mouth). Researches have found that in order to increase the above terms, a CRM strategy needs to enhance customer's behavioral and affective commitment towards the market. (Menon and O'Connor, 2007: 158)

References

1. Chen I. J., Popovich K. (2003), “ Understanding Customer Relationship Management (CRM)- People, processes and technology”, Business Process Management Journal, Vol.9 NO. 5, PP.672-688
2. Cram T. (2001), “Customers that count”, London Financial Times-Prentice Hall, Vol.12
3. Early, R. (2002), “How to avoid CRM graveyard”, Customer Inter@action Solutions, Vol.20, No 12, pp125-158
4. Edelstein (2000) Edelstein, H. (2000). Building profitable customer relationships with data mining. In: (SCN Education B.V. (Ed.), 2001),
5. Fickel, L. (1999), "Know your customer", CIO Magazine, Vol. 12 No.21, pp.62-72.
- Goldenberg, B. (2000), “What is CRM? ...
6. Kehoe, L. (2002). “Long live e-business: software is finding a new role in helping companies to share information effectively”, Financial Times, March, p.14
5. Kincaid, W. J. (2003), Customer Relationship Management: Getting It Right!, New Jersey: Prentice Hall PTR
6. Kotler, P., Wong, V., Saunders, J., Armstrong, G. (2005), Principles of Marketing, Fourth European Edition, Essex: Pearson Education Limited
7. Menon, K., O’Connor, A. (2007), “Building customers’ affective commitment towards retail banks: The role of CRM in ‘each moment of truth’”, Journal of Financial Services Marketing, Vol. 12, No. 2, pp. 157-168
8. Payne, A. (2006), Handbook of CRM: Achieving excellence in customer management, First Edition, Oxford: Butterworth-Heinemann
9. Rigby, D. K. Reichheld, F.F., and Scefter, P. (2002) “ Avoiding the four perils of CRM”, Harvard Business Review, Vol. 80, No.2, p.25
10. Russel-Jones N. (2002), Customer Relationship Management, Financial World Publishing
11. Xu M., Walton J. (2005) “Industrial Management & Data Systems, Vol. 104 No. 2, pp 149-57
12. Zineldin, M. (2000) “Beyond relationship marketing: technological ship marketing”, Marketing Intelligence & Planning, Vol. 18, No. 1

Internet Websites

Internet website 1 - CRM knowledge based (1998), Customer Service [Internet]. Available from: <http://crm.ittoolbox.com/topics/t.asp?t=424&p=424&h1=424> [Accessed 13 April 2007]

Internet website 2 – The Times 100 – The importance of customer service [Internet]. Available from: <http://www.thetimes100.co.uk/theory/theore.php?tID=414> [Accessed 13 April 2007] Convergence Management Consultants Ltd (2008), Relationship marketing 101 [Internet] Available from: <http://www.converge.on.ca/itm00049.htm> [Accessed 8 May 2008]

AllBusiness.com (2008), Business Definition for: relationship marketing [Internet] Available from: <http://www.allbusiness.com/glossaries/relationship-marketing/4964966-1.html> [Accessed 8 May 2008]

Business Week (2008), The Evolution of Relationship Management, [Internet] Available from: <http://www.businessweek.com/adsections/crm/evolution.html> [Accessed 19 May 2008]

Inside CRM (2008), Get It Together with Collaborative CRM [Internet] Available from: <http://www.insidecrm.com/features/collaborative-crm-112907/> [Accessed 19 May 2008]

QUESTIONNAIRE

Part I: General Information

1. Do you know what "CRM" means

<input type="checkbox"/> Yes	<input type="checkbox"/> No
------------------------------	-----------------------------

2. You are provided with a number of definitions for CRM. Please select the ONE that is closest to your company's definition or the definition you would like your company to adopt.

<input type="checkbox"/>	CRM is a management approach that enables organizations to identify, attract and increase retention of profitable customers by managing relationships with them.
<input type="checkbox"/>	CRM is a combination of people, processes and technology that focuses on decreasing a company's costs and maximizing profits by retaining existing customers and acquiring new customers.
<input type="checkbox"/>	CRM is a process designed to collect data related to customers, to grasp features of customers, and to apply those qualities in specific marketing activities.
<input type="checkbox"/>	CRM is a combination of people, processes and technology that seeks to understand a company's customers, to improve customer satisfaction level, to retain existing customers and to improve customer lifetime value.

3. Does your company have a CRM strategy?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
------------------------------	-----------------------------

Answer questions 4 and 5 on the basis of the scale:
Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree

4. I believe CRM should be part of every company's strategy plan.

<input type="checkbox"/> Strongly Agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neutral	
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly Disagree		

5. Do you believe there is a direct link between CRM and profit?

<input type="checkbox"/> Strongly Agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neutral	
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly Disagree		

6. If not why?

<input type="checkbox"/>	We do not care
<input type="checkbox"/>	Its positive
<input type="checkbox"/>	For personal reasons
<input type="checkbox"/>	Other (please specify)

7. If your company already implements CRM when did it start?

<input type="checkbox"/> <1970	<input type="checkbox"/> 1971-1980	<input type="checkbox"/> 1981-1990	<input type="checkbox"/> 1991-2000	<input type="checkbox"/> 2001+
--------------------------------	------------------------------------	------------------------------------	------------------------------------	--------------------------------

Part II: How important do you consider the following to the deployment of CRM culture in your company?

	Circle the number that represents your company's commitment (on the scale 1-5)	1	2	3	4	5
1	Select the most advanced CRM software. Technology is the magic wand that will guaranteed success	1	2	3	4	5
2	Retain current customers and generate repeat orders	1	2	3	4	5
3	Attract new customers	1	2	3	4	5
4	Ensure that top management is aware of CRM strategies and is capable of giving strong executive support	1	2	3	4	5
5	Give emphasis on HRM – Recruitment and training of new and current employees	1	2	3	4	5
6	Focus on internal marketing and particularly front-line employees	1	2	3	4	5
7	Focus on valued customers	1	2	3	4	5
8	Welcome complaints. Give your customer a voice	1	2	3	4	5
9	Focus on costs, products and organization	1	2	3	4	5
10	Maintain customer data base. Keep contact info and track all contact events	1	2	3	4	5
11	Use customer info in your day-to-day operations to build relationships	1	2	3	4	5
12	Analyze root causes of defections. Understand why customers are leaving	1	2	3	4	5
13	Create employee loyalty	1	2	3	4	5
14	Reward employees on the basis of no. of sales or transactions completed	1	2	3	4	5
15	Differentiate- offer something distinctive to the customers	1	2	3	4	5
16	Think of the lifetime value of each customer and build a good relationship	1	2	3	4	5

Part III: Demographic characteristics of the respondents and their company

1. Gender

Female Male

2. Age

25-35 36-40 41-50 51-60 60+

3. Location of Head Office of the organization

Nicosia Limassol Pafos Larnaca Free Ammochostos

4. Position held

<input type="checkbox"/> Chairman	<input type="checkbox"/> Executive Director
<input type="checkbox"/> Department supervisor	<input type="checkbox"/> General Manager/CEO
<input type="checkbox"/> Manager	<input type="checkbox"/> CRM Manager
<input type="checkbox"/> Other (please specify)	<input type="checkbox"/>

5. Legal Status

Public and listed Public but not listed

Private company Semi government organization

6. Industry / Sector

<input type="checkbox"/> Financial	<input type="checkbox"/> Insurance
<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Transportation, Communication, Publishing
<input type="checkbox"/> Retail and Wholesale	<input type="checkbox"/> Construction
<input type="checkbox"/> Entertainment and Gambling	<input type="checkbox"/> Tourism
<input type="checkbox"/> Public Sector and Health	<input type="checkbox"/> Consulting
<input type="checkbox"/> Software/hardware	<input type="checkbox"/> Other (please specify)

7. Number of Employees

<50 51-100 101-150 151-200 200+

Name:

Address:

Tel: _____ **Fax:** _____

Email:
