

People-driven processes in customer relationship management

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Customer relationship management (CRM) is one of the most popular strategies for an organization to satisfy its customers and obtain growth profits. Much attention of the research to date, however, has been paid to strategy, implementation, and organization performance, with the people dimension in CRM being under-researched. This study attempts to investigate the importance of people-driven processes of CRM in organizations and identify factors affecting the effectiveness of people-driven CRM processes. A multiple case study approach was applied and in-depth interviews were conducted with managers from four case companies to identify the factors influencing the people-driven CRM processes. Four dependency factors affecting the effectiveness of people-driven processes were identified, including customer emotional needs, customer involvement, employee capabilities, and organizational customer-oriented culture.

Keywords: customer relationship management; people-driven process; customer satisfaction; employee capabilities; organizational performance

Introduction

Customer relationship management (CRM) has been widely recognized as the key to delivering superior organizational performance by driving organizations to become customer centric and responsive to customer demand changes (Davenport, Harris, & Kohli, 2001). CRM is a combination of people, processes, and technology (Chen & Popovich, 2003), which seeks to provide understanding of customer needs (Stringfellow, Nie, & Bowen, 2004), to support a business strategy (Bull, 2003; Ling & Yen, 2001), and to build long-term relationships with customers (Wayland & Cole, 1997). CRM requires the organization to invest in processes of building customer insights (Rigby & Ledingham, 2004), analyzing customer demands (Stringfellow et al., 2004), selecting proper market segments (Rigby, Reichheld, & Schefter, 2002), designing effective policies (Chen & Popovich, 2003; Oldroyd, 2005), and delivering customer-satisfying products and services (Fjermestad & Romano, 2003). Although enabled by information systems, CRM is not a technology solution (Chen & Popovich, 2003; Rigby et al., 2002). The key processes of CRM are performed by human beings and require clear understanding of the goals and contents of key decisions and system–people interactions.

CRM systems have been used for a long time to automate processes such as system functions, data mining, knowledge management, and electronic business (Ngai, 2005; Swift, 2001). However, such system processes by themselves are incapable of

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managing customer relations (Chen & Popovich, 2003; Rigby et al., 2002) because customer knowledge needs to be comprehended by business managers (Bueren, Schierholz, Kolbe, & Brenner, 2005), face-to-face communication needs to be performed by front-line operators (Stringfellow et al., 2004), and a customer-oriented culture must be formed by organization architects (Oldroyd, 2005). Although critical to the firm and dynamic in nature, studies of the human side of CRM processes remain scant in the CRM literature.

In examining CRM, we strive to achieve several objectives. First, we seek to identify what are the influencing factors on people-driven process. Second, we hope to advance current understanding of people-driven process in CRM by outlining important insights for relationship management. Finally, we aim to provide managerial recommendations relating to CRM.

Theoretical background

CRM research has progressed tremendously since 1980s (Goldenberg, 2006; Ling & Yen, 2001). With the advancement of information communication technology, CRM has become a cross-functional, customer-driven, technology-integrated business process management strategy that maximizes relationships and encompasses the entire organization (Chen & Popovich, 2003). For instance, Rigby et al. (2002) viewed CRM as the alignment of business strategies and processes to create customer loyalty and ultimately corporate profitability enabled by technology. However, as the scope of CRM has grown, comprehensive and complicated emphasis on technology has become the focus. At the same time, the increased interest in CRM technology management has led to a corresponding underestimation in the importance of people issues, which are intimately responsible for successful CRM implementation (Goldenberg, 2006). Though CRM has experienced rapid growth, the failure rate of CRM system implementation is as high as 55% (Rigby et al., 2002). It has been reported that many CRM systems adopted by firms did not fully meet customer needs (Stringfellow et al., 2004) due to a lack of capable staff (Bull, 2003; Fjermestad & Romano, 2003; Rigby et al., 2002), misaligned processes (Chen & Popovich, 2003), poorly designed systems (Ling & Yen, 2001; Rigby & Ledingham, 2004), and inability to integrate with existing business process and legacy systems (Bannan, 2004; Lewis, 2001; McKenzie, 2001).

People-driven processes in CRM

In the current literature, CRM can be categorized into three perspectives: data-driven CRM (Greenberg, 2004), process-driven CRM (Chen & Popovich, 2003; Karimi, Somers, & Gupta, 2001; Oldroyd, 2005), and people-driven CRM (Srinivasan & Moorman, 2005). Though different, these three orientations require equivalent consideration in delivering sustained customer value. However, research to date has paid more attention on the first two perspectives of CRM. Thus, this article attempts to propose a clearer view of the third, people-driven processes in CRM.

The term 'people-driven processes' in our research refers to the processes in CRM on the human side. People-driven processes require that executives and operational staff possess the ability to understand, manipulate, and analyze customer knowledge and satisfy customer needs in a customer-oriented culture in organizations using CRM. These include processes that cannot be carried out using technological solutions alone, such as planning customer strategy (Bull, 2003; Rigby et al., 2002), making critical

decisions (Wayland & Cole, 1997), designing or improving CRM processes (Chen & Popovich, 2003), coping with customer problems (Rigby & Ledingham, 2004), understanding customer needs (Stringfellow et al., 2004), handling intimate communications and responses (Daft & Lengel, 1983; Stringfellow et al., 2004), and building long-term relationship with customers (Wayland & Cole, 1997).

Customers, employees, and executives are key parties in the people-driven processes of CRM. Companies create profits from customers who purchase products and services. It is no secret that business success revolves largely around people and that the critical resources are the operational staff a company hires, motivates, and retains to serve customers directly and indirectly (Barber & Strack, 2005). Business executives, on the other hand, create and design CRM strategies with aligned processes and are responsible for shaping organizational culture to construct an organizational environment for effective CRM (Rigby & Ledingham, 2004).

Detailed descriptions of people-driven processes (summarized from Bueren et al., 2005; Chen & Popovich, 2003; Chen & Shang, 2005; Kotler & Keller, 2006; Reinartz & Kumar, 2002; Shang & Lin, 2005) are presented in Table 1.

Factors affecting the dependency on people-driven processes

This section examines factors that affect the dependency on people-driven processes in CRM. Factors relating to customers, information, employees, and organizations are arranged, and propositions are constructed (Table 2 and Figure 1). They are then described in the subsequent sections.

There are many reasons that attribute to organizations' failure of CRM implementation, such as not meeting customer needs, lack of capable staff, misleading processes, and poorly designed system (Bull, 2003; Chen & Popovich, 2003; Fjermestad & Romano, 2003; Rigby et al., 2002; Stringfellow et al., 2004). This article proposes a human-driven process to address the shortfalls found in these common failures of CRM, and the proposition is constructed from three dimensions of CRM including customer needs, employee capability, and organizational environment.

Meeting customer needs is vital to any organization, but still many organizations failed to do so (Rigby et al., 2002). Pine and Gilmore (1998) point out that nowadays customers are not only looking for the service quality but also emotional experience. Customer's experience will last and will not vanish. Hirschowitz (2001) mentions that interaction with customers, especially customer involvement, provides opportunities for organizations to learn from customers to generate further customer insight, as customer insight underpins CRM.

In addition, organizations need to have cross-department cooperation after CRM implementation. However, when employees do not have adequate knowledge and skills on how to operate or apply a CRM system, the efficiency of CRM implementation is hindered (Rigby et al., 2002).

Moreover, organizational environment is crucial to CRM. Galbreath and Rogers (1999) note that in order to successfully implement CRM, an organization often needs to create an environment that leads employees to a new way of thinking about customers and about a business in general.

Based on aforementioned rationales, this study argues that CRM goals can be achieved through organizational understanding and handling of the four factors affecting the dependency on people-driven processes in CRM as depicted in Table 2 and Figure 1.

Table 1. People-driven processes.

Processes	People-driven processes
<i>Campaign management</i>	
Marketing planning	Developing customer strategies and planning marketing projects by identifying customers, segmentation, targeting customers, and positioning product pricing to promotions (Kotler & Keller, 2006)
Marketing operations	Conducting marketing projects over the long term, advertising for products and service, and inquiring about and controlling real-time activity statuses with field marketing and sales, telemarketing, e-selling, and others
Marketing analytics	Performing real-time monitoring and auditing for the marketing projects and then analyzing useful information from the database for future marketing projects (Chen & Shang, 2005)
<i>Lead management</i>	
Market research	Extracting knowledge about customers and competition information using marketing research tools such as customer surveys and focus groups to provide knowledge of markets and customers (Chen & Popovich, 2003; Kotler & Keller, 2006)
Customer segmentation	Identifying and learning about existing and emerging customer segments based on their purchasing history or forecasts (Chen & Shang, 2005; Reinartz & Kumar, 2002)
Test selling	Understanding new products or services that have accepted status among customers in the market, and then determining whether to make them available in the market
<i>Offer management</i>	
Sales planning	Using the sales forecasting tool to estimate sales volume in the future to allow advance planning of the goals of selling and executing programs every season
Sales management	Understanding current sales volume, offering correctly, monitoring business performance, and managing customer information from field sales and interactions, quote and order management
Opportunity management	Providing a qualified or prioritized list of presumably valuable customers (Bueren et al., 2005) and automating routine tasks such as tracking customer contacts and forecasting (Chen & Popovich, 2003)
Sales analytics	Identifying trends in product life cycles, analyzing customer or product profitability, tracking lead generation and conversion rates (Bueren et al., 2005), and providing feedback to the marketing department (Reinartz & Kumar, 2002)
<i>Contract management</i>	
Sign contracts	Creating contracts for the supply of products or service and maintaining long-term contracts – e.g. for outsourcing agreements or insurance (Bueren et al., 2005)
Quality guarantee	Providing assurances of the agreement to the customer, such as signing the insurance, guaranteeing product quality, opening the invoice, and attaching a warranty
<i>Complaint management</i>	
Receive customers	Using face-to-face interaction through field service or using non-face-to-face channels, such as call centers or the Internet, to contact customers and achieve understanding of customer problems
Solve customers' problems	Dealing with customer complaints, from understanding the problem to utilizing employee experiences, reference manuals, or FAQs to solve customer problems, and then tracking customer problems or special service requests after processing complaints

(Continued)

Table 1. Continued.

Processes	People-driven processes
Return management	Tracking product defect information and arranging the procedures for the return of goods when customers want to return goods or services
<i>Service management</i>	
After-sales service	Maintaining, repairing, and supporting activities in the after-sales phase to help customers keep purchased products in good working order (Chen & Popovich, 2003; Kotler & Keller, 2006)
Customer self-service	Developing and designing the process of customer self-service by customized and interactive Internet service, help desk, F&Q, or IVR (Bueren et al., 2005)
Satisfaction management	Using periodic surveys, customer loss rate analyses, mystery shoppers, and monitoring of competitive performance to ensure consistent customer satisfaction (Kotler & Keller, 2006)
Loyalty management	Classifying according to customer loyalty in order to offer proper or value-added products or services (Reinartz & Kumar, 2002)
Service analytics	Analyzing frequently occurring problems to create programs to win back departing customers (Chen & Shang, 2005) and to identify product or service redesign opportunities as part of continuous improvement processes (Chen & Shang, 2005)

Table 2. The table of propositions.

Key parties	Propositions
Customer factors	P1. The greater the customer emotional needs, the greater the importance of human-driven CRM P2. The greater the customer involvement, the greater will be the dependency on people-driven processes in CRM
Employee capabilities	P3. The greater the employee experience and knowledge about customers, the greater will be the dependency on people-driven processes in CRM
Organizational environments	P4. The stronger the customer-oriented culture, the greater will be the dependency on people-driven processes in CRM

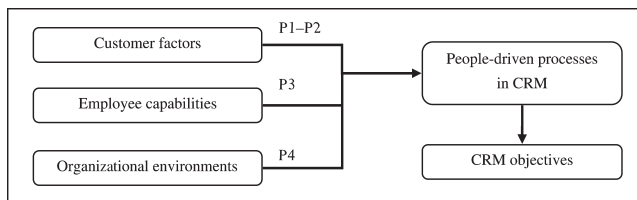


Figure 1. Research propositions.

Customer factors

Handling customer needs is the core of marketing, and these needs can be divided into emotional needs and functional needs (Kotler & Keller, 2006). Functional needs can be satisfied by product functions, whereas emotional needs are associated with the psychological aspects of product ownership (Stringfellow et al., 2004).

Understanding customers' emotional needs is vital for predicting and influencing their purchasing behavior (Tehrani, 2002). Failure to meet basic needs for security and justice leads to customer dissatisfaction or outrage, while exceeding the need for self-esteem leads to customer delight (Schneider & Bowen, 1999). However, most CRM systems fail to recognize the emotional component of customer behavior due to poor knowledge on customer emotions (Stringfellow et al., 2004).

Customer emotion means customer feelings of the quality of service transactions (Rafaeli & Sutton, 1987; Van Maanen & Kunda, 1989) and affective states of the interactions with other people (Lee, 2004) through communication channels (Stringfellow et al., 2004). The content of displayed emotions is manifested in facial expressions, body language, tone of voice, and language (Mattila & Enz, 2002). Seven key attributes of salespersons in face-to-face interactions affect customer emotions: trustworthiness, expertise, empathy, friendliness, enthusiasm, similarity, and professional appearance (Lee & Dubinsky, 2003).

Only by understanding and meeting such deeper emotional needs through direct observation (Johansson & Nonaka, 1987) and talking with customers are firms able to offer true value to their customers (Stringfellow et al., 2004). This leads to the following proposition:

PROPOSITION 1: Customer emotional needs have an impact on people-driven CMR processes.

Another customer factor affecting the dependency of human process is customer involvement. The assumption of customer involvement is that through ongoing communication and mutual learning, a firm is possible to offer a higher degree of customization, leading to greater customer loyalty and more profitable relationship. Kotler and Keller (2006) define customer involvement in terms of the level of engagement and active processing undertaken by the consumer in responding to marketing stimulus. High customer involvement is usually the case when the product or service is expensive, purchased infrequently, risky, or highly self-expressive (Kotler & Keller, 2006). Indeed, many high-involvement products and service require some form of face-to-face interaction (Wayland & Cole, 1997), and so marketers must understand consumers' information-gathering and evaluation behaviors (Kotler & Keller, 2006). Therefore, it is necessary that operational staff and executives spend time and effort in understanding the different purchasing behaviors and different levels of involvement required. It is a continuous effort that requires redesigning core business processes starting from the customer perspective and involving customer feedback (Chen & Popovich, 2003). This leads to the following proposition:

PROPOSITION 2: The greater the customer involvement, the greater will be the dependency on people-driven processes in CRM.

Employee capabilities

According to the service triangle (Grönroos, 1996), employee service provision capabilities are the key to keep promises given by the companies to the customers. In short, competent employees is the first step to deliver the promised service and to satisfy customers. Chen and Popovich (2003) note that employees who deal closely with customers are the building blocks of customer relationships. Roth and Jackson (1995) also highlight that employee capabilities impact service quality.

Additionally, employees' capabilities not only affect service quality but also CRM. The capabilities of employees affect an organization's CRM in its customer knowledge

acquiring, customer knowledge management, and customer knowledge sharing (Wayland & Cole, 1997). An organization has to depend on its employees to collect and store customer data, customer information, and customer contact experience into its CRM system. The organization also has to depend on its employees to utilize the stored customer data and develop new CRM strategies and practices based on the analysis from the existing database so as to expand customer relationship's reach and richness (García-Murillo & Annabi, 2002).

Employee's capabilities can be enhanced through acquisition and utilization of knowledge and skills (Stringfellow et al., 2004). In addition, knowledge sharing among employees is another way of improving employee quality. This can reduce the risk of getting inadequate information when comparing with accessing information from a knowledge database solely (Saint-Onge, 1996). For example, at the immediate problem-solving level, the representatives of a service department use both explicit and tacit information, which can be illustrated by the ability to relate their experience base to the customer's current problem (Wayland & Cole, 1997). The representatives' experience and customer knowledge are important factors in building operational flexibility (Crowe, 1992) and improving the pain points of processes in CRM (Chen & Popovich, 2003; Rigby & Ledingham, 2004).

This leads to the following proposition:

PROPOSITION 3: The greater the employee experience and knowledge about customers, the greater will be the dependency on people-driven processes in CRM.

Organizational environment

CRM requires a customer-oriented business environment to support effective marketing, sales, and service processes (Bolton, 2004; Oldroyd, 2005). Many firms have switched from a product-centric to a customer-centric culture, which emphasizes the whole customer experience, from initial sale to maintenance and expansion (Davenport et al., 2001). Technology that affects customers must always be aligned with an overarching strategy, organizational structure, and customer-oriented culture if it is to work (Oldroyd, 2005; Rigby et al., 2002).

Customer-oriented culture requires people and business units to coordinate in progressively more sophisticated ways (Oldroyd, 2005). It is the pattern of shared customer-centric values and beliefs that give each individual in the organizations norms for their behavior (Bentum & Stone, 2005; Deshpande & Webster, 1989). Success in customer orientation depends on limiting interdepartmental conflicts, exploiting information dissemination across functions, decentralizing governance structures, orchestrating inter-functional resources, and critically, rewarding management on market-based factors, such as customer satisfaction (Bentum & Stone, 2005).

Without such realignment and culture change (Bentum & Stone, 2005; Shang & Lin, 2005) and the participation of all employees within the organization (Chen & Popovich, 2003), the impacts of CRM may be limited to a few sales and marketing processes. Alternately, the goals of a customer-oriented model require customer-focused staff and executives in developing products and service to fit customer needs, promote strategies to retain customer loyalty, and improve operations to reduce the costs of sales and service (Chen & Popovich, 2003). This leads to the following proposition:

PROPOSITION 4: The stronger the customer-oriented culture, the greater will be the dependency on people-driven processes in CRM.

Research method

Case studies have often been considered when a holistic, in-depth investigation is needed. Stake (1995) notes that the purpose of applying a case study approach is to bring out the details of participants' viewpoints through the use of multiple sources of data. Yin (1993) classifies case studies into three types: exploratory, explanatory, and descriptive. Exploratory cases are considered as a prelude to social research. Explanatory case studies may be used for doing causal investigations. Descriptive cases require a descriptive theory to be developed before starting the project. In all of the above types of case studies, there can be single-case or multiple-case applications. Case study research is often criticized with its generalizability. Yin (1993) argues that a case study provides analytical generalization rather than statistical generalization. In analytical generalization, previously developed theory is used as a template against which to compare the empirical results of the case study. Case studies tend to be selective, focusing on one or two issues that are fundamental to understanding the system being examined.

This study applies a case study methodology to build, enhance, and verify in-depth understanding of the influential factors of people-driven processes in CRM between customers, information, employees, and organizations. Since survey results cannot present an objective and complete view of the interrelationships among the elements of people in CRM, meticulous data collection in the presence of the researcher during the data collection process is considered essential, in order to clarify concepts and to ensure that the understanding of the concepts involved is consistent and precise across the subjects.

The literature review was done iteratively for proposition building and construct enhancement. Based on literature review, this research developed the framework for data collection and a semi-structured questionnaire to collect detailed information on the interrelationships among people-driven processes in CRM, customers, information, employees, and organizational environments. The questionnaire was designed to collect data on four factors affecting with cause-and-effect relationship the dependency on people-driven processes in CRM. This study then verifies the propositions with in-depth study on CRM case. The study categorizes case companies into two groups, including car-dealership and telecom industries (Table 3). The difference between industries in Groups 1 and 2 is used to examine the propositions of customer characteristics and processed information. Furthermore, different companies in the same industry, such as companies A and B in Group 1, may have different dependencies on people-driven processes that could be used to shed light on the propositions of employee capabilities and organizational environments.

This research performs case studies on firms in the car-dealership and telecom industries, selecting two similar companies in each industry for case studies. Because the

Table 3. Description of case companies.

Group	Companies	Industry	Founded	Business
Group 1	Company A	The car-dealership industry	1997	General agent of luxury motor vehicle brand
	Company B		1997	General agent of luxury motor vehicle brand
Group 2	Company C	The telecom industry	1996	A full range of telecommunications service
	Company D		1997	Mobile communications service

car-dealership and telecom industries have similar organizational structures, this article conducted interviews with employees in the front and head office. For example, in the car-dealership industry, the general agent belongs to the head office, whereas the dealers belong to the front office.

In order to study customer emotional needs and customer involvement, this article selected the luxury car market in Taiwan. For many people, a car is not only a form of transportation, but also reflects emotional issues of status, self-esteem, and safety (Wayland & Cole, 1997). Car-dealerships and their networks of dealers maintain substantial information in their databases about individual customers and their service experiences. Companies leverage that information in their customer relationships.

The telecom market in Taiwan is both mature and saturated, with one of the highest penetration rates in the world. The telecom industry is a service industry and maintains copious information on its customers (Shang & Ko, 2006).

Data were collected primarily by means of in-depth interviews and secondary data analysis. Multiple interviewees from all four cases were contacted for collecting data. Interviews were planned with two to four managers and experienced employees in the marketing, sales, and service departments. Interviews were typically 1–2 h, with one to two interviewees. To reduce the possibility of regency-effect bias, several data triangulation tactics were used. During each interview, subjects were asked to think retrospectively regarding the details of business conditions, benefits, and problems of the operating processes of CRM and to supply supporting evidence. The results were then cross-validated with internal and external documents and various interviewees in the case organizations.

The third step applied the case study method to validate the model and gain a richer understanding of the propositions. Using an approach similar to that described by Eisenhardt (1989) for within- and cross-case analysis, all interviews were then transcribed and compared with other interviews and documents from different organizations. Each case was discussed and analyzed in detail to understand its people-driven processes in CRM. To investigate commonalities and differences between cases, cross-case analysis was performed. In this stage, the research formed preliminary findings and confirmed propositions.

Finally, preliminary findings and confirmed propositions were consolidated to produce further findings that provide greater insight into the people-driven processes in CRM. Conclusions were then formulated based on the verified and validated results.

Findings and discussion

Proposition 1

Since CRM was implemented in the four case companies with the aim of boosting customer satisfaction and retention rates, the four case companies have adopted a cross-functional, customer-driven, and technology-integrated business process. Though CRM enables the companies to access customer loyalty and profitability on measures such as repeated purchase (Goldenberg, 2006), the interviewees from the four case companies reveal that customer emotional needs cannot be identified by the CRM software. Instead, the result of the interviews indicates that direct interactions between employees and customers are crucial to satisfy customers' emotional needs. Feelings and impressions of a product or service are important for the decision of purchasing it or not. Menon and Dube (2000) claim that effectively responding to customer emotions can lead to customer satisfaction.

As indicated by the interviewees in the company A, 'the more face-to-face communications and interactions with customers, the more likely the purchasing decision is made'. This is due to the fact that human processes of CRM enables the company A to capture customers' feelings and impressions of a product and convert into its service process. Customer emotion is customer feelings of the quality of service transactions (Rafaeli & Sutton, 1987; Van Maanen & Kunda, 1989) and affective states of the interactions with other people (Lee, 2004). Some customers evaluate the attitudes of employees and service quality and purchase the company's products when their emotions have been recognized (Tehrani, 2002). Thus, focusing on satisfying customer emotional needs, the company can obtain higher customer satisfaction.

Similarly, the interviewees in the case companies C and D have revealed that the human process of CRM is vital to grasp customers' emotions, impressions, and pleasure. Though the case companies C and D have adopted some non-agent approaches of mass marketing, interactive voice response (IVR), and computer telephony integration in their call centre to deal with a massive customer base, the respondents in these two companies pointed out that employees are better in reading emotional clues and catching the emotional displays of the customers. The reason for this is that understanding customers' experiences, expressions, and emotions is not always easy and involves a large amount of empathy and experience, not to mention the use of CRM software to grasp the individual emotional needs.

The findings from the case companies imply that the human processes of CRM are crucial for understanding customers' emotions and for integrating customer's affective values into service processes effectively. As pointed out by Bueren et al. (2005), direct interactions with customers such as face-to-face communication are better for integrating customer's emotional needs into service processes. Though a questionnaire survey can help an organization to understand customer satisfaction, it is more important to interpret and explain the qualitative reasons behind customer dissatisfaction (Lee & Dubinsky, 2003). Therefore, this study confirms proposition 1 that the greater the emotional needs, the greater the dependency on people-driven processes in CRM. The time and efforts spent at each contact point with customers are valuable in achieving CRM objectives.

Proposition 2

The assumption of customer involvement is that through constant communication and mutual learning, a firm is able to offer a higher degree of customization, leading to customer loyalty and profitable relationship overtime. According to Goodman, Fichman, Lerch, and Synder (1995), customer involvement is at the core of transaction, as involvement can change customers' knowledge and familiarity, affecting customers' evaluation of their satisfaction. Highly involved individuals have invested time and effort in their relationship with a firm. If they encounter dissatisfaction, they may feel personal investment is not yielding positive results and could feel more overall dissatisfaction than those who have less involvement with a firm. The level of involvement between customers and a firm depends on the numbers or types of activities an organization provided for the customer involvement.

In case companies A and B, they provide a variety of communication channels for their customers to make constructive suggestions to the firms on how to improve their service offering. For example, case company A did not have a GPS navigator system installed on luxury cars before listening to customers' suggestions. An interviewee from case company A noted that providing product information through e-mail or letter was not as effective as

inviting customers to the show room. The reason for this is that customer involvement is a vital source of cross-selling that allows the company to identify customers' unmet needs and enhance customization. Customer participation also allows a firm to effectively address customers' articulated needs, and the increased communication between service provider and customers can enhance customer loyalty (Eisingerich & Bell, 2006). Specially, in the car-dealership industry, high customer involvement is usually the case, as the product or service is expensive, purchased infrequently, risky, or highly self-expressive (Kotler & Keller, 2006). In order to obtain the benefit from customer involvement, case companies A and B demand their employees to attend training courses prior to launching new products so as to ensure that employees can provide accurate information about new products and identify customers' needs through interactions with customers. These findings indicate that the more customer involvement the higher the dependency on the human process.

Similarly, in the case companies C and D customer involvement was enhanced through human process. The case companies C and D are in the telecom industry, which is in an intensive competition situation; therefore, these companies are constantly monitoring their competitors and trying hard to maintain customer loyalty. Thus, customer involvement is the key for the case companies to do so. An interviewee in the case company C revealed that higher customer involvement lead to a higher sales rate. This is due to the fact that customers can assess information about telecom products easily, and therefore, customers demand not only product information but also engaging in service processes. It was also found that the case companies C and D provided several customer participation channels to help customers to understand telecom products and the technical complexity. Since customers were educated about new product functions and ways of operating new products, customers were able to solve some basic problems and were more likely to stay with the companies for the long term. These findings imply that human process facilitates customer involvement, and customer involvement enhances the relationship between a service provider and customers. These findings support Goodman et al. (1995) view that when individuals involve more in service processes or product design, they tend to perceive fairly treated.

Proposition 3

Many CRM processes (i.e. sales, service, and marketing) clearly rely on knowledge resources. In particular, employee knowledge (such as sales practice and client care insight), competencies, and skills of employees are critical to successful CRM implementation. As noted by Grönroos (1996), employee service provision capabilities are the key to keep promises given by the companies to the customers.

This is also confirmed by the findings from the four case study companies. For example, general employees can acquire, track, and transform customer information through the CRM systems at the immediate problem-solving level, but experienced staff quickly can even identify the key point of customer inquiries after only a few questions and try to use many possible means to solve customer problems. Another example is that all case study companies appeared to have formed regular cross-departmental meetings to analyze customers' complaints and review present service processes so as to improve customer relationship. At the same, the case companies also assigned well-experienced employees to provide some information to help customers understand their products so as to avoid encountering similar problems in the future.

The four case companies build customer insights by recognizing and analyzing customer demands and sharing customer knowledge. Customer knowledge sharing is enhanced

through various communications and coordinations between front and head offices. By sharing and applying adequate customer knowledge, companies can improve present or future marketing projects to meet realistic customer needs, plan customer strategy, and operate streamlined campaign management.

These findings are consistent with prior research, and this study identifies human process as an important role in CRM (Srinivasan & Moorman, 2005). By having close contact with customers, employees' capabilities can strongly influence the customer's experience and create encounter and relationship satisfaction (van Dolen, de Ruyter, & Lemmink, 2004). The capabilities of employees affect an organization's CRM in its customer knowledge acquiring, customer knowledge management, and customer knowledge sharing (Wayland & Cole, 1997).

From the research finding, it can be seen that it is important to extend existing research by focusing on the role of employee experiences and knowledge to integrate that knowledge to facilitate CRM. Recognizing that in many competitive environments CRM is critical to success, a greater understanding of how organization can build on, and apply, employee experiences and knowledge developed in prior CRM is an important topic to pursue, especially as the development of CRM becomes the principal means by which organizations succeed in changing environments.

Proposition 4

Customer-oriented culture is the pattern of shared customer-centric values and beliefs that give each individual in the organization norms for behavior (Bentum & Stone, 2005). The results obtained from the four case companies support the role that customer-oriented culture can play in guiding employees to realize the value of CRM.

Both companies A and B had strong market performance, possessed an extensive network of dealers in the domestic car market, and established luxury motor vehicle operations in the same year. Company A focuses on continuous improvement principles and stresses customer satisfaction. Delivering high-quality service and products to customers is the principle in both the front and head offices in the company A. The customer-oriented culture stimulated various cross-departmental communications, interactions with customers, and top management was also participating in customer service processes to show their commitment on customer-oriented culture. On the other hand, company B, as also in the car industry, maintained product-oriented culture that drove employees to focus more on the number of marketing events and the number of cars being sold. As a result, employees relied more on the CRM system to help analyze and understand customer behaviors rather than redesigning functional activities, workflows, and processes around the customers; not to mention capturing, sharing, and applying customer knowledge to deliver superior services. These findings indicate that customer-oriented culture plays an important role in guiding employee behaviors in meeting customer needs.

Companies C and D also had customer-oriented culture. Company C fulfilled customer-oriented culture through educating and training employees to change their attitudes, holding self-improvement meetings, and promotion of various competitions in providing better customer services. These practices drove employees to think about how to deliver appropriate products and services to the customers. Also, activities in both front and head offices were increased to enhance that each employee can provide a high-quality service to customers at each point of contact. Similarly, company D emphasized on designing campaigns and carrying out special projects that aim to raise customer satisfaction.

The results in the four case companies highlight the importance of customer-oriented culture that plays in guiding employees to achieve CRM values. Customer-oriented culture directs organizations to facilitate internal functional coordination and provide high standards of customer care in response to market changes. The findings on the customer-oriented culture is consistent with previous research that a customer-oriented culture is prerequisite for service firm to success in marketplace, as organizational culture forces a greater influence on the behaviors and productivity of its employees (Parasuraman, 1987). There is hence a need for top management committed to creating a change in organization's processes and structure to function people-driven CRM.

Conclusion and managerial implications

This study is consistent with prior research in the literature relating to CRM, but emphasizes the human dimension of CRM. It extends existing research by focusing on the factors influencing people-driven CRM process. Though an abundance of academic and practitioner literature can be found relating to CRM strategy, CRM functions, implementations, and impacts on a firms' performance (Srivastava, Shervani, & Fahey, 1999), this study contributes to the understanding of CRM by exploring factors influencing the effectiveness of people-driven CRM.

In fast-changing environment, CRM is critical to success, and a greater understanding on the influencing factors on people-driven CRM process can enable organizations to build on and apply knowledge to handle those factors. This study explores how specific factors (i.e. customer emotional needs, customer involvement, employee experiences and knowledge, and customer-oriented culture) drive organizations to focus on their human processes. By identifying these factors, this study enhances literature on CRM and emphasizes the importance of human dimension of CRM rather than on IT solution alone. In addition, it adds to a limited stream of research that examines the importance of employees in CRM.

Based on literature review, four propositions were formed to verify the dependency on people-driven processes. These dependent factors were: (1) customer emotional needs; (2) customer involvement in transaction processing; (3) employee experience and knowledge; and (4) the organizational culture.

Although the propositions are to be further tested by larger sample size, the proposed framework and propositions regarding the importance of people-driven processes in CRM have been confirmed.

Major findings of the study include: (1) the key processes of CRM are performed by human beings and require clear understanding of the goals and contents of key decisions and system–people interactions; (2) analyzing customers' emotional and functional needs enable the organizations to understand customer experience better; (3) understanding, analyzing, and applying customer knowledge through interactive processes can create higher customer satisfaction to win customer trust; and (4) building a customer-oriented culture enables the companies to achieve CRM values.

These research findings provide insights on how to enhance the effectiveness and efficiency of CRM operations to achieve greater CRM value by making use of people-driven processes, such as planning customer strategy, making critical decisions, designing or improving CRM processes, coping with customer problems, understanding customer needs, handling communications and responses, and building long-term relationship with customers.

Several managerial implications can be drawn from this study. As found in this study, customer emotional needs and customer involvement are two key factors affecting

people-driven process in CRM. Thus, first, organizations should focus more on the dynamics of customer emotions, such as delight or outrage, rather than on conventional customer basic needs. Second, customer involvement is a good way to obtain customer knowledge on the products or services and to get satisfied customers. Thus, organizations should design channels for customers to contribute their knowledge not only at sale or after-sale transactions, but also pre-sale transactions. The benefit of obtaining customer knowledge through customer involvement is that the organization can understand customers' expectations on products and services. Moreover, employees play a critical role in successful CRM value realization processes. Providing training courses for employees helping employees to acquire necessary knowledge and skills in CRM processes is crucial. Additionally, the reward system should be designed to encourage employees sharing learned customer knowledge and devote in CRM processes. Finally, building people-driven process in CRM requires top management commitment, customer-oriented organizational culture and management system support.

This article remains aware that the validity of any experimental study is limited to the scope of the case study. In order to reduce the bias of different companies, this article chooses two similar companies in the same industry, which may not be enough to demonstrate the propositions. Thus, the generalization of the results to other populations with different industries may be limited. However, findings presented here provide a preliminary base for extension and verification. Although the present study has yielded findings that have some academic and managerial implications, its design is not without flaws. This research conducted multiple interviews and collected secondary data of the companies to reduce the possibility of missing data and bias. The general findings of this study have been verified with major interviewees of these companies and further validated by industry experts to assure the validity of the research.

Future research is obviously required, but this is an exciting first step for the people issues of CRM. More extensive research would be necessary to make any definite claims. This research investigated the CRM use of the four companies in the car-dealership and telecom industries. Although the research results mainly reflected the management and operation of CRM in two industries, future research can investigate the research subjects of other industries to build a more comprehensive understanding of the people-driven processes in CRM. Future research should further investigate the correlation of people-driven processes in CRM to market performance.

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