

**The practice of Customer Relationship Management (CRM)
in five small enterprises in Co. Leitrim**

By

Elaine Maxwell

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Institute of Technology, Sligo

Research Supervisor

Emer Ward

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Declaration

The following is a declaration to say that all the research undertaken for this project was conducted entirely by me without the help of any outside partners. All the sources of information are referenced clearly in the references section of this project.

Signature

Date submitted

Dedication

This dissertation is dedicated to Granny & Grandad whose kind words and wonderful memories have motivated me to get this far in life, Thank you.

Acknowledgements

I would like to take this opportunity to express my gratitude to my supervisor Emer Ward. Her constant support, encouragement and faith in my ability has more than strengthened me for my future endeavours. I am so grateful to her and I could not have wished for a better supervisor. Finally, I wish to thank my family, my friends and Kevin for always believing in me.

Abstract

The objective of this research dissertation was to study the literature on customer relationship management in order to determine whether what the theorists were saying in the literature was actually in practice in small and medium sized enterprises in the North West of Ireland today.

Customer Relationship Management (CRM) is an application used by numerous companies to allow them to monitor customer behaviour, needs and wants. This in turn will develop into stronger relationships with the aid of technology. However, this may work effectively in some companies but some of the smaller businesses are not aware of the benefit of CRM and how to use it to its full potential for both the customer and the company.

For the purpose of this dissertation the author decided to concentrate on five small organisations in the North West of Ireland to investigate if CRM was practised in smaller companies. It was also to give an insight into the main drivers of CRM and to uncover if these firms were using CRM to its full potential.

In preparation for the primary stage, an inclusive literature review was conducted to provide a background on the topic of CRM. Questions emerged from this research which was then used to explore the topic at organisation level. Qualitative research was carried out in the form of in-depth personal interviews with all five companies.

Overall, it is evident that the practice of CRM by small and medium enterprises in the Leitrim area is not comparable to what has being demonstrated in the literature. There is a definite lack of knowledge for companies in this area. Government agencies such as Enterprise Ireland have not provided sufficient information and support for these companies. This has contributed to the lack of understanding and progression level of CRM for them as a result. There are definite missed opportunities as a result, which will affect the long term relationships and succession of these organisations researched.

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List of Abbreviations

CRM Customer Relationship Management

RM Relationship Marketing

CEM Customer Experience Management

EI Enterprise Ireland

SE Small Enterprise is defined by Enterprise Ireland 2009 as,

“an enterprise that has fewer than 50 employees and has either an annual turnover and/or an annual Balance Sheet total not exceeding €10m.”

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Introduction

Introduction

There has been much written and discussed about the theory of Customer Relationship Management. But what about the “practice”? How is it actually implemented and used in companies and if so is it being used to its full potential? Also, to identify whether or not small companies practice CRM or is it only the larger organisations who have the resources available to them. Furthermore, research is necessary to see whether small enterprises in the North West of Ireland are using CRM to benefit their company and their customers. CRM has never been more prevalent at the moment due to the economic downturn.

With increased globalisation, competitiveness, higher customer turnover and rising customer expectations in today’s world, CRM is an extremely important word for several companies. Various authors and theorists have spent a lot of time analysing this strong interest that surrounds CRM. CRM applications can bring with them many benefits such as customer retention, long term relationships and loyalty, increase a company’s profit margin and in turn give a sustainable competitive advantage.

The rationale for the study was a feasibility study on CRM practices in small enterprises in the North West. This area was chosen in order to identify if such smaller companies are implementing and using CRM strategies to gather and store the correct information and in turn use this throughout the whole company to satisfy each individual customer.

The overall research question was to identify if CRM as illustrated in the literature is being practiced by small businesses in the North West of Ireland?

In an effort to reach the above purposes the following research questions emerged:

What is the definition of CRM as described in the literature?

Is CRM being practiced in small businesses in the North West of Ireland? If so, is it being monitored on a regular basis and used effectively?

To identify factors that contribute to CRM and see if they are applicable to these businesses?

To identify if the IT factor plays as great a role as theorists believe it to?

To examine the long term benefit to management of having a CRM package in place.

Chapter One serves as an introduction to the literature on CRM. It is an overview of the whole topic to be studied and includes the research questions posed regarding the various drivers and elements of CRM. These questions are answered in chapter 5 in the conclusions and recommendations.

Chapter Two reviews the literature in detail and also examines the different elements and variables that play a role in the CRM process. It explores the key components for success outlining the role of relationship marketing, technology and company culture in CRM. The literature review was the support necessary for analysing and identifying links in the findings in chapter four.

Chapter Three outlines the methodology for the research. The qualitative approach was adopted, with the selection of in-depth interviews as the measurement technique. The method of analysis and limitations inherent in the research are also outlined. It also discusses the CRM model and what it signifies.

Chapter Four is a review of the findings and analysis of this data carried out as a result of the in-depth interviews. This chapter illustrates the practices of CRM in small businesses in the

North West. The sample chosen for the purpose of this study were McNiffes Boxy, Cora Systems, Cannaboe Confectionary, McCartin Engineering and MM Design Studios. These are all small enterprises based in the Co. Leitrim in the North West of Ireland.

Chapter Five focuses on the main drivers of CRM. It also identifies the conclusions that developed from the research and makes recommendations for the future implementation of CRM in the companies' analysed in this study.

Chapter One
Literature Review
Customer Relationship Marketing

2.1 Customer Relationship Management

Customer Relationship Management (CRM) is relatively new to the business world. It may have been introduced in the late 1990's but CRM really has its foundations in relationship marketing. It is considered by some authors that relationship marketing principles have existed since the dawn of business itself.

According to Kotler (1997), CRM predominantly revolves around marketing and an in-depth examination on the behaviour of consumers. The extent literature makes numerous references to customer relationship management's principles surrounding the importance of the customer (Kasper et al, 2006). The process of storing the large amounts of customer data gives a greater insight into consumer behaviour. CRM allows companies to categorise the more profitable customers and respond more slowly to those who spend less (Swift, 2001; Ovum, 2001; Hamilton, 2001; Zineldin, 2006). Swift (2001) and Nguyen et al (2007) also stated that developing and retaining relationships with customers is a long-term strategy that will have an impact on profitability and customer loyalty (Law et al, 2003). However, this can only be successful if it is enforced throughout the organisation and all departments work together.

The rapid growth of CRM technology adoption and use can be attributed to many factors such as; customers wanting added value, technology advances and a competitive marketplace. CRM is a combination of technologies and business processes used to add value and in turn satisfy customers (Bose, 2002). CRM is critically enabled by technology to help manage relationships with customers to the mutual benefit of the stakeholders. Chou et al. (2002) and Rigby & Ledingham (2004) suggest that CRM is an information industry term for methodologies, software, and usually internet capabilities that help an enterprise manage customer relationships in an organised way. It also focuses on leveraging and exploiting interactions with the customer to maximise customer satisfaction, ensure return business, and ultimately enhance customer profitability. The success of our economies in recent years has meant that several companies have generously spent money on CRM in a bid to improve their customer databases and develop loyal relationships.

CRM maybe viewed as an instrumental component that allows companies to develop bilateral communication with customers. It tracks customers interactions with the organisations, therefore staff have the ability to pull up information about them such as past sales, service record and problem calls (Nyugen et al, 2007). CRM is a growing area and there is an ever increasing perception that CRM systems are crucial for today's businesses. Technology is becoming more dependable and it gives firms greater freedom to apply CRM to fill in the gaps in their customer relationship cycles.

The relationship with the customer has changed dramatically and will continue to do so. A company's main agenda needs to be the quality of customers' experiences in order to build a valued bond. According to Meyer (2007), CRM captures what a company already knows about a customer through looking at their buying patterns for example, whereas Customer Experience Management (CEM) looks at customer's subjective thoughts about a certain company. The key element in developing good customer relationships is to focus on customer experience and satisfaction. Customers have never had as much choice available to them; they have no problem shopping around for the best possible value. This is where companies' competitive advantage should come in. Companies should be aiming towards providing the best possible service efficiently and effectively in order to retain profitable customers. The way in which to do so is to improve customer experience.

2.2 Technology & CRM

Previous to technology and database marketing, businesses were well adapted to managing customer relationships however now the marketing model is moving from product-centered to the customer-centered stage. Customers know what they want, have more information and means of attaining this knowledge and are demanding a completely different relationship from their suppliers (Xu et al, 2002). CRM allows these customer-centric relationships to develop. CRM is an integration of technologies and business processes used to satisfy the needs of a customer during any given interaction (Bose, 2002). With the aggressive growth of the internet and technology, companies are beginning to see the benefits of large-scale automation.

Numerous organisations wish to implement CRM packages as it carries many advantages. These generally are profit, customer retention, to build relationships and loyalty and finally enhance customer information. This major development has provided a foundation for CRM by introducing a direct sales channel between the customer and company. If a company uses the customer information wisely with the aid of technology they will reap the rewards. By organising and using this information, companies can design and develop better products and services for customers (Davenport et al, 2001 & Nambisan, 2002). Furthermore, companies can use this customer knowledge with customers to enable these consumers to serve themselves by defining the service and its delivery to suit their needs (Prahalad et al, 2000).

This process gives company further opportunities to learn from the customer directly and extend their customer knowledge. CRM is a combined business strategy that links information and technology next to the value chain in order for it to be a success (Chan, 2005). The significance of these factors along with the value chain include better customer service by organising, aligning and integrating the company processes all the way from the first customer contact through to the supply chain (Chan, 2005). However, problems arise when this high profile technology is installed before organisations are ready to use it. Companies need to realise just because they are simply buying CRM packages does not mean they are actually becoming customer-centered. CRM technologies link front office (e.g.: sales & marketing & customer service) and back office (e.g.: financial, HR, purchasing and

procurement) with the customer touch points (Fickel, 1999). The technology may be installed but the IT factor is not to blame rather the lack of understanding of what it means for their organisation and customer base. CRM cannot eliminate the hard work that is necessary to build a customer-focused organisation that wins consumer loyalty in the long-term.

Organisations tend to mistake CRM technology for a marketing strategy; however they should be aligning the CRM with the company strategy. Many companies have not taken into consideration the steps they need to take along with the installation of the package to make it a success. For those companies who ignore the essentials of customer service online or offline no amount of CRM packages can make up for this blunder. While CRM applications have matured in the last decade, they can often fail due to the limited amount of context, support and training for employees to learn in order to take full advantage of the system. Many companies purely viewed CRM as a means of profit and cutting costs for e.g. if the information is available online they wouldn't need a call-center (Bradshaw & Brash, 2001). CRM technologies need the guidance of the blueprint of the company to ensure everything and everybody are working together both in function and form. Companies need to finally take into account market intelligence and its effects on CRM implementation.

Market Intelligence stems from customer data warehouses which stores customer interactions and information. Customer intelligence promotes the right product to the right mix of customers and contributes towards customer retention (Chan, 2005). It may also investigate the reasons for customer loyalty which may in turn aid the development of companies marketing strategy. Companies need to become aware of the fact that technology implementations along with other means of internal and external communication is the key factor in making CRM work and building customer relationships. Companies who adopt CRM packages need to remember that even though software plays a huge role in CRM, they may need to focus on what CRM technology should do rather than can do, for both their company and their customers (Ribgy & Ledingham, 2004). CRM is becoming an essential element of corporate structure and success.

2.3 Relationships & CRM

It has been shown that the key to success is focusing on customers' needs, providing products and services that meet those needs and then managing the customer relationship to guarantee customer happiness and repeat purchases transpire, (Brown 2000). In Walton & Zu (2005), Swift (2001) stated that CRM is a created for the collection of customers' data and what they do and want and then use this information for different marketing activities.

Developing relationships with customers is a long-term strategy as in the long run it will have an impact on profitability and your company image in the most crucial way. The relationship with a customer has changed dramatically; it was common for companies to know all of their customers by name and their families. This "closeness" has since been taken over with a typical transactional marketing type of sale. However, a turnaround has been the result and firms now realise the value of customer relationship management and are focusing on reinventing this principle once more (Popovich & Chen, 2003 & Ledingham & Rigby, 2004).

Foss and Stone (2001) state that "relationship marketing shifts the focus of the marketing exchange from transactions to relationship." Relationship marketing (RM) is the relationship between the marketer and the customer and CRM has derived from this also. Relationship marketing approach demands companies to adjust old structures and attitudes including corporate culture, organisational structure, processes with the help of technology and human resources. The successful management of external relationships was largely dependant on the alignment of supporting internal relationships. RM is part of a company's culture and the relationships that are practiced inside the firm need to be done so outside also. This is where CRM links in with RM. CRM is a long term approach to building customer relationships through the help of staff, technology and effective training methods. Gronroos (1983) recognised that a firm and its products should be marketed internally as well as externally. A company will not be successful in the eyes of the customer unless employees believe it to be firstly.

CRM processes can create an experience that can in turn build long-term relationships with customers by enabling companies to know their customer base at a more personal level. CRM supports relationship building processes and the use of information files will become critical to the proper management of true one-to-one relationships (Ahlert, 2000).

2.4 Culture & CRM

The implementation of CRM technology not only involves the customers and their touch points but companies must also focus on the internal relationships within the organisation. CRM is a cultural change. CRM allows companies and their staff members to personalise the service in a more effective manner. If CRM is to be a success full commitment is needed from top management and all employees in order to ensure delivery of promised benefits. Without the momentum from top management CRM will fail. It needs support and dedication throughout the whole process. CRM projects require vision and each staff member must understand the purpose and changes that CRM will bring with it (Chen & Popovich, 2003). The understanding of the value of CRM requires a considerable shift in the way companies think. Companies need to see the importance of qualitative rather than just quantitative benefits. It is a new way of doing business through database marketing. Staff will need to possibly retrain, but also CRM requires cultural change and participation from all employees within the company. Sometimes the effect of CRM on the individual member of staff is overlooked with troublesome results for the company. Top management will need to focus on leadership and discuss the benefits and the application of CRM with staff members before it is implemented. It will need to be a fundamental part of the company culture. Two-way communication between staff members and customers is needed; happy staff will mean happy customers. Management need to guarantee that job evaluations, knowledge, reward programs and training are monitored and tailored on a regular basis (Chen & Popovich, 2003). CRM may involve fundamental changes within the organisation; simply providing technology is usually inadequate. Many staff members are resistant to change particularly unfamiliar technologies. A solid training programme will go a long way in helping staff members to understand not only the goal of CRM, but also to understand how the system better serves the customers. This should be a main priority for companies. However, with technology and the internet playing an even bigger role in CRM, the future of CRM is e-relationship management or maybe even eRM (Chen & Popovich, 2003).

2.5 CRM Strategy & Implementation

Organisations who wish to implement a CRM package must be able to guarantee that they have a customer-focused strategy already in place, otherwise it will immediately fail. In order to develop a customer strategy companies need to ask themselves who is their target market and what do they want to achieve (Rigby et al, 2003). An example of a company who have successfully done so is Dell. Their customer-focused strategy allows them to go straight to the customer and meet their expectations successfully. They know what they want and are focusing on a particular market correctly. CRM software aids this also. The implementation of technology doesn't mean removing the people element of the strategy, customers like dealing with who they know and trust. CRM can possibly mean that companies may replace this human element with a technological one (Rigby, 2003). Adjusting business processes to the company strategy is as significant as adjusting technology to the organisations business processes (Rigby, 2003). Management need to analyse their business strategy before implementing a CRM package. Technology isn't solely the answer to building company profits, customer relationships and loyalty. They need to begin with the internal management of their business processes. They need to work with their employees so in turn these employees can build loyalty with customers through trust and communication. CRM is driven by the customer while the implementation is people driven internally. There must also be cross-departmental infrastructural changes implemented in all departments of the organisation (Kotorov, 2003). A principal customer representative and a CRM task team needs to be chosen which will aid in this communication between all departments. Customers buying patterns and decisions are ever-changing and companies need to keep up to date on this. Before applying a CRM package, organisations should benchmark customer satisfaction in order to able to analyse it in the future (Xu et al, 2002). Customers are the sole purpose of every organisation and unless companies focus on them now and in the future they will loose their competitive advantage. Finally, the correct CRM package needs to be installed one that fits into the company strategy and long-term goals. It needs to be a suitable technology that can analyse marketing promotions and control existing and future opportunities.

2.6 Customization

CRM allows companies to provide a customized service possibly through an online customer system. Customers aren't concerned about the technology aspect of the service but rather the personalized service they receive. It is about creating an individual customer experience. Since the introduction of CRM and technology companies can efficiently send out personalised emails that are inexpensive and are targeted at the right segments. Without the implementation of CRM a customised message cannot be done therefore it is now easier for companies to communicate with their customer base. It also allows organisations to provide customised products alongside building better relationships with them (www.managingchange.com). These repeat purchases can be therefore linked back to a specific customer over and over again. Companies can tailor products to suit a particular segment while gaining greater market share and developing a competitive advantage. With the correct CRM strategy to aid this customisation they can reap the rewards.

The fast growing age of the internet has allowed companies to become caught up in mass customisation. People now prefer to be dealt with as individuals and segmented into similar categories. Customers are now receiving offers that will possibly suit their individual tastes and demands with the help of the internet and its fast communication approach. Global positioning systems allow customers to avail of the promotional offers they receive through text messages which many companies are now using as a form of communication and to make customers aware of deals on offer (Doole & Lowe, 2008). Customisation can take three forms according to Lampel & Mintzberg (1996), they categorise them into three types; pure customised product, a tailored customisation strategy and a standardised customisation strategy (Chandra & Kamrani, 2004). CRM links in with the second type the tailored customisation strategy in that the product is adapted to customer specifications based on customer information. CRM acts as an automated response to customers by offering them special discounts deals according to their specific needs (Nguyen et al, 2007).

2.7 Customer Experience Management (CEM)

CEM is now seen as an essential component particularly due to the implementation of technological software. The first mention of Customer Experience Management was by Pine & Gilmore (1998) who believed that successful businesses influence people through authentic and engaging customer experiences. The goal of CEM is to move customers from satisfied to loyal and from loyal to advocate. The focus of CRM has increased companies' abilities to understand the customers' current needs, their past buying patterns and what they plan to do in the future. The goal is to improve the customer's experience of how they interact with a company which in turn creates customer satisfaction and hopefully builds up loyalty (Xu et al, 2002). CRM allows all members of staff to access customer information in order to turn that experience into customer satisfaction. Customer loyalty and satisfaction is built on a good relationship and for this trust and commitment on both parts needs to exist. A relationship will not exist if the experience for the customer is inadequate.

Customer satisfaction is a collection of customer experiences, good and bad and in order to fully understand customer satisfaction an organization must take apart customer experiences and study them. A good experience is not one that is loaded with features and buttons in fact the goal is to guarantee it is a positive experience.

In fact these experiences are accumulated through "touch points" which are the number of direct contacts or experiences a customer has with a product or service. Customer satisfaction has significant implications for the economic performance of companies and CRM plays a role in this. This opinion will change over time and especially over their life time and not all are of equal value it depends on the brand on offer (Mayer, 2007).

CRM can offer benefits that are difficult to duplicate and that may appear to the consumer as exclusive and special because they are support by previous experiences with the company (Newell, 2000). Firstly, CRM applications allow companies to customize their offerings for each valuable customer. From this they can define products and services to suit individual tastes. In addition to this, it boosts the perceived quality of the offering and therefore the customer experience is also improved. Some companies do not feel the need to focus on customer experience and believe they already know enough about their customer satisfaction

and do not require any more information on customer experiences. They categorise both together without differentiating the huge differences. Customer Experience Management allows organisations to focus on customer touch-points and the customer lifecycle. On the other hand, Customer Relationship Management offers solutions and customer buying information. So CRM relies on transactions and doesn't give customer feedback, whereas CEM relates to building customer satisfaction and relationships. Customer Experience Management gives organisations the opportunity to connect with their customer base on a more personal level.

Customer Experience Management needs to be managed effectively; it consists of technology, strategy and collaboration. Customers should be able to give feedback to companies in relation to their problems or encounters. This along with technology will allow companies to better customer experiences and understand their needs. Customer Experience is more than just purchasing an item; it is surrounded by many factors. It focuses on all the events and activities that were part of it, the staff, how you felt when they greeted you and even the design of the shopping environment (Rai)

2.8 Cost of CRM

After security for businesses, CRM is considered the most important element within companies and whatever route you choose will impact on the success or failure of your organisation. CRM's premium benefit was that it was able to automate much of the customer-facing activity for a company. It is not solely about technology but rather the CRM system. CRM is more than just a way of differentiating a company from their competitors but it is in fact part of the mainstream. Therefore there are missed opportunities for the company and the customer if not pursued correctly.

According to Lombardo, (2000) the costs of CRM are often forgotten in many companies when implementing a CRM system until it is too late. The software for these systems can be a considerable part of the overall price for the company. Also, other expenditures include customisation, training and support, hardware and costs incurred from human error during staff training. Each organisation is unique and each of their costs acquired will be different depending on their company size, staff numbers and level of knowledge in the CRM area. Furthermore, many of these CRM systems will need to be adapted depending on the type of organisation and what requirements need to be met. Lombardo (2000), also believes that such changes should not be implemented all at once but rather over time when necessary.

The largest cost for any business is their staff and the needs and wants must be attended to regularly as happy staff means happy customers. Individuals find change difficult to deal with and it may take some time to become accustomed to these new ideas or strategies. However training and support management for all employees will help the situation. There needs to be specialised training for those staff members who manage and maintain the internal aspects of the CRM system and on-going training specifically on the benefits and potential of a CRM package. All of these costs are hard costs and the softer costs are the decrease in production levels due to staff training and change management. The sole purpose of implementing a CRM system is to reap the rewards for the company and their customers. In addition to this the profit margin will need to be considered and what effect CRM is having on that. An organisation's main objective in relation to the cost factor will of course be to increase profits and to not lose revenue. Companies won't see these profitable returns

immediately it may take a few years. The real justification should be based on their customers' experiences and making sure customers are able to do business with you as easy as possible. CRM is all about managing and sustaining these customer relationships, so in the long term customer loyalty and trust can be built (Dyche, 2001).

2.9 Innovation & Entrepreneurship

CRM is an ongoing strategy within any company which in that sense is similar to innovation and entrepreneurship. Customers' needs and wants are ever changing and for a company to sustain their competitive advantage they must satisfy these demands. According to Keillor (2007), employees and their organisations need to be more innovative in order to attract customers as customers today are busier and more distracted. Therefore companies need to be able to produce and develop a product that will fit their needs, so an innovative culture is necessary. Innovation is driven by the ability to see connections, to spot opportunities and to take advantage of these; it can lead to new ventures for the business and their customers (Bessant & Tidd, 2007). Technological developments in the industry can change things for your customers and your company very quickly. Change appears from external sources and a lot of the time businesses are not quick enough internally to react. Innovation needs to be managed effectively and monitored to be a success. CRM will only succeed with the right mix of customers, innovative information technology, good management and effective business processes (Nguyen et al, 2007).

Innovation is made up of two elements – resources (people, finance & equipment) and the capabilities in the business to be able to manage those (Bessant & Tidd, 2007). Drucker (1985) describes innovation as *'the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or service.'* All of the five small enterprises interviewed in the North West of Ireland display this trait and have innovative and entrepreneurial skills within each of them and their companies. Innovation is all about making something happen from an exciting idea; however it doesn't always work for every individual or business. Sometimes companies stifle innovation and we refuse to think about new ventures and developments. Innovation isn't easy and there are definitely no miracles, it also doesn't mean a technological breakthrough. Innovation doesn't work for itself it benefits the brand in two ways; image and sales. According to Aaker (2007) the key factor in relation to innovation is that companies must create or improve their offering. They must give customers what they want and more. CRM can be linked to this theorist's belief. CRM allows organisations to improve the overall customer experience for customers along with streamlining customers' requests and demands (Reynolds, 2002). If a company has a CRM

system in place it allows all employees to have access to the same data and also allow them to give customers the same information across all departments.

One of the opportune times to innovate is when your company is implementing CRM. Innovation does not just relate to a new product it can occur in processes and approaches to the market place and in which decisions and markets the company wish to serve. The future lies in value innovation (Aaker, 2007) which is what customers are seeking. Organisations that add value at an unprecedented level are boosting the offering for their customers and in turn strengthening the customer bond with the company. Furthermore, innovation is an excellent source of competitive advantage. Innovation not only helps in delivering better products but also opens new ideas for better methods and processes. It can bring the entire company along with CRM to create a greater understanding of what makes customer relationships stronger and this goes beyond the IT factor. Organisations that can glean the most information about their customers will in turn build a stronger relationship and a competitive edge, if it used correctly to benefit the customer. CRM is all about providing information to your staff regarding your customers buying patterns so they can interact directly with the customers (Tipton & Krause, 2004).

According to Enterprise Ireland 2009 their definition of an entrepreneur is

“individuals who orchestrate, operate and assume risks for a business venture”

Small companies are less bureaucratic and are able to flourish in niche markets that bigger companies would not even consider entering into. Dedication, motivation and honesty tend to be higher in such enterprises. According to they lack in internal resources and need to rely on external sources for finance, partnerships and innovation. This is where Enterprise Ireland can assist the smaller organisation and provide information, grant aid and support. Smaller companies also tend to be more specialised and can tend to keep much of their customer data on paper file rather than use the technological factor to its full advantage. Entrepreneurs are generally ambitious, driven, and resourceful and motivated (Bessant & Tidd, 2007). Innovation is all about making something happen but it will depend strongly on how focused

and determined the individual is which is called entrepreneurship. It is all about facing a challenge and taking a risk supported by ongoing enthusiasm.

As these small businesses grow and possibly expand that is when CRM becomes a major part of the company (Jolly, 2006). Management may decide to employ staff, expand into new markets and seize opportunities along the way. The management team will no longer have the same personal knowledge of all their customers as they did in the early stages of the company. Therefore a CRM system will aid this movement and staff will be able to access the customer data equally. This in return will mean staff are satisfying customers needs and wants more effectively and efficiently.

Chapter Three

Research Methodology

3.1 Research Objective

The research was exploratory in nature investigating how small enterprises in the North West area of Ireland namely Leitrim, practice CRM. What benefits it brings to their company and their customer base and to investigate whether what is actually being practiced aligns with what is discussed in the literature.

The primary objective of exploratory research is to gain an in-depth knowledge into the nature of the problem as very little is known about the subject at hand. It is the respondents' answers in the survey or interview that are vital rather than the questions posed (Malhotra & Birks, 2006). Exploratory Research is characterised by flexibility and usefulness with respect to the methods. It seldom entails questionnaires or sampling.

3.2 Choice of Research Approach

The research process that was chosen was the qualitative research method. The author chose this method as to investigate whether or not CRM was being practiced by small enterprises in Co. Leitrim. The research was carried out by using five personal interviews with the managers of these companies. This gave the author an insight into the background of the company, what they practice and their future direction. This method appealed more than the telephone or computer due to the nature and complexity of the study.

According to the OECD (1980), research comprises creative work undertaken on a logical basis in order to increase the store of knowledge, including knowledge of humanity, culture and society, and the use of this store of knowledge to devise new applications. Any activity that is classified as research must be original. Successful companies today need to be able to provide flawless research ahead of its competitors.

There are two types of methods to choose from in relation to the data collection method. These are qualitative and quantitative research. Qualitative research examines the attitudes, feelings and motivations of product users. They are used to define a problem, generate theory and classify determinants. Quantitative research can often be used by the researcher in the initial stages of the study (Creswell, 2003). It is the collection of numerical and statistical data and the process is more structured with the investigator acting as the main driver (Bryman, 2004).

Qualitative research is an unstructured design based on small samples to provide a greater insight and understanding about the phenomenon of interest. The results cannot be used to simplify the entire population, but are however extremely valuable for investigating a problem.

Qualitative research involves the researcher's values and beliefs which are a key element in the production and analysis of qualitative data. Therefore, researchers should be able to develop a non-bias view of their own personal opinions and judgements for the duration of the research.

3.2.1 Strengths of Qualitative Research Methods:

1. Allows flexibility (Maxwell, 2005).
2. People are researched in natural surroundings.
3. Achieves a deeper understanding of the respondents view on the topic (Daymon & Holloway, 2002).
4. Greater emphasis on analysis and meanings.
5. Presents a rational view of reality.

3.2.2 Weaknesses of Qualitative Research Methods

1. Greater risk of collecting meaningless and useless data.
2. Time consuming (Marschan-Piekkari & Welch, 2004).
3. Problems of ethics.
4. Data maybe unreliable and generalised findings (Sugarman & Sulmasy, 2001).
5. Problems of objectivity and a lack of involvement.

The strength of qualitative research and why this method was chosen as the most appropriate was based on the fact that it is designed to go beyond the statistics and gain a greater understanding into people's feelings, opinions and attitudes. It is extremely flexible and allows the interviewee to probe further and is highly focused.

Qualitative research techniques allow researchers to gain a first hand experience but the data analysis is usually restricted. It doesn't always provide definitive conclusions, but will just give a basis for a final decision.

3.3 Data Collection Methods

Data can be collected from secondary sources or primary sources. Secondary data has been collected by someone else for a topic other than the one at hand. Primary data is the collection of data first-hand by the researcher to solve the problem in question (Domegan & Fleming, 2007). The two main elements of collecting primary data is asking questions and observing.

The researcher chose the personal interview format which was conducted with the interviewee face to face. It allows the respondent to supply information in relation to their customers and the way in which they manage these relationships. The respondents were based in Leitrim. The interview was divided into four sections in order to achieve a deeper understanding about CRM based on their product, customer relationships and their competitors and the industry and their future intentions.

Primary research was undertaken in order to gain a better understanding of CRM in a small Irish owned enterprise. This type of data is also called qualitative research and may involve focus groups, in-depth interviews and projective techniques. The researcher's intention was to collect data via personal in-depth structured interviews. Secondary research was carried out in order to demonstrate CRM as discussed in the literature. This involved research on all five organisations websites and an analysis of which company would fit the criteria. The author wanted to obtain information from five different types of businesses in order to gain a broader conclusion on the topic. Secondary research also helped generate questions on which to base the case study which would illustrate CRM practices in a small Irish enterprise in the North West.

In-depth interviews are an unstructured and direct way of obtaining information for exploratory research (Domegan & Fleming, 2007). The one to one in-depth interview has the advantage of respondents revealing attitudes or feelings that they may not disclose in a group setting. In-depth interviews can uncover more complete answers to questions and it goes beneath the superficial answers often provided by respondents.

Berger et al (1989) summarises the advantages and disadvantages associated with interviews:

3.3.1 Advantages of using the Interview Method

1. **Flexibility:** Interviews can be adapted to suit the various situations that may occur within an interview.
2. **High response rate:** Interviews have a high rate of participation by the respondent.
3. **Control:** Interviews gives the interviewer control over the environment under which the questions are being answered.
4. **Opportunity to record spontaneous answers:** Interviews can demonstrate information that can not be collected from other data forms. Time constraints are common in questionnaires so therefore interviews are the only data collection method that can receive these types of answers.
5. **More complex questions:** The interviewer can probe and elaborate on misunderstandings and also to generally uncover some more information.

3.3.2 Limitations of Interviews

1. Interviews can be expensive and more physically exhausting than the focus group method.
2. Due to the fact the researcher is controlling the information their maybe bias involved and the data received may not be completely truthful.
3. Interviews may be regarded as an inconvenient method in comparison to using questionnaires due to time constraints placed on the interviewees (Berger et al, 1989).
4. The information gathered from interviews can be more difficult to analyse and the researcher must do so in an objective manner (Whiston, 2008).

3.3.3 Types of Interviews

Interviews can be defined as structured, unstructured or semi structured:

Structured Interviews

The structured interview can also be called the patterned interview (Montana & Charnov, 2000). They are pre planned interviews which are put in logical order. They are a form of

quantitative research and are mainly used in survey research. The data is collected by an interviewer rather than a questionnaire. Each interviewee is given the same questions to ensure consistency throughout. The questions are standardized which hinders flexibility due to the fixed questions. The types of answers are generally close ended rather than open ended answers.

Unstructured Interviews

The unstructured interview in comparison to the structured interview uses open ended questions and there is greater freedom (Montana & Charnov, 2000). There are no restrictions as regards how to word the questions or the order of the questions. The interviewee has more control in this case and can expose as much information as they wish. Furthermore the unstructured interview is less consistent and some of the information collected maybe unnecessary (Ghauri & Gronhaug, 2002).

Semi-structured interviews

The semi-structured interview is used frequently in flexible terms and it tends to be simpler than the structured interview (Robson, 2002). The types of questions used are carefully laid out and usually pre-determined responses also (McCormick & James, 1983). They are also open ended questions. There is a greater flow of information and the direction of the interview can be determined by the interviewee. They have the opportunity to speak about a topic they feel strongly about (Hesse-Biber & Leavy, 2005). The semi-structured interview includes features from both the structured and unstructured interviews.

Reasons for choosing structured interviews

1. This was a suitable method as it allowed the interviewees to elaborate on their answers as much as they felt suitable. This allowed the researcher to accumulate the necessary information to best understand the complex topic of CRM in small enterprises.
2. These are one-on-one interviews which allow the interviewee to describe thoughts on the questions posed to them. The interviews are arranged around a set of questions which are short, direct and capable of immediate responses.
3. The results of structured interviews can usually be generalised and using large numbers of people is best, however in this case there was a large sample available. So

the researcher took a sample this population to get an overall view of these particular industries.

3.4 Developing the Questions

The development of the questions to be used in the interview process was backed up by information used in the Literature Review and other reading materials used. Open-ended questions as this allowed freedom for probing deeper into the person's responses. Open-ended questions are easy to prepare and also obtain a wide range of responses and information (Domegan & Fleming, 2007).

The sequence of questions was based on the alleged development of CRM in companies and also linked closely to the research objectives. Many of the questions were probing to ensure the required information was gathered.

To avoid bias throughout the interview process the researcher was careful not to use leading types of questions. Open-ended questions were used throughout the interview as this allowed the researcher to gather further information if necessary. It also allows the respondent to answer at their own pace and there is no right or wrong answer. They are also helpful for investigating issues that aren't known to the researcher (Bryman, 2004).

Questions were posed to management of all five businesses in order to identify if the supporting strategy and culture for customer relationship management was in fact in place.

This was determined as the best possible route to gain an honest representation of how CRM is implemented and how management felt about CRM and all the relationships involved in running a business. The questions posed can be viewed in Appendices 1, 2, 3, and 4.

3.5 Motivation for Choice of Questions

The following is an overview of why certain questions were posed on each area of CRM. There was a list of small companies drawn up in order to test the hypothesis of CRM and to see which were not using it effectively. The two main themes behind the questions were CRM and entrepreneurship. There were nine sections from the company history to the future. These questions were aimed at all five interviewees however not all of the sections were

asked if the question posed didn't suit their type of business. Within in all of the sections here are some of the questions:

Question one from the questions posed to management on their customer base

Q.1 Who are your customers?

Emerged from Chapter one of the literature review and was an attempt to identify if companies knew the importance of their customers as they are the starting point of CRM and maintaining relationships with customers is a long term strategy. Also to see if they were any similarities to what was been identified by theorists in the literature review.

Question four from the questions posed to management on customer information

Q.4 Do you have a list of your customers?

This was an attempt to identify if companies have a list of their customers and their buying patterns and this is in accordance with the belief by Walton & Zu (2004) that CRM is a creation of customer data and buying information to then be used for various marketing activities.

Question one from the questions posed on customer information

Q.1 Have you ever conducted market research on your customers?

Emerged from Chapter one of the literature review in order to identify whether companies took note of their customers needs and wants. When CRM is being implemented organisations need to develop a customer centred strategic approach to fully meet customer's needs and expectations.

Questions four and five from the questions posed to management

Q.4 Have you customer information stored?

Q.5 Is it on file or on an IT database?

Emerged from Chapter one of the literature review and were an attempt to identify whether small enterprises in the north west were practicing CRM in each of their companies. It was also used as a means to see whether businesses used customer information to customise each individual offering and whether technology played a role or not. This links back to what Davenport et al (2001) and Nambisan (2002) said in Chapter one of the literature review that by organising and using this customer information companies have the potential to design and develop even better products and services for each customer.

Questions seven and eight from the questions posed on customer information

Q.7 Who is responsible for managing customer files?

Q.8 Do you refer to this information on a regular basis?

Were asked in an attempt to identify if small enterprise had a designated individual to manage customer information and update it regularly. Furthermore it was also to see whether or not companies used this information to its full potential. Both these questions link back to the strategic objectives of organisations and before implementing CRM companies need to focus on the internal relationships within a company. This relates to what Chen & Popovich (2003) said in the literature review that CRM requires a vision and each employee must understand the importance and change that CRM entails. It is a complete cultural change, so a top down management approach is necessary.

Question ten posed to management from the customer information section

Q.10 Have you CRM software in place?

This question related to the technological aspect of CRM and also to discover if companies have moved towards the IT factor and how they managed their customer relationships and consumer buying information through this. This also ties in with the point made by Fickel (1999) who stated that CRM technologies link front office (e.g.: sales & marketing & customer service) and back office (e.g.: financial, HR) with the customer touch points.

Question one posed from the industry section

Q.1 What changes are you noticing in your industry - customer requirements, changing lifestyles - more competition?

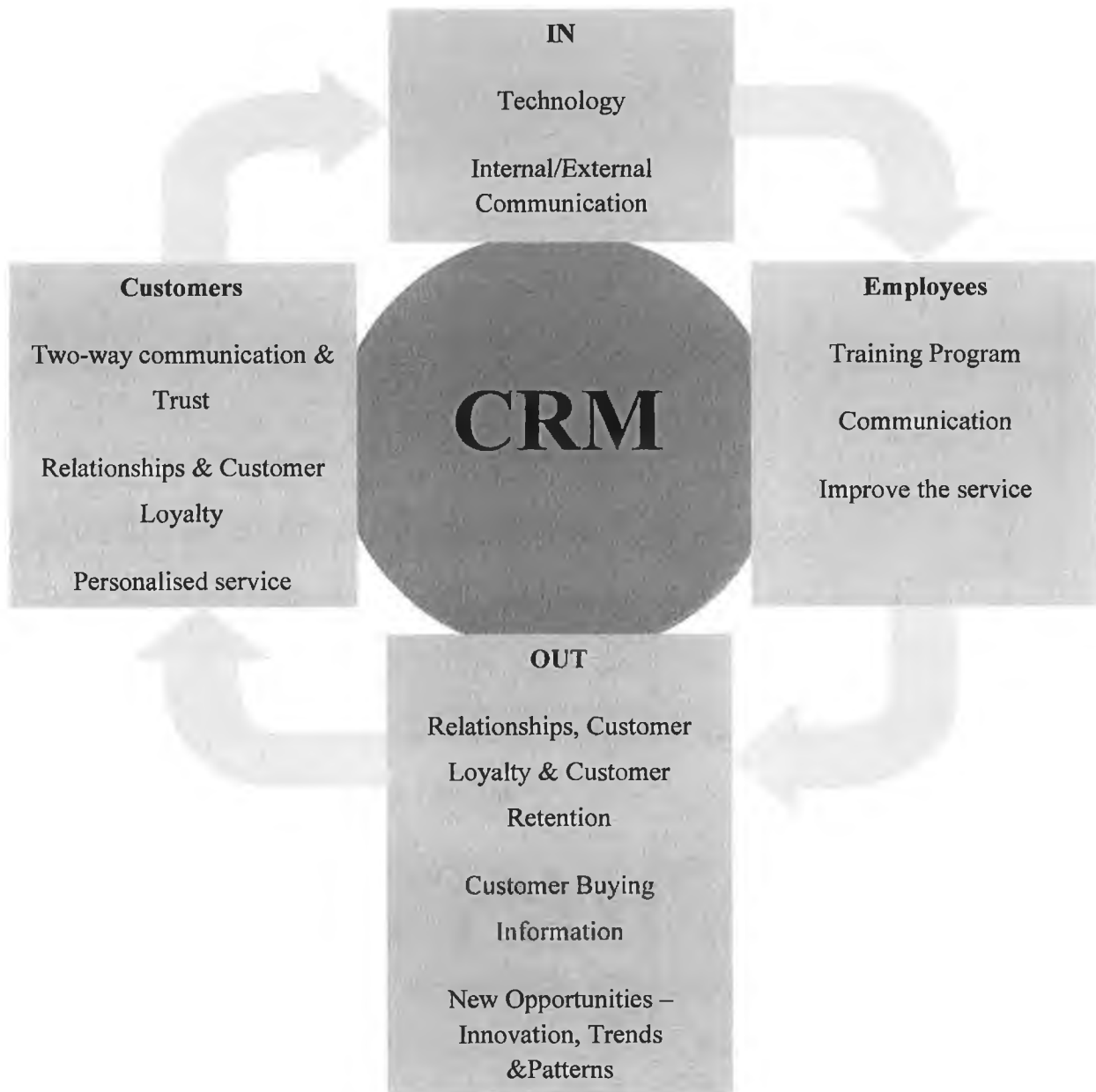
CRM gains companies a competitive advantage if successfully maintained. Competitive advantage arises from leadership and is backed up by innovative behaviour. Customer relationships have changed significantly and a company's main aim should be the quality of each customer experience and the satisfaction of all their needs and wants.

Question five posed to management from the competitors section

Q.5 Are you innovative?

The aim here was to ascertain whether or not the implementation of CRM played a role along side innovation. Innovation involves change management and can depend not only on your business strategy but also the on your competitors. Strong relationships and networks are extremely important in the innovative process and it is all about the company's ability to align these networks with the innovative strategy of the workplace. It was also posed to see if small enterprises have adapted the modern way of marketing and moved from transactional based approach to a more customer centric manner.

3.6 The CRM Process



3.7 CRM Diagram Evaluation

Technology plays a key role in the implementation and use of Customer Relationship Management (CRM). It is however important for companies to know that CRM is both a business strategy to improve customer relationships but also a collection of technologies to assist in this. Due to rapid technological advances and the internet companies need to monitor existing and potential marketing activity. Technology and CRM have allowed organisations to obtain buyer information quickly and also fill gaps in their customer cycles.

Two-way communication is necessary in order for both parties to reap the benefits. If this is done correctly companies will strengthen relationships and profitability. On the other hand customers will receive a more personalised service and greater value.

OUT

CRM is more than just an innovative IT strategy. Customer Relationship Management helps to build relationships and eventually customer loyalty. CRM allows companies to focus on profitable customers and customize products for them. It is a long term strategy that will be strengthened over time. CRM technologies gather buyer information from potential customers; this in turn allows firms to use this information for further customer analysis. It gives companies the opportunity to use this data to personalise and even solve consumer buying problems which will improve customer satisfaction and the customer experience. It creates a two-way dialogue between the company and the customer and gives staff the opportunity to personalise the service they give. CRM allows companies to align customer needs with product innovations. CRM provides technology and a customer-centric model to benefit innovation. Customer knowledge is not only the main driver for CRM but also the innovation strategy. Innovation ties in with the constant trends and patterns in society and it needs to keep up with these market changes to remain competitive.

CUSTOMERS

The most important element of CRM is understanding what customers want and value about a relationship with your organisation. All customers have different needs and wants that they look towards the company to satisfy these for them. These wants are products and services desired by the customer in whom they believe the organisation can provide them with. Some customers want personal and a higher level of service than others. Customers are willing to pay a higher price for a more personalised service. Once a company can satisfy these successfully they can build trusting and loyal relationships with their most profitable customers. It is more profitable for organisations to retain present customers than to obtain new ones. CRM allows them to access important customer data and use this information to meet well-defined customer needs ahead of competition. They then have the ability to personalise the service offering for specific customer segments. However, continuous communication is needed from both parties for it to work efficiently. This open communication will strengthen the relationship and the bond between the company and the customer.

EMPLOYEES

Customer Relationship Management gives the internal customers of company better access buyer information more efficiently. They have the opportunity to see the organisations goals and the benefits that CRM brings to both parties. However staff alone will not reap the benefits of this package. There needs to be other stakeholders involved in the process. Top management need to take the lead to not only train staff, but also monitor and tie the CRM goals to the company goals. The implementation of CRM needs to be built on communication from all departments. CRM is a complete cultural change for internal bodies and management need to be sensitive of this if they wish to succeed.

3.8 Sample Selection

Sampling is a key component of any research design. A sample selection is a subgroup of the population selected for participation in the research and only a small portion is being examined. The relevant population for this study can be defined as the management team of all five small enterprise businesses in the North West of Ireland.

There are various types of sampling methods however for the purpose of this research it was decided to use purposive sampling. Each business and industry chosen was done so for a reason as to investigate if small and medium sized enterprises in Co. Leitrim practiced CRM. Purposive sampling also targets a specific market that is knowledgeable about the topic at hand (Schutt, 2006). Therefore, the researcher decided to ask the management team from different businesses in different industries in order to obtain a cross section of views on the subject of CRM. The clients were chosen with careful consideration and selection including their openness to participate, availability and knowledge.

The selection of the representative sample was driven by the need to gain a deeper understanding into CRM practices in these smaller companies and whether or not customer buying information was a key component in the daily running of their businesses. It was seen as beneficial to use different industries and companies in order to have varied responses. It was also felt that the sample chosen would provide a holistic view of the practice of CRM in the smaller companies in the North West of Ireland. The decision to interview the five selected companies was based on the research carried out on their websites. Furthermore, the researcher wanted to gain a deeper understanding into the practice of CRM in different industries. Table 1.1 below illustrates the sample that was chosen for the study on the practice of CRM in small enterprises in the North West of Ireland.

Table 3.1 Overview of all five small businesses interviewed

Company	Industry	Date & Time	Years of Operation	No. of Staff	Location	Web Address	CRM Yes/No
McNiffes Boxy	Food	16/06/09 19.30p.m	21 years	8	Ballinamore	None	No
Cora Systems	I.T.	19/06/09 10.30a.m	10 years	14	Carrick on Shannon	www.corasytems.ie	Yes
Cannaboe Confectionary	Food	22/06/09 12.00p.m	7 years	2	Ballinamore	www.cacamilis.com	No
McCartin Engineering	Farming	24/06/09 15.00p.m	39 years	24	Newtowngore	www.newtowngoreengineering.com	Yes
MM Design Studios	Professional Services	07/07/09 11.00a.m	3 years	3	Manorhamilton	www.mmdesign.ie	No

3.9 Analysis of the Research

Analysis of the data collected involved reading the comments to the open ended questions and interpreting them based on the language used in the literature and then using them to conclude the research findings chapter.

All of the respondents were initially contacted by telephone in order to set up a time and date for the personal interviews. The managers from each organisation were chosen as they all have expert knowledge of the company and its workings. McNiffes Boxy was the first company to be interviewed. The data collected from this interview was analysed by summarising the findings and identifying links to the literature review. Cora Systems was the second company to be interviewed and the same method as McNiffes Boxy was used. Cora Systems findings were then compared to McNiffes Boxy. Cora Systems identified numerous links in the literature review as they were the only firm analysed that had a CRM application securely in place. Cannaboe Confectionary was the third organisation to be interviewed by the researcher. This company like McNiffes Boxy is in the food industry therefore they were easily comparable. Cannaboe Confectionary was also evaluated in relation to Cora Systems. McCartin Engineering was the fourth organisation to be interviewed and evaluated. They were then compared to the previous three companies interviewed. McCartin Engineering has a CRM package in place however there is a lack of knowledge within the company and internal marketing is lacking. MM Design Studios were the final company to be consulted with; they are based in the professional services industry. All four companies prior to this interview were compared to MM Design Studios. All five companies were organised and compared using the common themes throughout the literature review which allowed the author to draw up the findings and reach a conclusion.

3.10 Limitations of the Research

As the researcher had to interview five small enterprises in the North West of Ireland, time constraints was the main limitation. There was a lot of organisation involved in the scheduling of interviews with the managers of these companies, but in a busy organisation this is often unavoidable. This resulted in the researcher having to reschedule the dissertation time frame around the companies.

There were only interviews carried out on five small enterprises meaning that this was only a sample of all the companies in Co. Leitrim. Therefore this simply allowed the researcher to analyse a small proportion of organisations on their CRM practices. Furthermore this study was based on one or two companies in each industry which means that the results are not applicable to all other small enterprises in the North West of Ireland.

As the researcher decided to just speak to the managers of each company as there was enough information gathered from using this method for the topic, there was a certain amount of bias involved with the sample. Also, the researcher did not interview the employees or customers of any of these companies used in the sample. It was felt that not all employees would have the knowledge of CRM or even use this package. The questions posed in the interviews answered the questions sufficiently meaning that the researcher did not need to speak to the customers of each firm.

Enterprise Ireland offer support and assistance to many companies in Ireland, however when asked for information on companies in the Co. Leitrim area they were unable to assist. The researcher found that there is a lack of knowledge by the Enterprise board on CRM, its practices and potential benefits. Therefore they are unable to help companies move forward and reap the possible rewards.

Chapter Four

Research Findings

4.1 Introduction

The following is an analysis of the five companies in the North West of Ireland that were interviewed. Each of these companies was asked similar questions in relation to their individual CRM and general business practices. The data gathered at the interviews was then analysed independently to reach a conclusion for each organisation.

4.2 McNiffes Boxy Analysis

Company Background

McNiffes Boxy was founded in 1988 at the home of Detta and Michael McNiffe in Ballinamore, Co Leitrim. They converted their garage to facilitate the food production process for their product. In 1991, they decided to build a specialy built unit for the making of boxy. Boxy is a traditional Irish potato pancake and is mainly found in north Connacht, southern Ulster and north midlands. There are many different recipes involved with boxy; however they all contain finely grated raw potatoes. Their venture took off as one of a husband and wife, and selling their produce to only 3 shops at most. However due to the success of their specialty potato product the company has grown from strength to strength. Small speciality food producers are fundamental to a thriving and progressive food industry (Bord BIA, 2006). This entrepreneurial streak in Detta has a lot to do with her family background (Cooney & Hill, 2002). Boxy was not only something that Detta had grown up with but there was a strong niche in the market place for it especially in Leitrim and surrounding areas. During the 1980's the economy was in a recession and employment was at a low. Detta had graduated with a Degree in Food & Catering in the hospitality industry so it was a great opportunity for her to set up a business. This risk-taking behaviour, initiative and the need to achieve are classic signs of an entrepreneur (Cooney & Hill, 2002).

The business initially in 1988 began producing 200 units per week and now in June 2009 is producing 2000 units per day. This alone demonstrates the success of the small enterprise in Leitrim along with the increase of staff members from 2 to 8 employees including themselves. Their product is a speciality potato food, a traditional high quality food product with no additives. The business has an extended product line. These goods include the Pan Boxy which was their very first product to sell and their best seller to date, the Loaf Boxy and the Dumpling. They also supply coleslaw, pasta salads and potato salad to cater for the

warm weather. Boxy can be a seasonal product depending on the potatoes grown that year. From here they decided to extend their product into what the customer would actually be demanding during the summer months. However, there is room for expansion and has plans to export in the not too distance future. There are significant opportunities for niche products both locally and nationally with a good story to tell. McNiffes Boxy has already established a strong brand presence in Leitrim and its surrounding areas such as Cavan, Longford, Sligo, Meath and Fermanagh.

According to Drucker (2002), Innovation is the specific function of entrepreneurship, whether in an existing business, a public service institution or a new venture started by a lone individual in the family kitchen. It is the means by which the entrepreneur creates new wealth production products (O’Gorman & Cunningham, 2007).

CRM in McNiffes Boxy

The success of McNiffes Boxy has meant that Michael and Detta’s daughter Aoife is in the process of transferring all of their customer data and information to a computer database. In order to keep up with competition and modern business practices they need to move forward and also remain innovative. The environment in which Irish companies were operating is changing and business models have changed as Ireland has become a more knowledge-based economy. Technological advances and access to information has been the driving force behind this process. This is where CRM plays a role. According to Nguyen (2007), CRM is a process that allows bilateral communication between the company and their customers. It also enables companies to pull up information readily in relation to customers buying behaviours and service records. CRM is an area that will continue to expand but there is a perception that unless companies use it correctly they will not be able to survive or compete in the marketplace. CRM is a strategic approach and the company business processes need to all integrate with each other.

The objective of CRM is to create a long term relationship that will benefit both the company and the customer (Lancaster & Reynolds, 2002). The relationship of the customer has changed dramatically over time in many organisations. However, in relation to small Irish enterprises this is not necessarily the case. Many small organisations still operate in a more traditional mind frame; it is not uncommon to know the names of all your customers and their families. McNiffes Boxy closest customer relationships are those of their B2B consumers. These are the stockists, suppliers and retailers she and her employees liaise with on a daily

basis. The majority of their business is in the Leitrim area which she is due to the fact that the local people and her customers know the business personally.

Customer

McNiffes most important customer is their potato supplier. The company deals with two potato suppliers in Meath and Monaghan due to the seasonal factor of potatoes. For this reason Boxty was originally associated by nature with Halloween or Christmas. The main season is from September to May and they receive their potatoes from their supplier based in Meath. Other suppliers for the company include dried goods, labelling, Flo Gas and vegetables for the salads. All of these suppliers are based in the local Leitrim area. The traditional potato product is sold mainly to shops and restaurants in the North West region. They do not sell to hotels or hospitals as they are aware that many establishments may not know how to cook their products especially the 'Boxty loaf.' There is a definite gap in the customer cycle here and the need for some customer research. The business has considered cooking instructions on the pack which they think may answer the problem to the lower sales on this product. This is an area that needs to be focused on by McNiffes as they are losing out to competitors by not doing so.

McNiffes have never carried out any market research but Detta is regularly monitoring the shop shelves, customers and competitors' products also. This is typical behaviour of a small Irish owned company not just in the North West. However she has now realised the benefit of CRM and technology. This also links back to the view of Chen & Popovich (2003) that companies are having a turnaround and are beginning to see the benefits of CRM. CRM and technology have never been so apparent and the marketplace has shifted from a product-centric model to that of a more customer-centric one. McNiffes Boxty believes the people who they supply to are their customers not the end-user. The implementation of a CRM package would help them maintain and monitor these relationships more efficiently. CRM cannot work unless there is continuous analysis and evaluation from top management. In relation to the McNiffes, Detta believes their success is owed to the high standard of management especially when dealing with food produce. This not only displays that there is a top down approach in place internally but also that the company have what is needed for CRM to flourish. The company's persistence and hard work throughout the years is a common trait in leading Irish entrepreneurs. These types of individuals will constantly seek new opportunities and try their best to achieve it. Therefore the implementation of CRM is

definitely a new opportunity for McNiffes not only in the food industry but also with their customers.

Company future

CRM is a cultural change not only for the company but also for their internal staff members. It is a change in the way things are done and staff needs to be involved in this process with the aid of two way communication and full commitment from both the customer and the company. Detta and Michael will need to take the leadership role in order for the implementation of CRM to be a success. Due to an ever changing environment and industry CRM can play a role in the product lifecycle of boxy. A customer-centric strategy needs to be in place before a CRM application can be considered. The implementation of a CRM package would allow McNiffes Boxy to monitor the latest trends and patterns in society. The main changes in the food industry are the craze of healthy eating and the awareness of fat and salt levels in food. This however is benefiting their product line greatly and furthermore none of their food products have additives either. Therefore customer and market intelligence needs to be a main focus for the business. Customer intelligence will give McNiffes Boxy the opportunity to promote the right product to the right mix of customers. They need to focus on the benefits that CRM can bring a business and its customers (Chan, 2005). It will also give them opportunity to spot trends in the market place at a faster pace and also manage the relationships they have with current customers. If done effectively they will in turn build on customer loyalty and strengthen their customer bonds and brand image.

The implementation of CRM will also give McNiffes Boxy a competitive advantage especially if they use technology correctly. At the moment Detta monitors competition from supermarket shelves and newspapers. This is common practice for small firms but with the help of CRM they would be able to foresee customer demands ahead of competitors. There are three other boxy suppliers in Leitrim and they compete with them all. McNiffes were the first producer of the food product in Leitrim and surrounding areas. A full training programme throughout the organisation will need to be introduced. CRM allows all internal staff to access customer information, past, present and future. Technology and CRM work closely together which will provide mutual benefit to all stakeholders within their company.

4.3 Cora Systems Analysis

Company Background

Cora Systems is an IT company based in Carrick on Shannon, Co Leitrim. It was founded in 1999 by a local businessman Philip Martin and his wife Annemarie. Cora Systems specialise in project, programme and performance management systems, consultancy and training. They are the leading programme and project management systems to local authorities in Ireland. The company decided to set up a software business in Leitrim as there are no other competitors in this area. The fact that Philip is from the Leitrim region did strongly influence his decision to move back from the East Coast and do so. The business initially began with two staff including him which grew to 24 staff. However, due to the economic downturn at present, the company now employ 14 staff in June 2009.

Cora Systems didn't carry out any market research when deciding to set up in the Carrick on Shannon area however Philip was aware that the software business is the way forward. However, the company did receive some help from Enterprise Ireland and the Western Development Company and are still receiving ongoing advice and assistant. Their success has a lot to do with the market place and they also pursued the local authorities here in Ireland which led to their achievement. Relationship Marketing (RM) is a key element especially from Philip Martins point of view. Throughout the years he has built a strong relationship with the public sector and they recently secured three large government deals with them as a result and they also work with the Department of Environment.

Cora Systems have three software programmes on offer for their clients. One of the most successful products to date is the "Project management system." This is a web-based programme which ensures time and cost savings through visibility, control and simplicity. Their main aim is to prevent people from working in silos in organisations in order to get all departments working together towards the same aim and objective. This in turn benefits Cora Systems, their clients business and their customers. They try to tie this into their strategic business objectives. If companies are doing this already then Cora Systems job is made a lot easier. However, if this is not the case they have a lot more persuading and explaining to do and it's much harder to sell. "Purchase Vision" is their second product. It is a web based purchase management system which will erase a request for purchase and go and get what is necessary. It simplifies it for the employee and gives the co control and governance over their spend and PR process. It is all about trying to link the two systems together to get the

overall cost. Finally, their third product is “Helpdesk Vision” which helps organisations log and track support issues they may have internally.

Customers

Cora Systems main customers are the local authorities such as the Department of Environment, EPA and other parties within the public sector. This concentration of one area can have negative aspects, especially in difficult economic times where they are cutting costs and budgets. This is where the largest segment of customers are based which has been achieved through good communication and relationship marketing by the CEO Philip Martin. In Wilson’s (2000) opinion successful relationships begin with internal commitment to relationship performance and success. When building relationships companies need to not only focus on the connections with their customers but also their internal customers, their employees. According to Rich (1998) management must not only accept the proposition of relationship marketing from an intellectual perspective but should be willing to invest the necessary time, labour and financial resources to make it a reality. Relationship Marketing is about developing and nurturing strong customer relationship over time and Philip Martin and his company are achieving this very well. Cora Systems work on a regular basis with companies in Northern Ireland. The only difference in doing so for Cora Systems is that they work closely with an organisation called Intra Trade Ireland. This organisation focuses on encouraging trade between the north and south of the country. Philip describes it as speed dating for companies, whereby clients are given half hour slots where you meet various companies and clients. Cora Systems have achieved 3 follow up calls from this meeting so far this year.

Cora Systems plan to expand further in the future into bigger markets and also introduce new products lines. However, due to tighter budgets internally and externally they are concentrating on their three year plan for the moment which would see the business targeting new and different markets. They previously worked in the UK but it never seemed to work, partly due to the choice of salespeople they had over there and possibly other factors that they never thought about looking into. There is a definite lack of marketing research on Cora Systems behalf and also huge missed opportunities for the company within this industry. Today’s organisations, leaders, managers, employees and competition are under extreme pressure to bring change to their business. In order to do so correctly marketing research is a necessary and effective tool which is something the company are severely lacking in which is

obvious as they have no budget set aside for marketing research either. They very recently secured a deal in Northern Ireland with IT Assist which is the central IT server service for six of the government departments in Northern Ireland. Their Northern Ireland counterparts haven't been affected as badly with the recession due to the majority of employment being in the public sector. Cora systems would like to target the private sector in both the Republic of Ireland and Northern Ireland. However, the market will need to play a major role for this to happen and partnerships may need to be considered. They may need to piggyback on a company who knows the area and the industry relatively well.

CRM in Cora Systems

Cora Systems choose to operate in the software industry by working with their customers through the effective management of these relationships. The building of these relationships is supported by CRM systems. According to Newell (2000) CRM systems, use rich databanks of customer information to manage the customer relationship. CRM systems support all the stages from the initial contact with the customer to order, right through to delivery to after sales service. They allow companies to customize their offerings for each individualised customer and also access customer buying information quickly. Cora Systems have a list of their customers on a CRM database called "Sugar CRM." It is a free open source application. Philip originally had all the information on a sales tracker and they transferred it all to this package in recent years. The salespeople within the business are responsible for inputting the data and keeping it up to date. They input their sales leads and opportunities. It is also similar to a calendar, where it reminds staff about meetings, tracks calls, follows up leads or calls and all the conversations are recorded. It is a big part of the organisation even though some people in the Cora Systems have issues surrounding the database. Many of the staff members feel it takes up to much valuable time when all data has to be inputted on a daily basis to keep it up to date. There is a definite gap in the business strategy here that Cora Systems need to address.

There is a lack of training in many organisations including Cora Systems when it comes to CRM and staff and the company culture. Many employees have difficulty with change; however achieving staff involvement will lead to innovation, adaptation and a change mindset within the organisations employees. Training programs in customer relationship management are necessary for staff in Cora Systems to see the benefits that CRM will bring to the company and customers. CRM today has moved away from being 'nice to have' to a

necessity in the way companies are run (Smith & Taylor, 2004). Technology and business processes are the two critical elements necessary for CRM; it is the employees who are the building blocks of customer relationships that successful CRM implementations require (Chen & Popovich, 2003). This supporting method of managing customer files used by Cora Systems is very different to the one used by McNiffes Boxy in Leitrim. McNiffes have all their customer data stored on file and analyse from this. However, they to are noticing the changes in society and the benefits of CRM and technology as their daughter Aoife is in the process of transferring all of their customer information to an IT database. There is more to CRM than simply implementing it all companies need a specific person to monitor customers' trends and patterns, but also monitor the competition.

CRM gives not only Cora Systems but other businesses the opportunity to adapt their product to the client. Customization can take many forms, Cora Systems prefer to use the web based route. They build micro sites and landing pages that go beyond the webpage. They set up e-campaigns where they send personalised emails with a link back to their website and they're able to monitor how many hits and visitors they get from this. It is all very much a targeted approach everything is done for a reason in order to generate prospects in a cost efficient way. This also bodes well as an advertising method for the company, as due to tighter budgets they do not have the resources available for other advertising campaigns. This is in comparison to McNiffes Boxy who advertises in local newspapers and sponsor local events in their area.

Company future

Cora Systems operate in an extremely competitive industry, they are the only ones in Leitrim and one of their main competitors is based in the UK. The software industry is overwhelmed with companies like Cora Systems and they find it hard to compete. They are up against the big players like IBM & PC Associates. It is all about proposition and how you sell your product well within its market place. Other local competitors are Computer Associate in Ireland and HP in the UK & Ireland. They are always monitoring their competitors and also have a list of competitors and all their products so they know what they're up against. They're very innovative and adapt well to change, their management team make all the decisions needs especially the bigger ones. They are one of the few small enterprises that take CRM and Relationship Marketing extremely serious and how well you sell your product.

4.4 Cannaboe Confectionary Analysis

Company Background

Cannaboe Confectionary is owned by Sharon and Alan Sweeney and is based in Ballinamore, Co Leitrim. It is one of the leading innovative cake designers in the North West and is all custom-made to suit any occasion. Sharon was originally the one who developed a passion for the cake industry it stemmed from her love of art while she was in school. Her business like a true entrepreneur really did evolve from passion for her product. Sharon was the only person studying art in secondary school at the time so she decided to teach herself by taking out an art book from the local library in Ballinamore. In 1995, she completed a course in Fermanagh College in Art and Sugar Craft. From this she further completed a City and Guilds Sugar Craft course in the UK. She never had motivations to own her own company but with the help of her friends and family and positive word of mouth her business grew from this. Both Sharon and her husband continued to work and bake novelty cakes part-time. However, in 2002 Sharon and Alan decided to extend onto their home to accommodate their growing enterprise. This also allowed the couple to mind their three children at their home in Ballinamore and concentrate on the business further. The company received funding from Leitrim Partnership and in 2002 Leitrim Enterprise Board assisted them in building their new unit. They both also received mentoring from Leitrim Co Enterprise Board for chocolate making, finance, and web design and business skills in general. They are still in contact with the board for ongoing advice. In 2004 Sharon went full time into Cannaboe Cakes to keep up with the demand from consumers.

Alan is responsible for baking the cakes and Sharon works on the novelty side of things which also includes the artistic design of the cakes. Alan worked with Smiths Monumental for 22 years which explains why he has such a great eye for the engineering aspect of the cake design. Their success in creating edible sculpture for weddings, christenings, birthdays, Christmas led the company onto new ventures. The success of their products is how different their products are to competition and how easily they can be adapted. As part of the product line they also produce home made chocolates and Homemade Brown Bread. They make handmade chocolates which are more popular at certain times of the year such as Easter eg: Easter Eggs. They have considered producing bread on a daily basis from their home and selling it to the locals in their area. Sharon and Alan know there is room for expansion in the near future due to the type of business especially when one is working with chocolate and bread as there are so many different types that can be produced.

Customers

The company have had their creations been recognised by other people and organisations. Some of their achievements include the design of Michael O' Leary's Wedding cake in august 2007; they have worked with Peter Kelly from Franc Weddings and also in 2008 won the Leitrim Co Enterprise Manufacturer of the year. The advice Sharon and Alan give to people who are interested in setting up their own enterprise is to know your product well and what your customer wants. Furthermore, be prepared to fail but more importantly enjoy the satisfaction of working for yourself and supplying an exciting product or service that your customers will enjoy.

Cannaboe Confectionary's target market are women not only brides to be, but also women from the age of 17 onwards. This category demands novelty cakes mainly for 18th and 21st Birthday parties. Their strong customer base is owed to advertising in local newspapers, wedding magazines, trade fairs and helpful word of mouth. They don't export internationally due to the fact cakes would not travel well, however their online service has attracted some global shoppers. Their website is very important to the company not only as a means of advertising but also customers are able to see images of sample cakes and chocolate and also shop online. A lot of their custom has grown from their webpage and brides in the US and Germany has ordered their wedding cake online as they planned to wed in Ireland. There is great demand in the American market for their handmade chocolates and they regularly receive orders for them. This indirect selling approach is something that Sharon has become accustomed to even though she would prefer to see the customer face to face. In the wedding industry the majority of the time she delivers the cake to the hotel without meeting the bride and groom. Cannaboe Confectionary prides themselves on relationships being their strongest point and communication either by phone or email being the key to do so. However, the wedding fairs give the customer and the company the perfect opportunity to discuss ideas and to also see what the company have to offer.

CRM in Cannaboe Confectionary

CRM comprises of a database installed to keep track of all the customer oriented information a company have about its customer base (Fuglsang, 2008). There is a definite lack of innovation when it comes to moving forward as a company with the help of technology.

Customers are more involved in companies today, they have more knowledge and resources and global competition is fiercer. Therefore in order to remain competitive and in demand companies need to engage in constant innovation (Bergeron, 2002). Cannaboe Confectionary has on many occasions started to compile a list of their customers and their buying patterns on a database but it has never been completed. It has been a huge oversight by the company. They are very similar to McNiffes Boxty in this aspect however McNiffes Boxty has the advantage of having some help. Their daughter Aoife has realised the gap in the customer cycle and is willing to set up the necessary information on a database. Many of Cannaboe Confectionary's customers are brides and women are their largest segment. Some of these customer especially the brides to be, are one off customers. However, these possible customers can be repeat customers if communication between both parties is maintained. If their customer details and personal information was on a database the company would be able to continue these relationships. This is where the company differ from Cora Systems as their CRM package Sugar CRM is constantly being updated and used to seek customer data. Cannaboe Confectionary uses their website as their main source of advertising and communication with their customers. Therefore, they already know how to negotiate and keep up with customer demands so they should be willing to develop this further. The company create exactly what the customer wants; brides are now demanding cupcake wedding cakes where each guest receives one. Sharon believes this is adding that extra touch and truly making the customer experience more worthwhile. It is becoming more and more difficult to keep up with the knowledge-based customer that demands customer satisfaction each time. Cannaboe Confectionary are giving their customers power by allowing them to post information and feedback on their websites blog. This is a way of connecting with the customers' passion towards their product (Tisch & Weber, 2007). Blogs are now taking over the market and are acting as a new form of advertising they do however run the danger of affecting the companies who choose not to use this method. On the other hand it gives Cannaboe Confectionary a great competitive advantage.

Customer experiences are extremely important for any organisation not just Cannaboe Confectionary. Sharon and Alan produce exactly what their customers wish for. According to Tisch & Weber (2007), the ability of any company to create exciting and memorable life experiences is a crucial skill for any business. Customer experiences should begin from the very first meeting with a company and their product and the same is applicable for Cannaboe Confectionary. It is from the very first moment a customer considers becoming a customer

which will extend into years until it becomes a lasting memory. By producing memorable cakes for customers especially for brides on their special day Sharon is creating just that. Creativity has often been associated with artistic people however this is not always the case (Cooney & Hill, 2002). Cougar (1996) cited in Cooney & Hill (2002), that creativity is about uniqueness or newness. Sharon once took a sample of a bride's lace and recreated it for their wedding cake; it's all about adding that extra little touch. Customers thrive for something that bit different particularly something that is individually created for them and to be able to enjoy these experiences. Once companies understand all their customer touch points and the importance of them they can redesign the structure of the organisation to suit each customer. This is where CRM should be considered also. For a company like Cannaboe Confectionary to understand their customer experiences it is necessary that they keep track of their buying patterns. The development of their website blog has somewhat probed further into their minds but not all customers are technical experts and therefore they are losing out on their opinions, purchasing habits and demands. CRM and customer experience management (CEM) are built around each other. According to Myatt (2007), some people believe CRM cannot survive with some element of CEM however others believe CEM to completely operate by itself. Myatt (2007) also believes that one should drive the other and CEM may focus on the customers experiences with the product but CRM can focus on the buying behaviour and patterns. Cannaboe confectionary may be measuring their customers' experiences by the amount of blog entries or thank you cards they receive. As a result they are forgetting about the other purchases these customers make or could make eg: the possibility brides purchasing anniversary cakes or christening cakes in the future. They are aware of this faux pas on their behalf and know they need to make changes more so because of increased competition in their area. Both Sharon and Alan can see the importance of implementing a CRM strategy however; according to Payne (2006) few organisations develop a CRM strategy with the focus on building and sustaining long term relationships. This is where Cannaboe Confectionary are failing as they are treating their customers as once off customers so therefore are still in a transactional marketing mind frame. They may find the whole process of change management difficult however it is for the best not only for the company but existing and potential customers.

Sharon and her husband Alan do not have any employees within their business and are both responsible for the selling, advertising, baking, marketing and financial side of the business. Therefore one may say there is no fear of all departments not co-operating. Moreover there is

in fact a serious danger in this as Cannaboe Confectionary concentrate a lot of their energy on the obvious parts of the business but are simply forgetting about the marketing aspect especially the importance of relationship marketing. Cannaboe Confectionary has built lasting relationships with their suppliers since they began their business in the 90's. All of these are based in Dublin and Leitrim. Without realising it the company are working on some aspects of marketing but their customers and competitors are key factors also.

Company future

The organisations biggest threat in the industry is the major supermarkets around the locality such as Tesco and ASDA. These stores cater for the less major birthday occasions that occur in customers lives such as a 12th birthday for example. Cannaboe Confectionary's cakes are luxurious and possibly too expensive for this market which results in lost opportunities for the business. On the other hand if the company were to target this market as they have considered it the implementation of a CRM package would make this change much easier. CRM systems were designed to make the accessing of information much easier. They also support marketing campaigns by providing customer data and product and service information along with the tools necessary to analyse this data (Rainer, 2006). Sharon believes they are keeping up to date with market trends and demands eg: biscuit wedding cake. There are certainly missed opportunities and niches available to them that the supermarkets and other local enterprises maybe targeting and who also may have a CRM system in place. McNiffes Boxyt in comparison sees these opportunities and is in the process of expanding on them as best as they can. They are moving forward with the consideration of exporting into foreign markets and the technology aspect will make this easier for them also.

4.5 McCartin Engineering Analysis

Background of the company

McCartin Engineering Company is based in Newtowngore, Co Leitrim. The company was initially set up by two Brothers, Tommy and Joe McCartin but has since expanded tremendously. The company has since been taken over by Joe's son John McCartin and he is now the managing director of the business. In the early 70's Joe McCartin and his brother Tommy decided to build piggeries, Joe wanted to fill a gap in his own farming life that he felt

he needed badly. Joe McCartin was an avid farmer who dealt with cattle and as the years progressed he bought more and more pigs which resulted in him needing piggeries for them. Joe didn't always want to own his own company but he was an industrious farmer who wanted more land and cattle and pigs. So this spurred him into setting up a Sawmill which needed more piggeries and a more structured area for this purpose. Their core product is steel framed build for industrial, agriculture and commercial sector which was made popular by farmers and the product demand. They supply and install all types of roofing and focus on all aspects of steel fabrication and welding services. They first started off selling the round roof shed (haysheds) which was extremely popular among farmers. From this success they moved into the larger industrial buildings such as warehouse and factories which were all private developments. The decision to extend further came about when their customers kept demanding more and needing more so they made it their mission to keep supplying as long as the demand was there. The slated shed is more popular in their range due to the grants given to farmers upon till last December 2008. They believe their competitive advantage is that they are a one stop shop and people can get all their steel requirements under the one roof. There was no marketing research carried out as back in the 70's it was not a much sought after thing to do. Also they created their own market which meant they didn't need to carry out any market research as the business developed so rapidly. Farmers from all areas came to their doors and farm organisations and also local markets. There were very few other companies in Leitrim covering such a wide market so McCartin Engineering held a monopoly. McCartin's never sold themselves John believes that in all their years in business they never had a good salesman and that none of them were any good at selling or persuasion. This he believes is still one of their downfalls that really should be improved particularly in the current difficulties within the co. They introduced salespeople in the late 70's and went around to houses cold calling and as a result got their business this way. He believes their selling skills weren't their strongest point but because people needed their products they were a success. John said it happened overnight and within seven years they were the biggest purchaser in the country and employed 120 staff from two.

Customers

The McCartin brothers were firm followers in the Irish Government and Joe ran for the senate in 1973 and got through. However this did not affect his strong position with McCartin Engineering. With the help of local people he built his own shed to begin the

piggeries venture. By 1979 they had 350 people working for them and now there are only 24 due to the economic downturn and government cutbacks. Their success throughout the years had a lot to do with the market they created and a product that every farmer wanted and needed. A complete new product or service will face different problems especially when there is no visible market for that product yet (O’Kane, 1993).

McCartin’s main customer base is the private sector, farmers and some work is done for the local counsels also. Word of Mouth was always their best selling skill throughout their years in business. Their customers are based in Leitrim, Sligo, Roscommon, and Longford & Cavan. The company doesn’t export abroad and have never felt they needed to due to the demand in Ireland; however they do sell to Northern Ireland. John said this very different market due to lower wages and the fact 50% of their product is labour. In the republic, Construction Industry Federation (CIF) makes employers pay €14 an hr for a state job whereas in N.Ireland that’s the opposite.

The company advertises regularly in farmer’s supplements, local papers and farmer’s journal and they also sponsors local events. John doesn’t know if advertising has played a role in their success. They take out an annual ad with the Leitrim Observer. Furthermore, if a rep is having difficulty in their area and having slow sales they will take out an ad in his area to try and generate sales it works both ways for the salesman and McCartin Engineering.

According to Doole & Lowe (2005), one of the objectives of relationship marketing for companies is to obtain referral to other business units and people that are in different areas and not necessarily customers yet. It is all about good relationship marketing and communication he believes. However, an annual ad can cost up to 8000 a year which he maintains is costly but necessary to keep their business a household name.

There are huge changes in the engineering industry not just due to the recession but also due to the stoppage of the farm waste management scheme since the 31st December 2008 by the government. The Farm Waste Management Scheme was introduced in 2006 with the intention of allowing farmers to build slurry storage units with the help of a government grant aid. The key requirement was that farmers had to meet the deadline of December 2008 and all work had to be submitted along with grant application forms (irishindependant, 2006).

However due to the construction industry boom farmers were finding it difficult to obtain builders to carry out the work due to time constraints. This led to a back log not only for the farmer but also for McCartin’s Engineering business. Furthermore all farmers had to obtain

full planning permission before they applied for the grant and building work took place. On the other hand this dramatic rush by the farmers and the government to get the work completed in time meant that McCartin Engineering lost out on the smaller jobs such as Road Frame signs. This in turn opened a niche in the market for smaller engineering companies to set up in the surrounding areas. However, with the enforcement of such a strict deadline in December 2008 meant that McCartin's could not keep on top of their extreme workload. The company had three years work still to carry out for farmers. Therefore farmers had to look elsewhere and looked to N.Ireland to get the job done for cheaper and as soon as possible due to time issues. This has also led to huge competition between the border and here. Also, the quality of the product that farmers are seeking has dropped; they want to cut corners now. They are looking for a shed for the farm improvement scheme and the government wants to use special steel and special paint with particular micro... whereas otherwise the farmer doesn't get the grant. If the farmer doesn't want a grant they want the cheaper deal and are doing so across the border. This has led to a decrease in the number of employees working for the company they now employ 24 staff members since December 2008.

CRM in McCartin Engineering

McCartin Engineering is aware of the importance of their customer base particularly due to the fact that they owe their rapid success in the early stages of the company to their customers. CRM works with any customer that is providing business for your company and provides benefit to the firm and the customer. Companies now have the ability to communicate with customers in different ways. Cannaboe Confectionary and Cora Systems choose to do it through their website which is a form of e-CRM and they are building customer relationships through this method. CRM and e-CRM are not two different areas both need each other; it is not about the way things are done it requires a complete customer culture (Chaffey, 2001). They have a list of customers on a database and each customer has a member id that is used to allocate their information. McCartin Engineering has two employees responsible for managing this data and updating it regularly and it is used everyday. Customization plays a major role for the company for eg if a customer requests a shed but doesn't state what colour. They have all their past purchases on file so they can see whether or not his last 3 purchases were red or green sheds and they will match them accordingly. So from this point of view it has been beneficial to the business but there is no specific CRM database in place however. CRM allows mass customization for each individual customer and adds value to customer services. Customization relies on product

manufacturing where unique products are made for each customer depending on what suits their personal needs and wants (Fazlollahi, 2002).

Company future

McCartin Engineering prides themselves in the constant monitoring of the market and the industry. Their main competitor is Sean Brady in Cavan and also Frank Kiernan in Longford who are both industrial builders. They monitor their competitors by using mystery shoppers in all regions to see their prices and products. This is a different approach to the one used by McNiffes Boxy whereby their competitors are analysed from the various products on offer in shops. Cora Systems have a database of all their competition and their products which shows them exactly what they are competing against. John doesn't believe they're innovative at all but they know they need to be particularly in the current economic climate. There was such an abundant market and they were not able to supply the market they had during the more successful times. This meant that they weren't focused on developing new products or opening up into new markets due to demand by customers for their present goods. The future for McCartin Engineering holds 10 buildings in comparison to 200 buildings a few years ago. The business however needs to remain innovative in order to keep going forward and to stay competitive especially in such an uncertain environment. Innovation and leadership have never been so important and many companies tend to forget this in times of downturn (Barsh et al). A top down approach in a company will set the culture from which employees will stand by however this is certainly lacking in McCartin Engineering. Innovation needs constant attention in order to achieve short term performance goals and a common downfall is not encouraging innovative behaviour in an organisation. This is possibly the problem for McCartin Engineering and the negative outlook on this situation is simply not helping. The industry the company are in, maybe largely affected by the disposable of government grants and their Northern Ireland counterparts. However, there is no argument take such a closed approach to the long term goals and opportunities for the future of their company. Financial objectives may in fact be an issue but innovation can also mean using the resources a company has and creating more value from them (Barsh et al). Their weekly and annual advertisement as become the norm of the company so they need to analyse their customers and generate business from this. A more personalised approach is needed. McCartin Engineering already practice customisation within their business however, they need to go beyond this to reap rewards, from the resources they have.

4.6 MM design studios Analysis

Background of the company

MM Design Studios was founded in 2006 by a Belfast native Mark Mulholland which is also where the name for the company originated from. The business is based in Manorhamilton, Co Leitrim. Mark has a qualification in visual design and communication from Belfast University and from this he started his career as a freelance worker. Throughout college he worked as an apprentice for a printing company and this gave him the motivation to start his own company one day. Before he set up his business in Manorhamilton Mark carried out research in the locality and surrounding areas. There are many freelancers in the Leitrim region but none have in-house studios which mean MM Design Studios have a competitive advantage. The company began with two staff but now in July 2009 there is one full time member and one part time member excluding Mark. Alma has a Degree in Product Design and Martin has a Degree in Technology and Web Design so all three individuals work well together. Their combined creativity is what the business owes their success to.

In the initial stages of his business he targeted his customers by putting them into categories that would benefit the growth of his company. He focused on the public and private sector such as councils, especially the DOE in Northern Ireland, also exhibitions such as historical design and heritage designs. Mark also approached councils in Donegal, Sligo, Leitrim and Fermanagh. With the help of good relationship marketing and strong networks in the Leitrim area and Northern Ireland as he grew up there he was able to work with many organisations. The direct approach that Mark used was by giving out his portfolio to local companies which in turn brought numerous work leads for him and the company. He also liaised with the tourist board for local and historic signage and he also got grant assistance from the Enterprise Board and still receives information from them today. However, because they have been such a success in the last few years previous to the recession the business hasn't had the time to work with Enterprise Ireland as closely as they would like. Now in July 2009 Mark said they heavily involved in getting as much work done as possible so there is many time constraints.

Their product is a visual communication and print media product. Its popularity is due to their product quality. The business initially started off selling visual signage, large format

print, graphic design, concepts for brands, business cards and letter heads, literature for counsels which are repeat documents and finally historical/financial information.

Drucker (1985) stated that innovative entrepreneurs need to emphasise basic value and deliver it well to customers, cited in Adamson et al (2003). The market is saturated with graphic designers and there are lots of freelancers but none that are in-house which is what differentiates MM Design Studios so much. Customers like to meet and see the product directly and this has owed to their success, Mark knows that communication and trust has never been so important. If there is no trust between the company and the customer there will be no customer loyalty (Ball et al, 2003). This links in with the way Cora Systems like to do business in which they focus mainly on building strong relationships to remain competitive and an ongoing success.

Customers

MM Design Studios main range of customers are local counsels, tourism board, private sectors such as manufacturing companies and previous to the economic downturn local contractors, community groups such as festival groups and voluntary organisation. All of these industries and customers are all repeat and loyal customers for the company. MM Design Studios are aware that the way forward is through the correct use of technology. Mark believes that customers especially in Ireland are simple creatures who like to do things easily and people don't think twice focusing the internet regularly. The web is where they plan to expand and they are incorporating this into their new promotional package. The future of the co in the next few years is to move into the web based type of selling. They are designing a package whereby the customer gets posters, flyers, exhibitions and a website for free. The internet is more than just a form of communication for carrying out transactions it is a new strategy for management to organise their business by (Heinen, 1996). MM Design Studios do not plan on expanding into new markets as they don't believe they would be able to compete in such a complete industry. There is too much competition in the visual design and multi-media industry. The marketing department of many organisations appears to be the first area to be cut in a company particularly during cutbacks. As a result of this across the Irish economy, business has decreased for the organisation not only due to decrease in housing developments but tourism and various other industries has been affected too. The majority of their repeat customers in the past two years are customers no more.

MM Design have never carried out market research on any of their customers simply because they have never felt it was necessary. However they really need to take this on board and assign a budget for market research now more than ever. They have a database set up for their customers but no CRM package in place. They believe they could probably add more information to the customer database and use it more frequently. It is used on a regular basis for invoicing payments but that is simply not enough if they wish to remain competitive today.

CRM in MM Design Studios

There is a profitable opportunity awaiting the company and their customers if time was given to it. The new promotional package they are in the process of organising now in July 2009 will benefit from this customer database. This could be used to target their most profitable and repeat customers. Their plan to make customers aware of this offer via email with the help of the information they have stored. This in contrast with Cannaboe Confectionary who does use a blog for regular updates on goods but do not use their website to its potential. They haven't fully set up a list of customer information and emails to use in situations like this. However, the MM Design Studios hadn't considered using this database as a guideline until it was recommended to them. Due to their past success they never have had to use this customer data but definitely feel they should now. MM Design Studios like Cannaboe Confectionary have lost out on past experiences and opportunities by focusing on the short term. Relationship Marketing has developed into CRM but the outlying principles are still the same (Sheth, 2002). Relationship Marketing focuses on building lasting and loyal relationships with customers in the long term. CRM relies on using the information gathered from these loyal customers to be used to customize goods and services and in turn will benefit both parties involved. Cora Systems very much live by this rule and their success is owed to good communication and loyal relationships. The approach that Cannaboe Confectionary and MM Design Studios is very much a short term outlook. Both companies have focused on their present success and current repeat customers. However, no strategy has been implemented for either company in order to maintain these customers and appreciate the benefits of customer information.

According to Johnson (2003) companies are more concerned with improving production efficiency and as result forget about sales, customers and management. One of their staff members is in control of the financial and sales department however this section of the

business is being somewhat neglected. The benefits of CRM are often forgotten in many organisations and this is certainly the case for MM Design Studios. Mark from MM Design Studios believes that technology is pushing customers into being more web based and that is what the future is about. However, in relation to CRM technology plays a role but it is not completely about the IT factor. One of the biggest failures that companies make is introducing technology without actually taking into account CRM and its variables (Leon, 2001). CRM is all about using the customer data to in return enhance the company profits. There is more reason than ever for MM Design Studios to appreciate the benefits of CRM. In the multi-media and visual design industry where there is major competition there is also rivalry. Many companies are undercutting their prices to compete and due to the economic difficulties people are not pursuing print material as much as they did. Furthermore cutting costs in quieter times is the easiest thing to do but as Leon (2002) states, the technological aspect and how this can interact with customers and in turn increase revenue is the key element. For MM Design Studios and Cannaboe Confectionary this is certainly the case. Both of these companies are aware of their customers and their benefit to their business. On the other hand, they are still not building long-term relationships with them and simply moving beyond the idea of transactional marketing. They are not using the positive aspects of CRM which is the fact that it can open new opportunities for them. It can provide them with a loyal and trusting customer base, allows them to personalise their offerings, greater communication and finally, affects their bottom line. A web enabled CRM system will help companies like MM Design Studios and Cannaboe Confectionary better understand their customers and tailor their communications to fit them also. Cora Systems are effectively doing this at the moment and regularly use their CRM system for both parties benefit.

MM Design Studios main competitor is free lancers but there are no in-house in the Leitrim area only their own company. A company called Digital Print Service (DPS) in Carrick on Shannon are their core competitor however MM Design Studios don't monitor them at all. The business does not know what their competition offer especially what deals they are up against in difficult times. Due to the success of MM Design Studios in recent years they have never needed to heavily monitor competition. As a result they have fallen behind as other companies maybe using CRM as a cost effective way of maintaining and sustaining customers. Furthermore they maybe prepared for the downturn and are offering customers what they want whereas MM Design Studios are only considering the promotional package now in July 2009. McCartin Engineering takes a completely different approach whereby

they have mystery shoppers monitoring competitor's products and way of doing things. McNiffes Boxy and Cora Systems both observe their local competitors regularly. McNiffes Boxy focuses on the shop shelves and newspapers and Cora Systems have a list of their competition and all their product offerings. MM Design Studios are similar to Cannaboe Confectionary in the respect of the fact that both companies feel they have no reason to analyse other businesses in the same industry. MM Design Studios consider themselves and the company as innovative as the graphic design and multi media industry is ever changing one need to be. Cannaboe Confectionary also prides themselves in their innovative and design of cakes and confectionary. However, transactional marketing has now moved forward to a customer centric approach in every company and constant innovative behaviour should know this. The company believe they are doing all they can in the current climate but, on the other hand they are ignoring the necessary elements to gain a competitive advantage ahead of others in the industry. CRM is a strategic way of thinking throughout the entire company and not just from staff or management all departments need to compromise on ideas and situations.

Company future

According to Greenberg (2004), CRM is all about designing a system supported by various applications that share data and intelligence to deliver an excellent customer experience. A positive customer experience owes itself to the service or product received, personalisation of these products or services can in turn deliver a more positive customer experience.

Personalisation for customers involved customised emails, ability to track customer buying information and possibly a customised product or service (Newell & Godin, 2003).

Cannaboe Confectionary, McCartin Engineering and Cora Systems all customise their products for all their individual customers on request. All three use customisation to create customer unique value, the main portal through which positive experiences are delivered to each customer (Pine & Gilmore, 1999). MM Design Studios need to take into consideration the positive aspects of customers and deliver on this as best they can. Table 4.1 below demonstrates the findings gathered on all five companies interviewed by the researcher in relation to CRM.

Table 4.1 Conclusion of the findings

Company	Market Research	Customer Database	Technology	Website	Training
McNiffes Boxy	No	No	No	No	No
Cora Systems	No	Yes	Yes	Yes	No
Cannaboe Confectionary	No	No	Yes	Yes	No
McCartin Engineering	No	Yes	Yes	Yes	No
MM Design Studios	Yes	No	No	Yes	No

Chapter Five

Conclusions and Recommendations

This chapter looks at CRM and the drivers of CRM in companies. Finally the chapter concludes with recommendations to all five businesses researched for the future practice of Customer Relationship Management.

5.1 Role of CRM

CRM builds relationships and loyalty and retention of customers

CRM is a tool used to connect companies with their customers and therefore develops two way communications between both parties. Trust is a key factor in this relationship in order to manage the relationship and retain these customers. CRM builds customer loyalty due to repeat purchases by loyal customers. Therefore, customers can reap rewards as they feel they are being appreciated and valued by the organisation.

Improving the service by targeting specific needs and wants of customers from the information gathered

CRM with the help of technology allows companies to gather data surrounding the buying patterns, decision and demands of customers. They can then use this information to tailor the product or service to the customers needs i.e.: Cora Systems. It is all about improving the customer relationship by emphasising customer satisfaction and customer experience.

It links front office to back office

Before CRM is implemented companies need to take a few factors into consideration. CRM isn't just a package that fits into the sales and marketing departments. Management need to emphasise the importance of CRM to all the work areas. Staff will need to be briefed on the long-term benefits it will bring to the company and the customer. A training programme will need to be addressed in order to help staff members adapt to this technological change and reap the rewards. Companies may need to introduce a CRM department that is responsible for the data collection of customers, monitoring this data and addressing customer feedback before it can be improved.

Personalisation of a companies offering

CRM allows companies to personalise the service and products they offer. With the help of the data collected about customers they can adjust their products and services. It also allows them to divide their customers into specific target markets. They will be able to address the most profitable for the company. From this they can personalise the contact with the customer eg: personalised emails. Cannaboe Confectionary and Cora Systems use this method. This in turn builds up the strength of the relationship and customer loyalty as customers feel appreciated and valued.

Identifies new opportunities for the company

Companies that implement CRM packages successfully can reap the benefits. The gathering of customer data will let the company open up new marketing segments and new opportunities. The successful targeting of these markets will help gain them a stronger competitive advantage.

Information Management System

CRM is a database that allows organisations to keep track of customer behaviour and they can then analyse this information. This technological process needs to be aligned with the company's business strategy in order for it to be a success. However, it isn't all about the IT factor and many times this is the reason for its failure. The human element still plays a huge role in CRM implementation and all departments need to work together with technology for it to work properly.

5.2 Recommendations

All five organisations that were analysed demonstrate elements of growth. McNiffes Boxy, MM Design Studios and Cannaboe Confectionary are all in the early stages of the CRM process. On the other hand, McCartin Engineering and Cora Systems both practice CRM on a regular basis and update their customer information accordingly. Each stage in the CRM process has different requirements and elements and all five companies show signs of each. CRM is about people and about organising a company's interactions with their customers, which must begin with a customer-centric point of view (Kincaid, 2003). Marketing is rapidly changing and technology has been the determining factor in this process. However, in order for each one of these businesses to remain competitive and maintain market stability, a long term focus into the future is the way forward.

Marketing focuses on certain factors rather than other departments and that is the customer and recognising this is necessary. Marketing is a two way communication process that involves the exchange of messages between the sender and the receiver, and the ability of both parties to understand each other and relate to each other. The management of these customers and their demands is the responsibility of management and their employees. A top down approach will demonstrate a customer-centric culture which will result in an emphasis on CRM benefits for both parties. CRM allows companies to use and update the customer data they have gathered with the assistance of technology (Kurtz, 2008). The twenty-first century's businesses need to be managed on the basis of facts rather than on the basis of instinct or feelings. Information technology provides the support for companies to build and nurture customer relationships, (Broadbent & Weill, 1997). Companies can only offer the best possible product and services for each individual customer with the help of technology and a CRM package. Therefore, it is important that these companies invest in the future and technology in order to have a sound customer database that will build long term relationships and customer loyalty. Cannaboe Confectionary and MM Design Studios need to gain a deeper understanding of the potential opportunities and benefits available from CRM. McNiffes Boxy has taken that step towards technology in order to remain competitive in their area. All five companies are busy running their businesses from day to day and it can be difficult to keep up with all the external marketing changes that are happening. This is where they need assistance and support and this maybe for some companies an external source.

The encouragement of small enterprise businesses has never been as prevalent mainly due to major economic difficulties at the moment. Small enterprises have proven to be more resilient in tougher times than the larger companies. Many of the smaller firms have that greater advantage of maintaining closer bonds with their customers which gives them a competitive advantage. Therefore relationship marketing is in fact been practiced as is seen in Cora Systems. CRM and relationship marketing can regularly be linked (Tapp, 2005) so nevertheless for these companies to allow these relationships to flourish; CRM will need to be considered. However, there is a lack of knowledge and information on companies' behalf. On the other hand, from the data collected by the researcher this too is the case in the government agencies such as Enterprise Ireland. These boards need to be educated on the benefits and opportunities that stem from CRM so in turn they can educate the management of these organisations. Companies such as MM Design Studios that are suffering as a result of the economic downturn are unable to combat their internal problems if they are unaware of what to do. A training schedule is necessary so as to inform management and employees of CRM and its potential.

Technology plays a dominating role in the application of CRM and sometimes this can be an oversight for some organisations. This wasn't always the case however there is a presumption among companies that once they install a CRM package their work is done and the rewards will begin. This could not be further from the truth. Many firms and their employees are not ready to use this new software and can be uneducated into what it actually does. Top management and all employees need a training programme into the role it plays in the organisation internally and externally. This is apparent in Cora Systems where staff members do not see the benefit of updating the data regularly and some do not use it all. There is a serious internal marketing problem here and so it can only be presumed in many other companies also. However, there is scope for further research on this matter.

All five companies' analysed need to focus on what technology should do rather than can do (Rigby & Ledingham, 2004). Technology if used correctly, is there to assist organisations in monitoring customer buying patterns and information for the benefit of both parties involved. Market intelligence is a result of customer data warehouses that stores all this information which allows companies to customise their offering for individual customers. Technological software may be a major element in relation to CRM but only if used properly.

The application of CRM packages will give each company new growth opportunities and investments. Many small businesses develop so successfully due to the niche market they are operating within. According to Hatten (1997) niche marketing allows smaller companies to profitably serve the smaller market over their larger counterparts. However, this is simply not enough even if their offering is unique they need to keep up with the larger firms and maintain their market share. Innovation is the key and it gives people the ability to see, conceive and create new and unique products, processes or services. Innovation does not need to be a major breakthrough that changes the company completely but rather small steps are just as beneficial (Calagione, 2005). This in turn will lead these companies to operate more competitively within their niche markets.

For all of these companies to successfully implement CRM and reap the benefits it has to offer, they must continue to evolve and innovate to effectively meet the changing needs of customers. There is certainly scope for further research on the practice of CRM in small enterprises. This research was carried out on a sample of companies in the North West of Ireland therefore a study into the practice of CRM in other parts of the country is necessary. In order for small organisations to remain competitive and successful, innovation with the support of technology is necessary. However, the case appears to be so, that not all companies are not realising the benefits of this yet. It is not only a venture for the larger organisations to embark on; smaller enterprises also need to follow in this direction too.

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Appendices

Appendix 1

1 – Start-up

1. What year did you start in business?
2. Where did you start?
3. Did you always want to own your own business?
4. What were your reasons/motivations to set up your own co?
5. Why did you choose boxty?
6. What Marketing Research did you carry out in the initial stages- prior to and during set up?
7. How did you decide what customers to target?
8. What type of selling/persuasion did you use to get stores to stock your product?
9. How much did you start off selling initially?
10. Has that increased by much?
11. How many staff did you start with?
12. How many have you today?
13. Did you receive any support or assistance from Enterprise Ireland for e.g.?
14. Are you receiving ongoing assistance/support from these organisations?
15. What type of advice would you give to someone thinking of setting up their own business?
16. What direction do you see your business going in, in the next 5-10 years?
17. What are the Key Success Factors of your business to date - do you think?

2 – Product

1. Can you describe your product to me?
2. What is it that makes your product so popular?
3. What product did you first start off selling?
4. What is in your product range now?
5. When did you decide to extend?
6. Do you think there is more room for expansion or is it a case of stretching it too far?
7. What product is the most popular in your range?
8. What market do you mainly sell to?

3 – Customer Base

1. Who are your customers?
2. How did you get them?
3. Where is your largest segment of customers based?
4. What segment of customers do you aim your product towards?
5. Is there a specific segment that is more popular?
6. Who is your target market; locally, nationally & internationally?
7. Do you export abroad?
8. Do you export to the Northern Ireland Market?
9. Are there any differences on doing so?

4 - Customer Information

1. Have you ever conducted market research on your customers?
2. Have you ever carried out any market research or surveys to see what people think of your products?
3. Do you budget for market research?
4. Do you have a list of your customers?
5. Have you customer information stored?
6. Is it on file or on an IT database?
7. Who is responsible for managing customer files?
8. Do you refer to this information on a regular basis?
9. Do you think gathering information on your retailers/stockists/end customers is beneficial?
10. Have you CRM software in place?

5 – Advertising & Promotion

1. Where do you advertise?
2. Do you sponsor any events, send out flyers or use local newspaper advertising? What methods work best for you?
3. Do you have a specific budget allocated to advertising?
4. What about the Web site?
5. How do customers hear about your goods on offer?

6 - The industry

1. What changes are you noticing in your industry - customer requirements, changing lifestyles - more competition?
2. Do you use any organisations such as a bord BIA etc to get advice from?
3. Who are the main sources of information for your business?

7 – Suppliers

1. Who are your main suppliers?
2. Are they local?
3. Have they been supplying to you from the beginning of your business?
4. Do you ever receive feedback from the in relation to your product range?
5. How do you use this information to benefit the company?

8 – Retailers

1. Where are your retailers based?
2. Are they mainly shops?
3. Do you supply your product to restaurants or hospitals or other outlets?
4. Do you see your retailers as your main customer or the end user?
5. Do you carry out market research on a regular basis with all your retailers?
6. How is this information then used?
7. Do you store it on file?

9 – Competitors

1. Who is your main competitor?
2. How do you know what they are doing?
3. How do you monitor competition?
4. Do you continually carry out research on them?
5. Are you innovative?
6. How do you decide on making change decisions?
7. What industry do you see your business in?
8. Where can you get information on Boxty from?

Appendix 2

Training Schedule for Companies

CRM Staff Training Plan

If CRM implementation to function correctly among employees and the organisation as a whole, there are some factors that need to be considered firstly. The following are guidelines that companies must address in relation to CRM.

1. The benefits of CRM must be explained and demonstrated.
2. It must be user friendly and all staff members need to know how it operates.
3. Communication between management and staff is necessary as change in any company can be difficult to adapt to.
4. Discuss the time saving features as CRM can allow staff to quickly locate a customer's file and in turn benefits the customer through customisation.
5. Make sure the training involves employees getting involved. If staff can have hands on approach they may be able to understand it better. There needs to be different levels of training provided for staff that is not as advanced.
6. Staff need to be supported and re-trained on a regular basis because one meeting is not enough. Employees need to be monitored to make sure they understand how to update the CRM software. Many times the technology isn't at all but in fact the people who are using it due to not knowing how to or not relating to the benefits it can introduce.
7. CRM and IT strategies must operate on the same level across all company departments otherwise silos will exist.

Appendix 3

Larger companies who use CRM

Numerous companies have made CRM a critical element in their organisations. CRM is a cultural way of thinking and customer satisfaction and retention is a key element involved. Here are some examples to demonstrate the success of the CRM package in some companies. Standard Life is a global financial services company who are constantly monitoring their products and improving their services for customers. They focus on customers needs and wants on a regular basis. They really are a great example of a customer-centric organisation (Getting better every day, 2005).

Another fine example is John Lewis. They are one of the largest UK retailers which originally started as a drapery store 150 years ago. They have gained a competitive advantage through their great customer service and esteem of its staff members. They too are a customer-centric company but have chosen not to do so through technology. They haven't become a part of the technology age just yet but are gathering and monitoring consumer data in a much more traditional way (Getting better every day, 2005).

The mobile telecommunications industry took off in the 1990's and has had a dramatic effect on customers and the way they do things. There are many phone companies operating in our global market today all competing against each other for customers and a competitive advantage. One of these organisations is Siemens. Throughout the years they have valued their customers and recently introduced a top class CRM system. This maintains close and personal contact with their key customers. Since 2000 the company have seen tremendous growth which they believe is owed to the detail of their CRM program (Siemens: systematizing, CRM and senior executives, 2006).

McDonald's fast food chain has recently launched a self-service pilot program with the aid of touch screen kiosks in their establishments. This innovative idea allows customers to choose their order and then make the payment themselves. It has resulted in more orders and an increase in customer buying power. It also gives customers independence and more

importantly allows them to customise their own offering and receive exactly what they need and want.

A company that are constantly developing and sustaining strong relationships with their customer base is Tesco. Tesco Clubcard is most certainly the largest crown jewel the company possess (Tesco's American Dream, 2008). They store their entire customer buying information and frequent purchases in order to benefit the company but more importantly the end-user. This clubcard provides customers with the option to build points through their purchases. The company then rewards the customers with promotional offers tailored to their buying patterns and frequent products purchased. Tesco's constant innovative and keeping up with current economic trends have added to their success. Our society has become more aware of their lifestyles, healthy eating and exercise. Tesco have developed The Healthy Living website which offers customers' information on their bodies, eating well, organic foodstuffs and latest news offers, (Rowley, 2005). Their loyalty scheme has not only built and sustained long-term relationships but the quality of service provided by the company has had an optimistic outcome on their image and brand.