

CHAPTER 2: OVERVIEW OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

2.1 Introduction

As mentioned in chapter 1, CRM is an important business approach because it can enhance a company's ability to achieve the ultimate goal of retaining profitable customers and gain competitive advantage over its competitors. In principle, CRM focuses on building long-term and sustainable customer relationships that add value for both customer and the company. It is regarded as a process of computerizing a staff's knowledge about his or her customers because customer relation staff would normally need to remember their clients' requirements, behaviors, tastes and preferences in a usual business process.

There is no universally accepted definition of CRM and this chapter intends to present a comprehensive review of research on CRM definitions and methodologies so that gaps in the literature are identified and further work can be done to address these gaps.

This literature review on CRM is structured into six main sections, which together provide an evaluation of the knowledge base upon which this study is founded. The first part presents the idea of some major terminology in relation to maintaining customer relationship so as to avoid confusion to readers. Moreover, the evolution and definition of RM are examined because CRM is believed to be philosophically based on RM and is indeed a

technologically based manifestation of CRM.. Thirdly, a review of the roots and definitions of CRM is conducted. The academic and commercial perspectives are also examined and these will be synthesised to provide a definition suitable for this research. Customer relationship management (CRM) is a strategy that can help organisations to build long-lasting relationships with their customers and increase their profits through the right management system. In addition, the difference between CRM and database marketing is presented. Having clarified the concepts, the chapter moves on to develop a CRM definition which is to be used in this research so as to have a consistent understanding of CRM throughout the whole thesis. Finally, the scope and methodology used for CRM adoption in previous studies will be discussed.

2.2 Terminology related to managing customer relationship

Relationship Marketing, Relationship Management, Customer Relationship Marketing and Customer Relationship Management have been used when people talk about maintaining relationships with customers or business partners; the definitions of some of them are actually very close to each other. This section will clarify the use of the terms in the literature before moving into detailed discussions.

Relationship Marketing emerged at the end of the 1970s in different research areas and in several different countries independently. The concepts emerged in services and business-to-business research. Berry

(1983) defined relationship marketing as “attracting, maintaining and – in multiservice organizations – enhancing customer relationships” (p.25). He advocated a number of relationship strategies, including a core service strategy, customisation, relationship pricing, and internal marketing.

Recently, *Customer Relationship Management* appears in the areas of marketing as an expansion in the domain of relationship marketing, it focuses on customer retention and relationship enhancement. The detailed evolution and definitions of both terms will be covered in sections three and four.

Relationship Management has developed as researchers suggested that there should be a well-coordinated relationship management effort and a facilitating company-wide philosophy in place if firms are to succeed in their relationship development efforts. For example, Ford *et al.* (1998) demonstrate that relationship management is the most critical marketing challenge, particularly in a business-to-business situation where firms are often reliant on a small number of customers and suppliers.

The concept of *Customer Relationship Marketing* (also regarded as CRM by some researchers) has become one of those “born again” marketing terms to be found on the lips of every marketing manager. It is often associated with phrases that seem to boost the concepts of “one to one marketing” or “marketing to a segment of one”. Customer relationship marketing is defined, for example, as an enterprise-wide commitment to identify a

named, individual customers and create a relationship between a company and these customers so long as that relationship is mutually beneficial (Gamble *et al.* 1999).

There is often a tendency to use the terms 'relationship management' and 'relationship marketing' interchangeably. Some commentators see them as essentially the same activity. Others suggest that there is difference. Relationship marketing is a form of marketing developed from direct response marketing campaigns conducted in the 1960's and 1980's which emphasizes customer retention and continual satisfaction rather than individual transactions and per-case customer resolution. In fact, Relationship Marketing school of thought emphasizes the need for relationship management throughout the distribution channel. Such emphasis led to the recognition of the need for relationship management in marketing. (EI-Ansary, 2005). Relationship management is a term referring to the management of relationships with all constituents in the marketing channel. The prime examples are Customer Relationship Management, Partner Relationship Management and Supply Chain Management. Discussion on relationship management often appears in research study in industrial marketing such as supply chain concepts, partnership sourcing, joint venture and strategic alliances. Hence, the focus of relationship marketing and relationship management seems different, however, relationship management is one of the emphasis in relationship marketing. It is why some commentators see the two terms as fundamentally the same and some suggest that there is difference.

In summary, the contemporary definition of marketing defined by the UK Chartered Institute of Marketing is “the management process of identifying, anticipating and satisfying customer requirements profitably”. *Relationship marketing* draws on traditional marketing principles and represents all marketing activities directed towards establishing, developing and maintaining successful relational exchanges. As new customers are difficult and costly to get, it is sensible to retain existing customers. Customer Relationship Management appears to be one of the most sought after topics. Knowledge in the areas of relationship marketing, and services marketing are particularly relevant to manage customer relationship in effective ways. As relationship marketing strategy can be applied in both the B2B and B2C contexts, therefore, some commentators use *customer relationship marketing* when referring to consumer markets. *Customer relationship management* has evolved from relationship marketing and relationship management and is a term referring to managing relationship with customers and suppliers.

In this thesis, CRM refers only to Customer Relationship Management and the focus is on discussing the terms that are related to relationship marketing (RM) and as RM is the first concept about relationship development with customers in the area of marketing, other terms are then defined based on its concept. CRM is concentrated on since it is the main focus of the thesis; what initiatives make the firms adopt CRM in their operations is the area to be looked at in particular. This is an important issue as the conclusion will be very useful for those companies in Hong Kong who

want to adopt CRM to be able to understand the nature and impact of CRM. The results could also contribute to marketing literature on customer relationship areas as no research has studied anything with a similar scope to CRM adoption in Hong Kong.

As mentioned, relationship marketing is the concept which underpins ideas around relationship development with customers in the area of marketing. Therefore, the root and definition of relationship marketing will first be reviewed before going into the detail of CRM discussion.

2.3 Relationship Marketing

2.3.1 Roots of Relationship marketing

Relationship marketing is an emerging marketing perspective from the marketing literature developed in the 1990s. The contributions of relationship marketing are frequently traced back from service marketing and industrial marketing.

Relationship Marketing (RM) developed in industrial and service marketing contexts as a reaction against the limitations of transactional marketing. Because of the efficiency of the mixed management paradigm, changes in the competitive climate in the latter part of the 1980s and early 1990s propelled the interest in RM into mass consumer markets. In the latter part of the 1980s, technology developments stimulated the growth of direct and database marketing (Fletcher *et al.*, 1991; Evans, 1996). This, together with other academic considerations of direct and database marketing marked the

period of discovery for RM (O'Malley and Tynan, 1998). O'Malley and Tynan (1998) pointed out that RM was not about waiting for the right time to be discovered by mass marketers. It emerged as an alternative to mainstream marketing and was popular among interorganisational and service marketers.

A distinct form of marketing in the shape of services marketing was emerging. Grönroos (1995) indicated that the seeds of relationship marketing first started to grow in service marketing research. One of the reasons why relationship marketing developed from the service marketing literature was the recognition that personal interactions were of great significance and those personal interactions could form the basis of a relationship. In service marketing there is usually some form of direct contact between customers and the service firms. This service encounter or personal interaction is an important part of service delivery which is frequently called the "moment of truth" (Johns, 1999). This phrase underlines the crucial role that each service encounter plays in customer evaluation of a service (Odekerken-Schroder *et al.*, 2000). The recognition that customer retention was also central to service marketing, focused attention on the notion of creating service relationships (Grönroos 1983, 1989, 1994; Gummesson 1987) and led Berry (1983) to create the term Relationship Marketing

Other major contribution in B2B marketing comes from the IMP research in Europe. Researchers within the IMP fail to agree on the exact meaning of the

acronym with some suggesting that it is the Industrial Marketing and Purchasing Group and others referring to the International Marketing and Purchasing Group. The problem occurs because industrial (or B2B) marketing in Europe is arguably by definition, international. IMP researchers relied primarily on qualitative methodologies (observation, interviewing managers and archive data) within a number of case studies in order to explore inter-organisational exchange. This work resulted in the recognition that relationships are important to the facilitation of inter-organisational exchange (often more important than price) and that the interaction between buyer and seller organisations was integral to the formation and maintenance of relationships.

Some writers have argued that Relationship Marketing has been around for a long time and that marketing is all about relationships. Gummesson (1996) mentioned that the practices of relationship marketing have been around for centuries. Sheth and Parvatiyar (1995) have provided an essay that traces relationship marketing practices throughout history. While there may be some truth in this argument, it is nevertheless the case that it was only during the 1980's that RM started to be used in a formal sense in industrial and services marketing, and the application of the concept in consumer markets came much later. Throughout the 1980s, RM was largely ignored by consumer markets as the domain was considered to be both conceptually and contextually different. In 1995, Sheth and Parvatiyar justified academic interest in B2C relationships, arguing that the paradigm shift from transaction to relationships was related to a move to a more direct

interaction, both in B2B relationships and B2C relationship contexts. They also proposed that it was possible to apply relationship marketing to consumer markets; that consumers and organisations both wanted relationships; and that customer participation in loyalty programmes was evidence of this. When looking at the fundamentals, it was argued that customer retention costs much less and is comparatively much more profitable than focusing on customer acquisition (Rosenberg and Czepiel, 1984; Reichheld and Sasser, 1990). Hence, marketing practitioners were already engaged in a form of RM – often in the form of loyalty or retention programmes. RM became increasingly popular throughout the latter part of the 1990s and, is still hugely popular today.

Scholars have questioned whether relationship marketing can really be stretched into consumer markets (Gruen, 1995; Iacobucci and Ostrom, 1996; Hibbard and Iacobucci, 1998; O'Malley and Tynan, 1998; O'Malley *et al.*, 1997, 1998). The area of relationship marketing has been extended into consumer markets notwithstanding a dearth of conceptual and empirical justification. One criticism is related to the identification of RM strategy in consumer markets. When researchers compare RM with direct, database, loyalty, retention and transactional marketing within consumer markets, they fail to clarify substantial parts of the philosophical, conceptual and strategic issues. For instance, RM is concerned with the long term relationships in contrast to the short term instant gains on sales achieved with the direct marketing efforts (Copulsky and Wolf, 1990). RM has a greater range of techniques to be used than direct marketing (Stone *et al.*,

1996). RM is considered to be a “bottom up” approach while direct marketing could well be a “top down” approach (Shani and Chalasani, 1992). RM also looks at the possibility of finding the right products for customers while direct marketing looks for customers for the products in the transaction (Pine *et al.*, 1995). RM is also different from loyalty marketing and loyalty programmes because the concept of “learning” would be a very important objective of the RM process (Christy *et al.*, 1996, p.185). Hence, the extent to which relationship marketing in its traditional form can extend to consumer markets is debatable. Arguably the development of technology based CRM systems could be seen as an attempt to exploit ICT to replicate the more traditional relationships associated with RM in the industrial and service sectors. The detail of CRM will be covered in later section.

Building on the discussion on the development of relationship marketing, the next section now moves on to summarise the definitions of relationship marketing.

2.3.2 Definitions of relationship marketing

As the idea of CRM is consistent with RM, therefore, the definition of RM is going to be reviewed in this section before discussing the concept of CRM. Different schools of thought exist about the definitions of RM. Therefore, I have tried to gather the most commonly used definitions offered by particularly influential authors together and to express personal views here.

2.3.2.1 Services marketing literature

As mentioned, the phrase “relationship marketing” appeared in the *services marketing literature* for the first time in a 1983 paper by Berry (Barnes, 1994; Grönroos, 1994). Berry (1983) defined relationship marketing as “attracting, maintaining and – in multiservice organizations – enhancing customer relationships” (p.25). He illustrated numerous strategies on relationship, not to mention a core service strategy, customisation, relationship pricing and internal marketing. He stressed that “the attraction of new customers should be viewed only as an intermediate step in the marketing process. Solidifying the relationship, transforming indifferent customers into loyal ones and serving customers as clients also should be considered as marketing.” At that time, his focus was in the services sector and the need for the service organisations to attract, maintain and enhance customer relationships.

In order for the concept of relationship marketing to be useful, Berry (1983) identified three conditions that should exist. These conditions are:

- (1) the customer must have an ongoing or periodic desire for the services;
- (2) the service customer must control the selection of the suppliers; and
- (3) there must be alternate suppliers.

Consequently, these conditions appear to rule out the meaning of relationship marketing as “locking-in” the customer. Quite a few other researchers have mentioned trust, commitment, satisfaction, and the sharing of secrets as characteristics of relationships (Crosby *et al.*, 1990; Morgan and Hunt, 1994).

In 1995, Berry suggested that relationship marketing could be practiced on multiple levels, depending on the type of bonds used to foster customer loyalty. Mummalanei and Wilson (1986) adopted this broad idea and proposed three types of bonds: 1) Financial, 2) Social, and 3) Structural. Companies can strengthen the financial bonds by maintaining a competitive price; social bonds can be strengthened by operating a dedicated customer care team and assigning a dedicated sales manager to every customer; structural bonds can be achieved through the process of educating the public, providing specialised technical support and in providing ancillary support. The nature of these bonds will vary according to types of customers, for example, structural bonds for a B2B context will be different from B2C. As a result, level one relationship marketing relies primarily on pricing incentives to secure customers' loyalty. Level two relationship marketing relies on personalisation and customisation of the relationship. Level three relationship marketing relies on structural solutions to important customer problems (Berry, 1995). When relationship marketers can offer target customers value-adding benefits that are difficult or expensive for customers to provide and that are not readily available elsewhere, they create a strong foundation for maintaining and enhancing relationships.

Grönroos (1990*, p.355) who exemplifies the Nordic view of marketing has suggested a customer-oriented definition of marketing which highlights a lot of essential elements in business relationships. "Marketing is to establish, maintain and enhance (usually, but not necessarily, long-term) relationship with customers and other partners, at a profit, so that the objectives of the

parties involved are met. This is achieved by a mutual exchange and fulfilment of promises."

Nordic School is seen as an integrating force in RM development. The main contribution of the Nordic School of Services and Nordic authors was to extend the concept of RM from service marketing to general marketing. According to Gummesson (1996), this School was originally conceived by services marketing research in the early 1980s and was characterised by a shift in focus from those ideas associated with the traditional marketing concept. These included:

- ◆ Stressing the importance and relevance of services marketing and industrial marketing more than consumer goods marketing.
- ◆ A gradual shift away from an emphasis on goods and services to an emphasis on customer value.
- ◆ The integration of the marketing department functions with other organizational functions and with general management.
- ◆ Less emphasis on quantitative research than that suggested by management research traditions in other countries.
- ◆ More theory generation than theory testing and, consequently, more inductive and abductive than deductive research.
- ◆ Research output that was empirical, theoretical and holistic.

In fact, Grönroos (1990a) developed a number of new ideas in services marketing, which were later integrated as part of the Nordic School of Services. He suggested that there is no separation between production,

delivery and consumption in services marketing, therefore, the buyer-seller interaction must be considered as part of marketing's task.

In addition, in 1995, Grönroos proposed that a relationship marketing strategy is applicable in service businesses, whereas a transaction marketing strategy fits the marketing situation of a consumer goods company. The market strategies available can be seen as a continuum with a relationship-oriented strategy on one end and a transaction-oriented strategy on the other end. The goal of transaction marketing is to get customers, whereas the goal of RM is to get and keep customers. Thus, the two strategies are different rather than complementary as the goal of RM is more beneficial to organisations because it is normally less expensive to encourage a satisfied existing customer to buy more compared with what it costs to get a new customers. The economic consequences of reducing the customer defection rate are considerable (Reichheld and Sasser, 1990), though this has been criticized by Reinartz and Kumar in 2002. More discussion with respect to this will be found in chapter 3 in section 3.3.

Shani and Chalasani (1992, p.44) defined RM as an "*integrated effort to identify, maintain and build networks with individual consumers and to strengthen continuously the network for the mutual benefit of both sides, through interactive, individualized and value-added contacts over a long period of time.*" The definition indicates that RM focuses on the individual customer-seller relationship, that both parties in the relationship benefit, and the relationship is longitudinal in nature.

O'Malley *et al.* (1997) proposed a working definition which identifies both the purposes and processes of RM: "Relationship marketing involves the identification, specification, initiation, maintenance and dissolution of long-term relationships with key customers and other parties, through mutual exchange, fulfillment of promises and adherence to relationship norms in order to satisfy the objectives and enhance the experience of the parties concerned. (p.541)" This definition builds on earlier definitions and explicitly includes a longer time perspective, a reflection of the process involved, and a recognition of the need to dissolve relationships which are no longer of mutual benefit.

So far it has been demonstrated that Berry made an important contribution to our understanding of RM and Grönroos has further modified it. Some others have also suggested RM as an integrated effort to identify, maintain, and build up long-term relationships to satisfy customers.

RM thus differs from traditional mass marketing since it does not seek a temporary increase in sales, but attempts to create involvement and product loyalty by building a permanent bond with the customer. While it may be used to facilitate product repositioning, gain competitors' customers, or help to launch new products, the ultimate goal is to increase sales in the long term (Andersson *et al.*, 1994).

So far, some differences can be seen in the definitions of RM defined in the services marketing literature. However, it was found that the focus of the

definitions is about maintaining long-term relationship in satisfying customers. As a result, these issues together with the following definitions of RM found in the industrial marketing literature should form a basis for exploring the evolution of CRM later.

2.3.2.2 Industrial marketing literature

Jackson (1985, p.2) referred to industrial relationship marketing as “efforts oriented towards strong, lasting relationships with individual accounts”. One of the most popular definitions of RM is that buyer-seller encounters accumulate over time, and opportunities exist to change individual and separate transactions into relationship partnerships (Czepiel, 1990). When an individual exchange is assessed not in isolation but in the form of a continuation of past exchange which is likely to continue in the future, the above form of definition is supported. When this form of belief is referred, customer acquisition is only a transitional step in the marketing process. The ultimate goal is to strengthen already strong relationships and to convert the indifferent customers into loyal ones (Berry and Parasuraman, 1991).

Industrial marketing has always been treated as mainstream marketing's unglamorous “poor relation”. The emphasis in this business seemed to be on raw materials, bulk shipments, pricing mechanisms and rational buying models where marketing played only a marginal role. It was becoming apparent, however, largely through the work of the Industrial Marketing and Purchasing Group (IMP), that this approach did not reflect the complexities of how industrial markets had learnt that if you could not offer a “better”

product at the same price or equivalent product at a lower price than the mere integral approach to business was to foster relationships and add value through important, but usually intangible, service elements. Research suggested industrial marketing involved not just managing exchanges between companies but much more complex human interactions. This theory of network-interaction marketing was to be defined as all activities undertaken by the firm to build, maintain and develop customer relations (Christopher *et al.*, 1991). The IMP literature argued that it was the ongoing nature of exchange episodes that led to the formalisation of relationships between buying and selling firms (Naude and Holland, 1996).

It is interesting to note that this industrial or “business-to-business” research into interaction, relationships and networks pre-dated RM research by at least a decade and maybe two (Mattson, 1997). It stressed the importance of understanding the complex relationships that exist within and between industries (Naude and Holland, 1996) and that they serve as a platform upon which relationship marketers were to develop their ideas.

In the newly formed theory of industrial marketing which is currently known as the network or interaction theory, marketing is termed as all the activities of a firm to build, maintain, and develop customer relations. Therefore marketing, when referring to industrial and international operations, is not only concerned with the management of the 4Ps of consumer good marketing, but it is also aimed at reaching a critical set of relationships with

customers, distributors, suppliers, public institutions, individual, etc. (Gummesson, 1987).

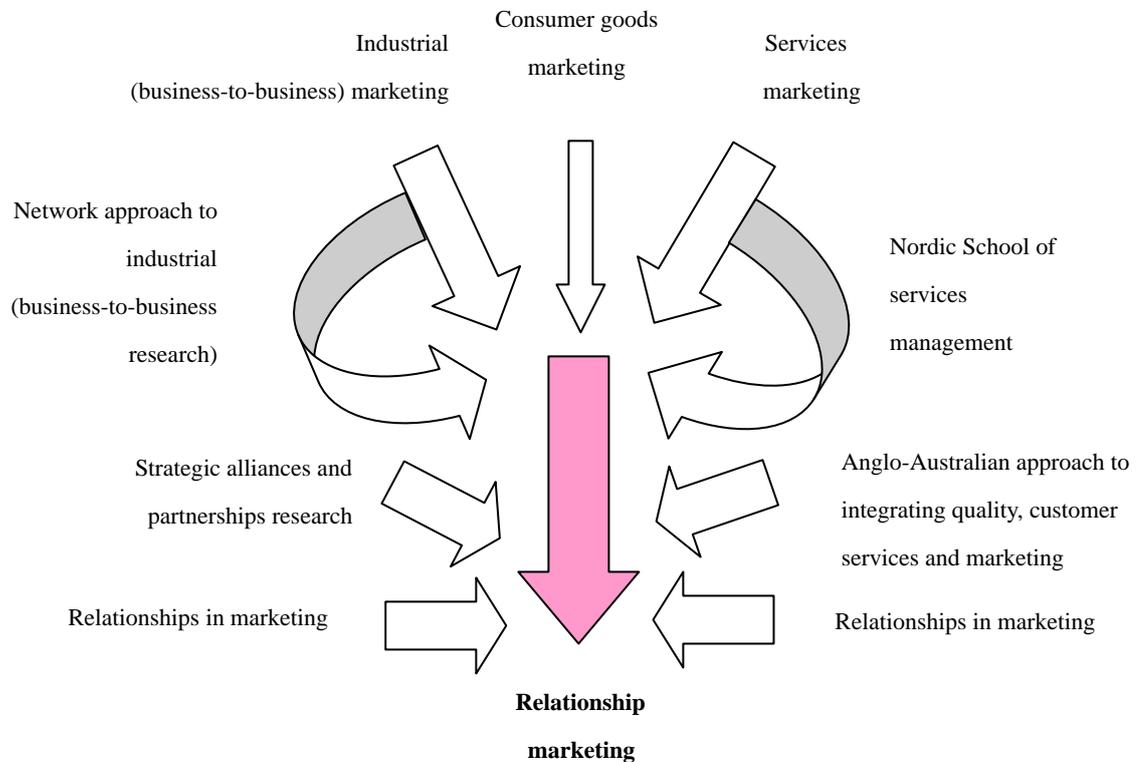
Although the relationships between firms and customers has been included in the belief of market-oriented business for a long time, more people are now interested to understand the relationships between businesses. More than ever, besides dyadic relationships, the attention of research and managerial concern is paid to relationships with business networks (Andersson *et al.* 1994).

Industrial marketing was seen as different from customer or service marketing. Grönroos (1990a) mentions that tasks other than transactional marketing are important in industrial selling. The tasks include repairs, servicing, maintenance, delivery, product development, installation and training which require a close seller-buyer connection. Hence, the nature of industrial marketing clearly demonstrates several core characteristics of relationship marketing.

In summary, the IMP group has made a major contribution to the definitions of RM theories in the industrial marketing literature with respect to suggesting relationship keeping in order make a business more successful. The relational concept was then enhanced by different schools of thought in academic research. This concept together with the definitions in services marketing literature is important to this research because the idea of CRM is also related to consumers and industries.

The influences on relationship marketing can be shown in figure 2.1:

Figure 2.1 - Influences on relationship marketing



Source: John Egan (2001), "Relationship Marketing - Exploring relational strategies in marketing", Prentice Hall

RM has been a world-wide topic of debate amongst academics and marketing practitioners for the best part of twenty years (Egan,2001). Recently however, changes appear to be taking place. Most noticeable of all is the rise of Customer Relationship Management (CRM) as a distinct concept which is sometimes used interchangeably by RM researchers. The development of CRM is now going to be investigated.

2.4 Customer relationship management (CRM)

The definitions of RM form a basis for understanding the evolution and definitions of CRM as RM is the first concept about relationship development with customers in the area of marketing. In order to develop a definition suitable for this research scope, the development and definitions of CRM will be examined in this section.

2.4.1 Evolution of CRM

As mentioned before, RM was conceived as an approach to industrial and service markets, and was considered inappropriate in other marketing contexts. After that, the domain of relationship marketing has been extended to incorporate innovative applications in mass consumer markets. "Recent applications of relationship marketing in consumer markets have been facilitated by developments in direct and database marketing within an increasingly competitive and fragmented marketplace" (O'Malley and Tynan, 1998, p.798). Indeed, Coviello *et al*, (1997) suggest that database marketing is actually a type of RM. I agree with Coviello and the "database" has been described as the engine that enables RM.

Because of the complexity and broad definition of relationship marketing, Coviello *et al*, (1997) conducted a conceptual study in order to develop a classification scheme to systematically examine the meaning of marketing by analyzing the extant literature. Two perspectives were identified, encompassing four distinct types of marketing. These are:

(1) Transactional marketing

- Transaction marketing

(2) Relational Marketing

- Database marketing
- Interactive marketing
- Network marketing.

Transaction marketing involves four operational functions (product development, pricing, promotion and distribution). Database marketing involves an information and technology-based tool used by marketers. Interaction marketing implies face-to-face interaction within relationships. Network marketing focuses on the multiple, networked relationships between firms. Hence, database marketing is closely related to relationship marketing in the framework proposed by Coviello et al (1997)..

Although philosophically in line with RM, the focus in CRM is on the technology, particularly that technology which attempts to manage all customer touch points and facilitate the integration of various database systems to provide a single picture of the customer (Peppers and Rogers 1995; Ryals and Knox 2001). This picture encompasses the customers' needs, preferences, buying behaviour and price sensitivity and allows the CRM business to focus on building customer retention and profitability. However, underpinning both these approaches is that CRM is a technology tool which facilitates interaction between different databases and different interaction media in order to facilitate segmentation and communication (Ryals and Knox, 2001).

As an extension of RM, CRM focuses on customer retention (Lockard, 1998; Deighton, 1998) and relationship development (Galbreath, 1998). CRM complements the relationship marketing perspective. It is defined by Couldwell (1998, p.65) as, "...a combination of business processes and technology that seeks to understand a company's customers from the perspective of who they are, what they do and what they're like."

Ling and Yen (2001) pointed out that CRM is a normal and expected extension of how marketing and sales have evolved over the years. In the past, the door-to-door salesperson was the other face of the company and the personal relationships established by the salesperson were the key to success. The age of mass marketing then replaced the intimacy of a direct sales force in many organisations. This put pressure on the relatively inefficient door-to-door models. Mass marketing was enabled through technological improvements in TV, radio and the printed press, all of which created a simple and powerful means to communicate a company's message to millions of people at once. Target marketing then recognised the need to interact more with customers at a very superficial level without going far enough. It is a significant step in the evolution to today's CRM in that it moved the relationship between producer and consumer one more step towards a personal interaction. CRM is therefore the subsequent stage in the evolution, and it moves us back into the direction of developing intimacy with today's customers, using today's tools and maintaining our mass production and distribution systems. Table 2.1 summarises the comparison of different phases in the evolution.

Table 2.1 - The comparison of marketing strategies

<u>Evolution</u>	<u>Time period</u>	<u>Features</u>	<u>Drawbacks</u>
Direct Sales	Since long ago	Small store; intimate, one-on-one service; personal relationship is key; provided intimacy and knowledge about customer and developed customer loyalty and trust.	Cost inefficient; small scale of business
Mass Marketing	1960s	Centralised large-scale production, wide-geographic distribution, and one-way communication on a grand scale; cost efficiency; promoted by mass media; brand recognition; measure of success; market share.	Customers do not have the sense of connection; low customer loyalty
Target Marketing	Mid-1980s	Uses IT to target specific customer by mail or telephone to communicate directly with targeted customer; potentially receiving a direct response from a customer; response rate became the central metric.	Market share remained the primary measure of success; customer interaction at a superficial level, not far enough
Customer Relationship Marketing	1990s	Develops an intimacy with customers using IT and maintaining mass production and distribution systems; recognizes both customer knowledge and personal interaction yield customer trust and loyalty; measure of success: share of customer.	Difficult to implement; involves various business functions; mainly for customers instead of industrial customers

Source: Ling R. and Yen D. (2001), "Customer relationship management: an analysis framework and implementation strategies", *Journal of Computer Information Systems*, Spring 2001

To sum up, direct sales just focuses on the personal relationships established by the salesperson. Mass marketing tends to communicate a message to millions of people at once. Target marketing allows contact with customers at a very superficial level. These three phases of marketing evolution are not able to maintain customers in a long-run and cannot study the characteristics of the customers. Hence, it is very important to have CRM appear as it provides a direction of developing intimacy with customers. The idea of CRM is therefore to keep customers by knowing the characteristics or needs of customers.

In 2005, Boulding *et al.* proposed that “CRM is the outcome of the continuing evolution and integration of marketing ideas and newly available data, technologies and organisational forms” (p.156). They pointed out that the key component of CRM is not on selling product but on creating value for the customer, the process and the firm. CRM evolves as it tries to find the specific elements of the exchange process that produce value to the customer. In the next section, the definitions of CRM are presented

2.4.2 Definitions of CRM

The definitions of CRM are inspected in this section so that different schools of thought about CRM can be identified. By understanding the various points of view, a definition of CRM can be developed for this research. There are various definitions about CRM in the literature raised by academics and practitioners. The definitions of CRM described by academics mainly come from Marketing and Information System literature. Those found in the marketing literature are more concerned about the process and operations,

while those found in the information system literature are more concerned about the technology. The concepts are summarised and evaluated in the following sub-sections. Some academic points of view about CRM definitions will first be discussed followed by the practitioner points of view.

2.4.2.1 Academic – Marketing/Management literature

The topic of CRM has appeared in both the Marketing and Management area. In 1996, Anton characterises CRM as an *integrated approach* to managing relationships. However, critically, he underpins relationship management with “continuous improvement or re-engineering” of customer value through better service recovery and competitive positioning of the offer.

Then, in 1997, Kutner and Cripps pointed out that CRM is founded on four *relationship-based* tenets:

- ✚ Customers should be managed as important assets.
- ✚ Customer profitability varies; not all customers are equally desirable.
- ✚ Customers vary in their needs, preferences, buying behaviour and price sensitivity.
- ✚ By understanding customer drivers and customer profitability, companies can tailor their offerings to maximize the overall value of their customer portfolio.

However, Peppers and Rogers in 1995 claimed that the marketplace of the future is undergoing a *technology-driven metamorphosis* which Kutner and Cripps (1997) encapsulate as, “data-driven marketing”.

Hobby (1999) defined CRM as a management approach that enables organisations to identify, attract and increase retention of profitable customers by managing relationships with them.

According to McDonald (2000), definitions of CRM include: 1) a continuous performance initiative to increase a company's knowledge of its customers and 2) consistent high quality customer support access across all communications channels. The characteristics of CRM are suggested as follows by McDonald (2000):

- ✚ A customer relationship perspective aimed at the long-term retention of selected customers.
- ✚ Gathering and integrating information on customers.
- ✚ Use of dedicated software to analyze this information.
- ✚ Segmentation by expected customer lifetime value.
- ✚ Micro-segmentation of markets according to customers' needs and wants.
- ✚ Customer value creation through process management (Hammer and Champy, 1993; Hamel and Prahalad, 1994).
- ✚ Customer value delivery through service tailored to micro-segments, facilitated by detailed, integrated customer profiles.
- ✚ A shift in emphasis from managing product portfolios to managing portfolios of customers, necessitating changes to working practices and sometimes to organizational structure.

McDonald (2000) suggests that CRM provides management with the opportunity to implement relationship marketing on a company-wide basis. However, for CRM to be successful, all of these activities need to be managed in combination.

Ryals and Knox (2001) suggest that the philosophy bases of CRM are a relationship orientation, customer retention and superior customer value created through process management. *IT is the "glue" that holds these together* and enables the whole to be operationalised. In consequence, the successful implementation of CRM requires Marketing and IT to work closely together to maximise the return on customer information. Scott, also in 2001, defined CRM as "a set of business processes and overall policies designed to capture, retrain and provide service to customers."

Parvatiyar and Sheth (2001. p.5) defined CRM as a "comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customers. It involves the integration of marketing, sales, customer service and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value".

In 2002, Cunningham pointed out that CRM is all of the elements inside the business associated with the customer function connected in an *intelligent manner*. Customer management processes, supported by the business rules of the operation and technology make it all hang together. CRM can be

complex because of the nature of business. Many of the day-to-day aspects of business are dealing with customers, so providing systems that can improve any of these functions is critical to success. More and more executives and managers have realised that CRM is not just the responsibility of the marketing department or customer services department, it is a fundamental business strategy carried out within the whole organisation, spanning different business functions.

Kincaid (2003, p.41) viewed CRM as “the strategic use of information, process, technology, and people to manage the customer’s relationship with your company across the whole customer life cycle”.

Injazz and Karen, (2004, p.673), define CRM as “a coherent and complete set of processes and technologies for managing relationships with current and potential customers and associates of the company, using the marketing, sales and service departments, regardless of the channel of communications.”

Sin *et al.* (2005, p.1266) has a similar definition to Parvatiyar and Sheth (2001) about CRM. They defined CRM as “a comprehensive strategy and process that enables an organisation to identify, acquire, return and nurture profitable customers by building and maintaining long-term relationships with them.” It was suggested the core theme of CRM and RM revolves around its focus on individual buy-seller relationship. They presented CRM as a multifaceted strategy consisting of four broad behavioural components:

1) key customer focus, 2) CRM organization, 3) knowledge management and 4) technology-based CRM.

Payne and Frow (2005, p. 168) defined CRM as “CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM unties the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders.” It requires a cross-functional integration of process, people, operations and marketing capabilities that is enabled through information, technology and applications.

Overall, the definitions in the marketing literature tend to be customer focused with an emphasis on empirically based understanding of customer needs. The researchers also have conceptual and operational point of view on the CRM definitions. These definitions will further be analyzed after examining the definitions found in information system literature.

2.4.2.2 Academic – Information System literature

The definitions of CRM which appear in the information system literature are very similar, therefore, only a representative subset of definitions is presented.

In 2001, Ling and Yen defined CRM in the information system literature in the following ways.

✚ CRM is a concept whereby an organization takes a comprehensive view

of its customers to maximize the customer's relationship with an organization and the customer's profitability for the company.

- ✚ CRM is an integrated strategic approach to capture a disproportionately high share of value from current and potential customers by using proprietary customer information effectively.
- ✚ CRM describes a fundamental business strategy to deliver services and products consistently across an entire customer relationship rather than just within a particular product or business unit.
- ✚ CRM comprises a set of processes and enabling systems supporting a business strategy to build long term, profitable relationships with specific customers. The key objective of CRM is to enhance customer value through a better understanding of individual needs and preference.

Ling and Yen (2001) suggest that CRM does not have a crystal-clear definition academically, although it has been widely used within academia. They conclude that the most important aspects in a definition of CRM are the value of the customer, a holistic approach, and technology empowerment. The customer-centric focus is the essential theoretical foundation of the CRM strategy. As the ultimate CRM impact is realised when relationship knowledge is utilised, along with relationship actions to deliver individualised products and services, they therefore point out that the last definition seems the most appropriate.

Apart from the above definitions and descriptions of CRM, Greenberg (2001: 45-49) has stated some more definitions in the information system area:

- ✚ CRM is a comprehensive set of processes and technologies for managing the relationships with potential and current customers and business partners across marketing, sales and service regardless of the communication channel. The goal of CRM is to optimize customer and partner satisfaction, revenue, and business efficiency by building the strongest possible relationships at an organizational level. Successful CRM requires a holistic approach to every relationship with the entire organization sharing and contributing to that view.
- ✚ CRM is a business strategy to select and manage customers to optimize long-term value. CRM requires a customer-centric business philosophy and culture to support effective marketing, sales, and service process. CRM applications can enable effective Customer Relationship Management, provided that an enterprise has the right leadership, strategy and culture.

Xu *et al.* (2002) define CRM as “an embracing approach, which seamlessly integrates sales, customer service, marketing, fieldwork support and other functions that touch customers.” By using this approach, the relationship with all customers including distribution channel members, internal customers and suppliers are maximised. Hence, CRM is related to how an organisation keeps their most profitable customers and reduces costs and increases the value of interaction to maximise the profits.

As the scope of research in the information system literature is more focused on the technology development, therefore, it can be seen from the above that the definitions appear in the information system literature tend to be rather more technology focused to complement the focus on customers. In addition, more researchers focused on practical perspective when defining CRM. Before developing a CRM definition which is suitable for this research scope, the analysis of the CRM definitions come from the marketing and the information system literature is provided in the next section.

2.4.2.3 Academic – Summary

In summary, the definitions proposed by researchers in marketing and information systems have both similarities and differences. Again, Information system literature will tend to be more technology focused and marketing literature tends to be customer focused. These have been categorised from two perspectives: 1) conceptual, and 2) practical or operational points of view. The conceptual definition means that the definitions mainly focus on the theoretical concept of customer relationship management and relationship marketing. The practical or operational definitions mainly emphasise the operational details. This could help us to understand the similarities and differences more easily. The following table can classify the some major points of views in a systematic way.

Table 2.2 - Summary of definitions

	Technology focused (From Information system literature)	Customer focused (From Marketing literature)
Conceptual definition	<ul style="list-style-type: none"> ◆ CRM is the value of customer, holistic approach, and technology empowerment (Ling and Yen, 2001) 	<ul style="list-style-type: none"> ◆ CRM is founded on relationship-based tenets (Kuthner and Cripps) CRM is 1) a continuous performance initiative to increase a company's knowledge of its customers and 2) consistent high quality customer support access across all communications channels (McDonald, 2000) ◆ CRM is a comprehensive strategy and approach in identifying, acquiring, and retaining customers by building and maintaining long-term relationship with them (Sin, <i>et al</i>, 2005; Payne and Frow, 2005)
Practical/operational definition	<ul style="list-style-type: none"> ◆ CRM is a comprehensive set of processes and <u>technologies</u> for managing the relationships with potential and current customers and business partners (Greenberg, 2001) ◆ An embracing approach, which seamlessly integrates sales, customer service, marketing, fieldwork support and other functions that touch customer (Xu <i>et al</i>, 2002) 	<ul style="list-style-type: none"> ◆ <u>IT</u> is the "glue" that holds these together and enables the whole to be operationalised (Ryals and Knox, 2001) ◆ Customer management processes, supported by the business rules of the operation and <u>technology</u> making it all hang together (Cunningham, 2002) ◆ A coherent and complete set of process and <u>technologies</u> for managing relationships with current and potential customers and associates of the company (Injazz and Karen, 2004)

From Table 2.2, it can be clearly seen that the definitions of CRM in literature can be classified into 4 types: 1) technology focused – conceptual 2) technology focused – practical 3) customer focused – conceptual and 4) customer focused – practical.

After looking at the academic definitions, it is the time to look at the practitioner definitions as there are a lot of definitions defined by practitioners in the market. These definitions are of interest because they provide insight into the way in which those who manage or practise CRM defines the context. Therefore, there is a need to examine them as well for completeness. These definitions will be discussed in sub section 2.4.2.4.

2.4.2.4 Practitioner

Practitioners have a different view of what constitutes CRM. In order to get a clear picture of what CRM is, the concepts of CRM as perceived by practitioners or industrialists are going to be examined in this section. Views of consultants and practitioners are illustrated to demonstrate their perceptions on CRM definitions. The views were taken from articles published by businesses or from some promotional materials. The differences in definitions may be influenced by the nature of an organisation which applies CRM. Thus for example:

“CRM describes techniques, software and internet capabilities used by businesses to manage customer relationships in a unified fashion. CRM packages help companies integrate information from the entire enterprise to

provide detailed profiles of its customers". Extracted from an article in <http://www.changewave.com>

"CRM is an integrated information system that is used to plan, schedule and control the pre-sales and post-sales activities in an organisation. The clear objective for CRM is to enable a customer to interact with a company through various means including the Web, telephone, fax, e-mail, and snail mail and receive a consistent level of quality service. The integration of all these activities means that an order placed by phone can be tracked on the Web and vice versa". Extracted from article in <http://www.daleen.com>

"CRM is the strategies, processes, people and technologies used by companies to successfully attract and retain customers for maximum corporate growth and profit. CRM initiatives are designed with the goal of meeting customer expectations and needs in order to achieve maximum customer lifetime value and return for the enterprise. As a primary sales, service and retention touchpoint for many companies, the Contact Center is a critical component of a successful CRM strategy". Extracted from article in <http://www.ataconnect.org>

"CRM (customer relationship management) is an information industry term for methodologies, software, and usually Internet capabilities that help an enterprise manage customer relationships in an organized way. For example, an enterprise might build a database about its customers that described relationships in sufficient detail so that management, salespeople, people

providing service, and perhaps the customer directly could access information, match customer needs with product plans and offerings, remind customers of service requirements, know what other products a customer had purchased, and so forth". Extracted from article in <http://searchcrm.techtarget.com/>

The definitions were selected from articles published by organisations which are practicing CRM or providing consulting services on CRM. The above quotes show some similarities that CRM was about technologies and software for increasing sales. The analysis on CRM definitions showed that there are large differences in opinions between academics and practitioners. Organisations which are practicing CRM or providing consulting services on CRM are generally regarded as technology focused as they earn money by selling or emphasising on some CRM systems. The definitions quoted by practitioners are practical and mainly consist of technological side of CRM. A summary of definitions is now presented in the next sub section.

2.4.2.5. The Practitioner – summary

The results showed that organisations in both the service industry and consultants share similar views on the definitions of CRM. They view CRM as technologies, software or tools for increasing sales rather than theoretical concepts of relationship marketing, relationship building or customer relationship. Therefore, the key terms in the definitions can be summarised in the following table and I group them as "technology focused- practical".

Table 2.3 - Summary of definitions

	Technology focused
Practical /Operational concepts	CRM is the technique...
	CRM is the method...
	CRM describes techniques, software and Internet capabilities...
	CRM is an information industry term for methodologies, software...
	CRM is a system...
	CRM is special software and analysis techniques...

As mentioned, I would like to develop a definition of CRM which is suitable for this research scope. The definition should be as general as possible so that academics and practitioners can use the results of this research in the future. After evaluating the perceptions of CRM given by both academics and practitioners using the above classification method, I decide to integrate the elements of conceptual, practical, technology focused and consumer focused to form the CRM definition. In this case, different elements can be included in the definition. By taking into account the relationship marketing concept, practical aspect and technology element, the definition is formed in the following section.

2.4.2.6 Definition of CRM

According to the academics, the definition of RM recognises its origin as a form of RM.. On the other hand, the practitioners tend to view RM as part of general management. They view CRM as a contributor to and not as the driver of the process. In other words, to them, CRM is synonymous with technology, information system or analysis technique to build databases of

customers and for dealing more specifically with the integration of all business functions in an organisation.

As a result, I have come to the following conclusion:

CRM should be an integrated strategy and technology for managing relationships with potential and current customers as well as business partners across marketing sales and services regardless of the communication channel used.

The goal of CRM is to optimise customer and partner satisfaction, revenue, and business efficiency by building the strongest possible relationships at an organisational level. Successful CRM requires a holistic approach to every relationship with the entire organisation sharing and contributing to that view.

Based on this definition, it will be difficult to simply categorise organisations into CRM adopters or non CRM adopters because CRM is not just about sophisticated databases or technologies; it is also an approach to the market and a way of viewing relationships with customers. It focuses on long term customer relationships rather than individual transactions. Although it has a technology or system dimension in it, the important element seems to be the business philosophy. As a result, we cannot only regard those with sophisticated databases as adopters of CRM. The mind set or the way to apply a customer relationship strategy should be more important in

determining whether the companies are adopting CRM. It may be more useful to analyse the adoption of CRM based on evidence of engagement with the underlying philosophy rather than just with the presence or absence of a particular IT based system. Because of the complexity, different measurement approaches (multi dimensional scale as well as simple binary variable) will be used to measure the level of CRM adoption in this study. This will be further discussed in the hypotheses section.

2.4.3 Differences between CRM and Database Marketing

When reviewing the definitions of CRM, it was found that a lot of definitions were also stated in the databases, data mining and decision support literature besides in the marketing literature due to the technology aspect of CRM. The literature review shows that database marketing is actually a dimension of relationship marketing as discussed in section 2.4.1. In this case, what are the differences between the two?

In 2002, McKim suggested that there were 1) conceptual differences and 2) Practical differences between CRM and database marketing. Details are explained below.

- a. Conceptual differences include
 - i. The CRM promise is to strike up a relationship with the customer through affinities and personalised communication, thus marking the customer as more transactive. Database marketing anticipates customer behaviour over time and reacts to changes in the customer's behaviour.

- ii. Database marketing relies more heavily on rule-based delivery of communications whereas CRM waits for the customer to interact with the system.
 - iii. CRM assumes that the customer wants a relationship with the company. Database marketing proactively delivers information or communication at key times when the customer is in the “buying window”.
- b. Practical differences include
- i. CRM relies on technology and fits most marketing purposes. Database marketing is using a database to hold and analyse customer information, thereby helping create strategies for marketing.
 - ii. CRM technology promises to provide personalisation to every customer and prospect. Database marketing identifies unique segments in the database reacting to specific stimuli such as promotions.

In the following section, the scope and methodologies of previous CRM adoption study will be briefly described so that gaps of previous literature can be identified.

2.5 Scope and methodologies of previous CRM adoption study

After reviewing the previous research about CRM, it seems that the research could be grouped in three main categories. *The first category* is mainly about the implementation issues of CRM adoption. Successful cases and unsuccessful cases are described. *Factors* of successful or unsuccessful implementation of CRM as well as the *impacts* of CRM adoption are discussed in those research. For example, Bull (2003) demonstrated that CRM is a complex and holistic concept requiring appropriate business processes and integrated systems. He also showed that the need for effective leadership, sourcing, targeting and evaluation within CRM strategies. Deighton (2005) suggested that successful implementation of CRM requires firms considered issues of customer trust/ privacy carefully as customer trust could significantly undermine CRM activities. If customers lose trust in firms and believe that their data are used by firms for purposes exploiting them, consumers will tend to keep their data private. Nguyen (2007) studied the strategies for successful CRM implementation. He suggested that failure to obtain and maintain executive support for CRM project and failure to align key internal functions or business units on goals and mission of the project are factors leading to successful implementation of CRM. On the other hand, to have a successful implementation, management must make sure that they have done research in both the industry's best practices and the adaption capability of their organizations in the new application. In a survey of CRM implementation related experiences in US firms done by Bohling (2006), top management's attitude toward CRM

is suggested to be a factor associated with perceived success of CRM initiatives. There are also a number of criteria that firms could use to evaluate the success of a CRM initiative including customer retention and satisfaction, revenue growth, improved information and insights, quantifiable cost reduction and improved employee productivity. Furthermore, a quantitative study was done by Ang and Buttle (2006) to investigate the relationship between the CRM applications and business performance. They discovered that CRM application has a positive relationship with both return on investment (ROI) and company profitability. At the same time, Lindgreen and Antico (2006), explored the activities to be done for the implementation of CRM in the banking sector.

Although the factors and results of successful or unsuccessful CRM implementation are explored in the mentioned literature, those factors may not be the drivers for companies to consider adopting CRM.

The *second category* is mainly about the *concept and definitions* of CRM. Major papers about CRM definitions have already been described in section 2.4.2.

The *third category* of CRM adoption research is mainly about the information technology for supporting the CRM application. Most of those research are found in the information system journal. For instance, O'Leary, Rao and Perry (2004) suggested that integration of the internet and database marketing enhances the effectiveness of customer relationship

management practices. Light (2003) investigated the impact of CRM package software on organizations. Park and Kim (2003) proposed a framework for CRM for linking the marketing with information strategy. Detail procedure for customer segmentation using customer information system was demonstrated.

Besides reviewing the scope of previous research on CRM adoption, research methodology about CRM has also been reviewed. It is the essential information needed for proposing a suitable research methodology for this research. It was discovered that there is a lack of research with hypothesis testing of theoretical framework on CRM. Up to 2002, Romano and Fjermestad (2002) reviewed over 400 CRM articles; they found that overall one less article was empirical than nonempirical, highlighting a majority of the work is conceptual in the CRM area. It also shows that a large percentage of the papers dealt only with ideas, framework, and speculations rather than with direct observations. They have asked different individuals to classify the literature and the agreement of the interraters' results shown by Kappa is significantly greater than zero ($K=0.9916$, $z=41.37$). Perfect interrater reliability is equal to 1. Therefore, it should be a reliable evidence according to my observations.

The studies deal with ideas, framework and speculations related to CRM are mainly conducted through the qualitative approaches such as the causal observation, case study and action research. For example, Bull (2003) conducted a case study of a CRM implementation at a UK-based

manufacturing company in order to find out the issues related to the implementation of CRM. Liu (2007) conducted a qualitative review to develop a framework for CRM in the banking industry. There is an exception in 2005, Roh *et al.* developed a priority factor model for CRM system success using structural equation modelling. They proposed that investment in CRM process, information and system is expected to enhance an organisation's performance as measured by efficiency. They implied that researchers start to realise the importance of an empirical approach for developing a relationship between CRM and its related concepts.

In the literature written to date, the reasons for and the impact of CRM adoption by companies were not empirically tested with any statistical model. Hence, practitioners and academics still know little about which factors influence CRM adoption. Failure to address these factors may lead to wasted investments and failed processes. Because of this, it was observed from the literature that there is a need for empirically testable theories about CRM in this area.

2.6 Conclusion

This chapter has examined the knowledge base on which the study was developed. The roots and definitions about relationship marketing and customer relationship management were reviewed. Key literature review papers about customer relationship management have been referenced throughout the sections.

Relationship marketing incorporates everything from database management to personalised service, loyalty programmes, brand loyalty, internal marketing, personal/social relationships and strategic alliances. It is an approach which is based on the concepts of relationships, interactions and networks. The definitions of relationship marketing were actually derived from different research perspectives and different schools of thoughts. The work Gummesson is one example of work in the tradition of the Nordic School. However, irrespective of this diversity in the definitions offered above, the following basic issues are generally agreed upon.

- Relationship Marketing refers to commercial relationships between economic partners, service providers and customers at various levels of the marketing channel and the broader business environment.
- This recognition results in a focus on the creation, maintenance and termination of these commercial relationships in order that parties to the relationship achieve their objectives (mutual benefit).
- Profit remains an underlying business concern and relational objectives are achieved through the fulfilment of promises.
- Trust is essential to this process of relationship development and centres upon the keeping of promises.

On the other hand, customer relationship management offers a way to implement relationship marketing according to the literature so that

customers are kept bonded together with the company on a long-term basis so as to increase customer satisfaction.

The definitions of CRM proposed by different researchers from marketing stream and information system stream were briefly evaluated. It was explained that they could be categorized into four main types: 1) technology focused – conceptual 2) technology focused – practical 3) customer focused – conceptual and 4) customer focused – practical. A definition of CRM which is suitable for this research is then derived by integrating elements of technology focused, customer focused, conceptual and practical. CRM should be *an integrated tactics and technologies* for managing the relationships with potential and current customers and business partners across marketing, sales and service regardless of the communication channel. The goal of CRM is to optimise customer and partner satisfaction, revenue, and business efficiency by building the strongest possible relationships at an organisational level. Successful CRM requires a holistic approach to every relationship with the entire organisation by sharing and contributing to that view.

When reviewing the literature about CRM, the papers could be grouped in three main categories. The first category is mainly about the implementation issues of CRM adoption. The second category is mainly about the concept and definitions of CRM. The third category of CRM adoption research is mainly about the information technology for supporting the CRM application. Moreover, there is a lack of empirical research about

CRM with hypothesis testing of the conceptual theories.

Hence, the drivers for companies to consider adopting CRM were not really researched in the past. Also, there is definitely a need to test theories related to CRM using an empirical approach.

In order to fill the gaps in the literature, this research intends to investigate the factors affecting CRM adoption. CRM will be viewed as an innovation adoption in the next chapter because of its characteristics. The discussion is very important because potential innovation adoption models for developing the framework for this research will be referenced. Thus, antecedents and impacts related to CRM or innovation adoption could be discussed and become the basic components to form the conceptual model.