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Implementation of a Customer Relationship Management System: A Case Study

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This thesis is written to help understand the Customer Relationship Management (CRM) concept and use it as foundation to case company Ventoniemi Oy's introduction of a CRM system. The thesis consists of four parts: the foundation of CRM, introduction and background of the case company, a quantitative study, and based on the results a guide book is made for the case company. The main goal of the study was to plan, implement and create a guide book for the case company, but to be successful first CRM's origins and evolution are explored and the survey is conducted. The theoretical framework deals with customer relationship management and deals with competing methods.

The survey was carried out using a paper questionnaire as part of a quantitative study. The target group of the survey was Ventoniemi Oy's employees whose work is related with customer relationship management. The subject of the research is the employees' knowledge regarding customer relationship management, how it has been implemented, how it should be implemented, the positives and the negatives, how employees would benefit from introducing CRM system, and how the company would benefit from it. Based on the results a CRM system guide book and implementation plan is carried out for the case company.

The results indicate that customer management and introducing a new system is expected to improve the sales and the communications in the company and there are room for development in the old processes. With modern CRM system the employees feel that the work efficiency will establish growth and better utilization of existing customers.

Keywords	Customer relationship management, CRM, segments, CRM system, customer relations,

Contents

Introduction

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The questionnaire was distributed to nine key workers of Ventoniemi and the response rate was 100%. After that the results are analysed with content analysis. Content analysis enables searching for similarities and discrepancy and product concentrated information on the subject.

Respondents were mostly disappointed with the current situation, in which there is no one specific place for saving and collecting data. Respondents felt that all the information should be available regarding customer relationships to avoid the interrupted information flows. Most of the respondents considered introducing a CRM system important and felt that it could help both employees and the company to develop customer relationships. The guide book for CRM system is made for the case company based on their answers.

Literature Review

1.1 Customer Relationship Managements Origins

Without customers, companies do not exist, meaning that each company needs customers. (Mäntyneva 2001: 9) Customers are the key resource that the company has. According to Gummeson (1993: 7) a company that offers services that fulfil the needs of customer and can generate value, the desired value and satisfaction has the best opportunity to success in the market. This can be called customer and marketing orientation, which is the opposite of product orientation.

Customer relationship management (CRM) is not only about networks, but rather focuses on the interaction between customer and vendor. (Gummeson p. 21) Customer relationship is also described as a process between the customer and the company where resources are exchanged. The goal is to create value for both parties. Usually the parties feel that they receive more benefit than they receive from the exchange. Customer relationship lasts when customer and supplier are both satisfied and feel that maintaining it is profitable. (Storbacka, 45-46)

It is essential that customers' needs are understood and identified for success of customer management. Predicting the buying behaviour of the customers is possible when the company knows its customers well. After the buying behaviour is predicted, the company can proceed according to the needs of customer. The overall profitability can be improved by small targeting in marketing. (Mäntyneva 2001: 15)

Relationship marketing is the basis of Customer Relationship Management. According to Payne (2006) there has been a shift from transaction marketing to relationship marketing as market growth mellowed and changes in competitive intensity and market demand appeared. In the early 2000s most of the markets had matured in a way that the companies were struggling with growth and profitability. Traditional advertising no longer ensured the capture of customers, and companies needed to find new ways, such as new media, to seek customers as globalization speeded up the new competitive environment. Emphasis on customer acquisition (Transactional marketing) moved to emphasis on all stakeholders and customer retentions (Relationship marketing) and thus marketing become cross-functionally based.

Achieving competitive advantage is not easy as competitors can duplicate your excellent products and market saturation can hit. Many companies have started to differentiate with unique service in a consistent and distinctive manner. To achieve success in service differentiation requires customer input and involvement. As you may have information about a client that the competitor does not have, it is hard to duplicate and imitate the service processes. Therefore, utilization of the knowledge of customers' expectations, preferences and behaviour is critical in achieving sustainable competitive advantage. (Payne 2006: 4)

"If the 1950s was the era of mass-marketing, and the 1970s the era of market segmentation, then the 1990s represent the genesis of personalized marketing, in which knowledge about individual customers is used to guide highly focused marketing strategies" (Buttle and Maklan 2015: 2). These strategies aimed to gain competitive advantage in different unique ways as the competition became intense. According to Buttle and Maklan, competitors are not able to duplicate enduring relationships with customers and therefore it opens possibility for companies to gain competitive advantage from this Relationship Marketing (RM). Relationship marketing aims to maximize the customer's lifetime revenue.

"In the 1950s, frameworks such as 'the marketing mix' were developed to exploit market demand. The shorthand of the '4Ps' of product, price, promotion, and place were used to describe levers that, if pulled appropriately, would lead to increased demand for the company's offer. The objective of this 'transactional' approach to marketing was to develop strategies that would optimize expenditure on the marketing mix in order to maximize sales'' (Payne 2006: 7).

CRM was created as a response to the challenging new business environment.

"CRM is the strategic process of selecting customers that a firm can most profitably serve and shaping interactions between a company and these customers. The ultimate goal is to optimize the current and future value of customers for the company." (Kumar and Reinartz, 2012: 3) According to this definition, CRM's main principle is to maximize sales of each customer. The system helps the company to collect data into one system and thereby analyse the potential needs of customer. It is extremely important to understand, and match or even exceed individual customer needs and it has become the key dimension for companies to find competitive advantage as Kumar and Reinartz. stated.

In CRM the aim is not just to look at the networks the company has, but to focus on the interaction between the supplier and the customer. (Gummesson 1993: 21)

''CRM is the process of managing all aspects of integration a company has with its customers, including prospecting, sales and service. CRM applications attempt to provide insight into and improve the company/customer relationship by combining all these views of customer interaction into one picture'' (Buttle and Maklan 2015: 4)

Customer Relationship Management can be divided into two perspectives: owners (read company) and the customers. As the company aims to gain loyalty and increase profitability in CRM point of view, the customer is looking for a supplier that fulfils the needs better that the competition has to offer. There has been an enormous development because of CRM in moving from a product focus towards the customer focus. (Fjermestad and Robertson 2006: 12)

Knowledge about customers has been patchy and it has not been exploited in the best possible way before the CRM systems were developed. Even though the details and information had been saved into different systems before, or it has been personal silent information, combining the data has being laborious and difficult. (Storbacka et al. 2000: 137)

“The bottom-line effect of the CRM promise was improved service and product quality, which would yield more satisfied customers. The effects of enhanced satisfaction involve increased retention, scale economies, market share, and ultimately profitability. (Allen 2004: 100)

Loyal customers have been thought to bring more money into the business, but according to Kumar and Reinartz (2012), this is not always the case. In every company there are always customers that approach the service provider and ask for the best final prices. This means that even though the customer is loyal towards a certain company, it sometimes might also mean losing the margin. By segmenting customers into different categories and identifying the needs of these segments, the company can create specific strategies for the different groups.

According to Buttle and Maklan (2015: 4) CRM can be divided into three types: Strategic CRM, Operational CRM and Analytical CRM. Strategic CRM stems from company’s focusing on customer centric business culture that aims to win and maintain customers by creating extra value for customer that the competition does not offer. Customer centricity is argued to be right for all companies but in fact at variable stages of market or economic development, other approaches may have stronger appeal.

Usually B2B and B2C customers are divided separately in CRM, since as business in these customer segments can distinguish between legal differences, for example in terms of merchandise, data protection and consumer protection. Another way to breakdown the CRM is its use. Purposes can be strategic, functional, analytical and partnership. When it is strategic in B2B businesses culture is created first and company's aim is to produce higher value to the customers. Functional CRM invests in functionality meaning for example, that company aims to automation and the focus is on controlling customer interface processes. In analytical CRM the main function is to identify possibilities and to highlight the importance of knowledge. In partnership CRM emphasis is on managing affiliate relationships. (Oksanen 2010: 24, 309)

In operational CRM the customer-facing processes are automated, and new software applications enable the marketing, selling and service functions allow it to happen and integrate. Analytical CRM gathers the data of customers in to one entirety and it is analysed for strategic or tactical purposes. These are the dominant characteristics of these CRM systems, but a CRM system can include features of all of these (Buttle and Maklan 2015: 11-12).

1.2 Development and Evolution

From a historical perspective the CRM development has occurred as reflecting a change in orientation from products to customers. Figure 2.1 illustrates how the market has changed from the 1960s to this day (Allen 2004: 98).

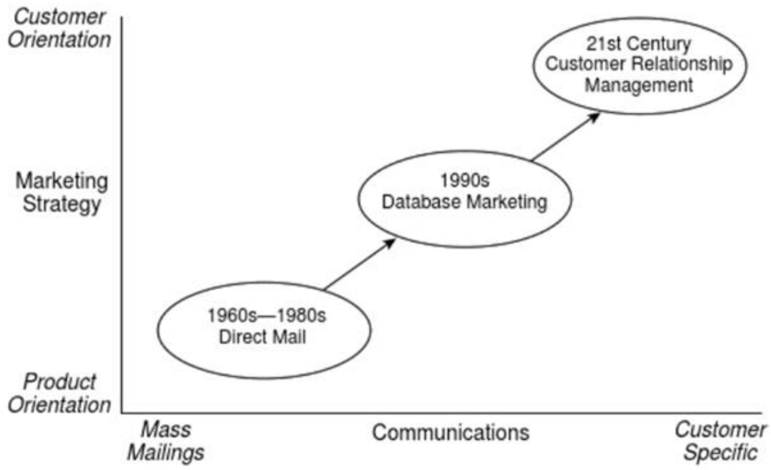


Figure 2.1: Gradual paradigm shift to CRM

From the illustration it is noticeable that there has been a big change in the market. In the 1960s companies invested in mass marketing to reach out to as many people as possible. Everyone was targeted in the same product-orientated way. As the technology developed, so did the database marketing, and finally into Customer Relationship Management. ''New technologies now enable companies to target chosen market segments, micro-segments or individual customers more precisely and new marketing thinking has recognized the limitations of traditional marketing and the potential of more customer customer-focused, process-based activities'' (Payne 2006: 4)

Even though the CRM is quite a new term, its basic principles are familiar. Wherever there have been companies, there has always been some type of customer relationship management but in different forms. "What sets present day CRM apart is that organizations can manage one-to-one relationships with their customers - all one thousand or one million of them. In effect, CRM represents a renewed perspective of managing customer relationships based on relationship marketing principles; the key difference being that today these principles are applied in context of unpresented technological innovation and market transformation.'' (Payne 2006: 4)

Customer relationship management has grown from tactical marketing tool (1990s) to an element that is being used in all strategic marketing decisions. Rising demand of customers has led to the situation where customer orientation plays a critical role. There are four different phases of CRM Evolution, as Kumar and Reinartz (2012: 16) state:

1. *First Generation (Functional CRM) >1990*

Two independent product offerings were introduced**;** *Sales force automation (SFA)* and *Customer service and support (CSS).* SFA was planned to help the sales teams by keeping track of customer data, creating sales quotes and for example generating leads (potential clients). CSS was established to serve the clients after the sales action has taken place. This can mean creating a help desk or call centre to serve the customer needs and help requests. These two often had separated databases, meaning that CSS had specific customer information that was not being used by SFA. *Enterprise resource planning (ERP*) was planned to combine all company data into one system in a way that it would serve all the different departments.

2. *Second Generation (Customer-Facing Front-End Approach) > 1998*

Moving from separate computer systems into ERP already helped companies by its functionality, but it still left gaps in addressing the business needs on the customer-facing frontier. *Customer Relationship Management's (CRM)* goal was to show all the interaction between the company and the customers, at what stage the contact is (pre-sales, sales, post-sales). These were aspects that the Functional CRM had left out so it led into new technology implementations.

3. *Third Generation (Strategic Approach) >2002*

Companies realized that it is impossible to gain more revenue without more strategic understanding of the process. Before this CRM had been a technology-based solution and now it started to turn into a more strategic approach by focusing on the customer facing front-end and back-end systems. Systems used with partners and suppliers were also combined into this system. Earlier CRM was recognized only as a cost controlling tool but now its goal was switching into creating revenue.

4. Fourth Generation (Agile and Flexible Strategic CRM) > 2008

CRM is accepted as a strategic management tool by companies and it is used by an increasing amount of small and medium sized companies.

1.3 Phases of customer relationship

Customer relationships evolve over time, but its phases can be distinguished. Mäntyneva (2001: 16-18) divides the customer life cycle into 4 different phases: customer acquisition, taking over the relationship, developing the relationship and maintaining the relationship. This model can be used as well in estimating the profitability of customer relationship. Customer relationship often more profitable as it is long from the duration and when the purchases increase. Customer relationships are generally unprofitable at the beginning of the partnership and it becomes productive when the relationship is prolonged. One of the key challenges of CRM is carrying out a lifelong customer relationship and making it profitable. It is also considered as a goal that the companies should aim at. (Mäntyneva 2001: 16-18)

According to Dwyer et al. (1987) the relationship between the buyer and seller is like marriage, where five different phases can be identified. These steps are consciousness, exploration, expansion, commitment, and ultimately decomposition:

Consciousness

In Dwyer et al.'s (1987: 15-19) model the first phase is consciousness, where party A recognizes party B as a partner that it could do business with. In this phase there is still not interaction, only a consciousness and awareness of a potential partner. This is promoted by the reputation of services or brands. All types of interaction, including indirect, signifies development and enables the transition to the next stage. (Dwyer et al. 1987: 15-19).

Exploration

The next phase is exploration in developing the relationship and it includes search and trial phase. This phase can be short or extremely long and include a lot of analysing and testing. Relationship is still quite weak and fragile at this point, since mutual interdependence has not yet been established between the parties. (Dwyer et al. 1987: 15-19)

Dwyer et al. (1987: 15-19) divide the study into five sub-categories: interest, communication and negotiation, use of force and law, formation of norms, and ultimately evolution of expectations. Exploration starts with interest. In communication and negotiation phase the parties communicate and look for the potential and threats of the possible partnership. This is also a way to get to know the other party. The use of force and law is related to the power relations of the parties and their use. The rules are set and created by formatting norms, standards and instructions. Evolution and expectations is related to the idea that there are always some contradictions, difficulties and different expectations regarding the mutual relationship and its future.

The above-mentioned five sub-categories are of utmost importance when examining the relationship of customer relationship. These enable the parties to evaluate and at the same time give them the opportunity to try and test compatibility and honesty (Dwyer et al. 1987: 15-19)

Expansion

According to Dwyer et al. (1987: 15-19) expansion phase means that the relationship develops and there is continuous achievement and increase of the benefits of partners. The five sub-categories above affect this phase also. By these sub-categories a common ground will be built to ensure a common satisfaction and it is decisive and this way the parties are able to take more risk.

Commitment

At this point the interdependence between the parties is at the deepest and the customer relationship is strong. Both parties are satisfied with the partnership and the aim is also to ensure that the partnership will remain also in the future.

When the customer lifecycle reaches the highest profitability point, the company should centralize its strengths to maintaining the customer and developing the partnership, (Mäntyneva 2001: 18)

End of relationship

In the last stage the relationship falls apart. There can be several reasons for the termination of customer relationship. Parties might disagree about the prices, competition might occur, or the needs of the customer might change. There is no need for cooperation. (Dwyer, et al. 1987: 15-19)

Relation to case company

As Ventoniemi Buses has a long history in the tourist business, it also has a long experience of Customer Relationship Management. The company has had some long relationships with customers meaning that the relationships have followed the five steps mentioned above. What has changed is the customers' market awareness meaning that different supplier alternatives are continuously compared and monitored. During the time of digitalisation finding the suppliers is much easier, as is changing the service provider.

Case company competes in an industry where it is hard to differentiate. The buses are the same between the suppliers and the price in the same levels. This means that the service concept from the bookings, driver behaviour and down to the point where the service is invoiced are all important aspects when the customers choose their suppliers. In addition, the customer's resignation should be made more difficult, meaning that the company should aim to create something that is easy for the customer and that the market otherwise could not offer. For example, combining customer and case company's reservation systems to make the booking more effective could be something that the company could differentiate with. This would extent the phase of commitment.

2.4 Competing methods

2.4.1 Marketing concept

''In the 1990s, companies increasingly acknowledged the critical importance of becoming ''customer-orientated'' and "market-driven'' instead of product-, technology-, or sales-focused.'' (Schmitt 2003: 10) This is called the marketing concept. It satisfies customer needs with long term exchange relationships. ''Market orientation considers customers, competitors and interfunctional coordination over the long term'' (Drummond & Ensor. 2005: 16).

Perceived benefits are the base of the customer value. The marketing mix (the 4Ps) and its extended version (the 7Ps) delivers these benefits. Accessibility, acceptability and affordability are the factors that customers tend to make their decisions. Even though the mix serves as a base for marketing studies in colleges, it has its critics. Often this stems from poor application of the concept. Meeting the customer expectations, delivering the competitive advantage and degree of integration are the main rules for successful implementation of the mix (Drummond and Ensor 2005: 16).

Customer satisfaction management

Customer satisfaction management's (CSM) basic idea is that higher customer satisfaction the company has the more successful it becomes. Figure 2.2 shows the fundamental assumption driving the customer satisfaction. According to this concept, the company should mind increasing this satisfaction rate. CSM has received a lot of criticism in the history on the lack of evidence that customer satisfaction is instrument of company profitability. (Allen 2004: 3)

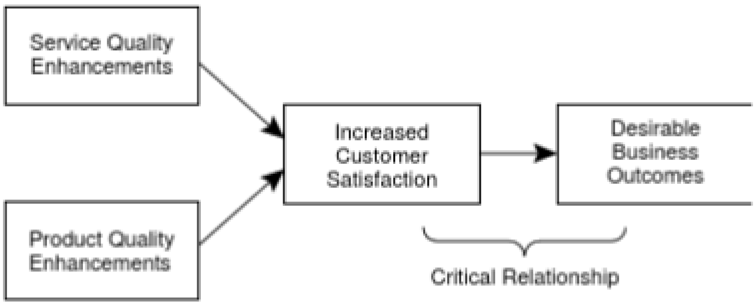


Figure 2.2: Fundamental assumption driving customer satisfaction measurement.

"The underlying premise, especially before the early 1990s, was that satisfied customers would be more succesfull and more profitable. And yet only limited empirical evidence supported this notion." (Allen 2004:3) There are also studies that suggestes there are several ways companies can improve customer satisfaction and there by increase their retention rates and profitability. These could be employee training programmes so that they would be more responsive to customers, better facilities and datahandling systens. Customer surveys and news letters can be also the tools to increase the satisfaction rates. (Rust and Zaborik, 1993:211) Customer satisfaction management has a big role in today's customer relationship management. In CRM, both the company's and the customer's needs are combined and the modern systems serve them.

2.4.2 Customer experience management

‘’The marketing concept, customer satisfaction, and customer relationship management all promise to help managers better understand their customers. However, each approach has remained narrowly focused and unnecessarily limiting’’ (Schmitt 2003: 17)

“Customer experience (CEM) is the process of strategically managing a customer’s entire experience with a product or company … It is a practical management tool that can show you in detail how you can provide experiential value to customers and, in turn, derive financial value for your firm’’ (Schmitt 2003: 17, 21).

Schmitt suggests that CEM goes much further than a CRM system by building rich relations with customers. Customer experience starts already before the buying decision by providing information, service and interactions. This method recognizes that the goods can be identity-projecting lifestyle products and that extra value to the customer comes from the brand and not necessarily from the functionality of the product. CEM takes an integrative approach as well both internally and externally. For example, employee experience is extremely important to an organization because it affects customers’ perceptions about the company (Schmitt 2003: 16, 19).

According to Goodman (2009: 5), companies such as Coca-Cola, Fed-Ex, Harley-Davidson, and Hewlett-Packard invest to align all functions to support their brand promise and customer experience, aiming to collect the following rewards:

- Happy customers are willing to pay extra
- Educates customers and set realistic expectations -> Fewer problems
- Boost brand loyalty and block competitors with emotional bonds with customer
- Good working environment -> Lower employee turnover
- Customer sells for the company with positive word of mouth.
- Competition is not able to copy or adopt the management and cultural elements.

According to the theory, customer experience management goes further than the Customer Relationship management. The main difference however is that CEM is slightly more targeted to B2C businesses, where you can provide extra value to the customer with branding. Case company’s clients are mostly B2B customers and the main function of the service is to get from place A to place B and with cost efficient pricing. When customer is a professional buyer it is hard to justify extra expenses with branding.

It is important, however, that the service package is functional, and that the customer can trust that everything works. In this case, customers sell usually the service to their own customers, so their own reputation is threatened as well. Knowing the needs of customer and open discussion are the base of Customer Relationship Management and that is something that case company should aim at and develop. With a modern CRM system the case company will enhance customer management and employees' work is easier when all the information regarding customers is in one place. Good performance in CRM might also finally lead into CEM where the case company has created strong brand value for which customers are willing to pay extra.

Case Company

1.4 Origins & History

Ventoniemi Oy was founded in 1928 when 22 years old farmer's son Väinö Ventoniemi bought his first car and started driving a taxi. Later in 1930 the taxi changed into a truck and the hometown from Mäntsälä to Jokela, which became the new home for this company. In 1945 bus traffic started with a 10-seated bus between Jokela, Hyvinkää and Helsinki. During the 1950s Finland's economy started to grow and Väinö saw an opportunity. He built an office and a big garage where he could service the car, bus and trucks to Jokela. At the same time, he did the first land acquisitions of Ventoniemi Oy and started to dig and sell gravel. Growth both in the bus and truck industry meant that the company became a big employer in the south of Finland. Now company employs 80 people.

In 1965 Väinö Ventoniemi opened the Travel agency of Hyvinkää due to the growing demand for travel. It was followed by company acquisitions in which bus traffic became even bigger and Hyvinkää got its own branch. This was the point where the operations were divided into two different companies: Ventoniemi Oy and Ventoniemen sora.

The 1970s were a decade of growth as well, during which one of Ventoniemi Oy's biggest rivals Riihimäen Liikenne Oy became a part of Ventoniemi Oy. At this point the company had already 60 buses and these were located in Järvenpää, Hyvinkää, Mäntsälä, Orimattila and Riihimäki.

In the 1990s Finland suffered a major economic recession and this impacted the bus industry as well, since individuals did not have money to spend on travelling. Despite the challenges Ventoniemi Oy came out strong and celebrated its 70th birthday in 1998. The 21st century has been time of steady business. After the millennium Finnish tourism was affected by the terrorist attacks in 2001 and new wars around the world, and it had some effect on the charter coach side. Company also conducted a management succession and it is now owned by the third generation. Also, a new office was renovated, and the headquarters still remain in Hyvinkää.

At this moment the company has 55 buses and turnover of 6.2 million euros. In the last financial year its Charter business was able to grow 20%. Increased employee and fuel expenses combined with the decreased ticket revenues led to a profit of 120k euros. 60% of turnover comes from these scheduled lines and 40% from charters. This 40% from charters is seasonal and dependent on tourism, which means that scheduled lines and charters support each other. In a period where there are few charters, employees and buses are employed by these scheduled lines. Since the amount of charters is significantly lower during the winter time, the scheduled lines bring needed income to cover the expenses and employ the permanent workers during this time. This past year, summer season remained on the same level, but the winter months increased the revenue.

1.5 Evolution of the service concept

Digitalisation has had a major influence on the company's service concept and working activities. Before the development of computer systems and the internet, everything from bookings to the driving patterns and daily planning were done manually. Computer system Transplan was introduced in 1996 and it is still in use. After the introduction Ventoniemi kept a manual double-checking system for several years, since the computer world was so new that no one really trusted the system. All the services were kept in a folder by months and dates and then each booking was put into a sheet of paper and it was scheduled then. Most of the communication happened via fax and telephone and for example foreigners were the only ones that received order confirmations.

Foreign business in Ventoniemi started in the 1990 when Danish Erik Petersen started as a driver in Ventoniemi. Erik introduced Ventoniemi to Danish travel agencies and it led to the company's first international clients. After that word spread and Finnish accommodation places recommended Ventoniemi to new foreign travel. With these travel agencies Ventoniemi does business still. Next step was to take part of the international cruises that employ still during the summer seasons. However, the company's focus has been on the scheduled traffic and the charter services has balanced the seasonal variation.

As the charter services have grown, also the company's service has developed. New ERP system was introduced at the beginning of 2004. It was created to fulfil the shortage the Transplan system had. It has facilitated the planning of driving days, shift planning and customer price lists. From the customer point of view, this can be seen from the automatization of sending driver details to the customers. In addition to this the buses are also equipped with GPS-systems so it is easy to monitor the location of the buses and that they are on time. This also facilitates situations where the customer asks where the bus is and they will have the answer immediately, without the need to call to the drivers.

Competition

Ventoniemi Buses operates in two different business areas: Scheduled lines and Charter buses. On the scheduled lines, the company has some transition time agreements valid until 2019. This means that the competition in these lines is restricted, meaning that Ventoniemi has exclusive rights to operate in these areas. After this period and with the rest of the scheduled lines, the company competes on licensing and purchase agreements in Uusimaa and Häme regions. There are several companies competing for these agreements depending on the area and agreement's content. Competitors as follows:

- Savonlinja (Etelä- Suomen Linjaliikenne, Uusimaa
- Korsisaari-yhtymä, Uusimaa
- Pekolan Liikenne, Häme
- Kajon and other smaller companies (mini buses), Uusimaa

On scheduled lines major competition comes from the train and private cars. In cities next to railway (Riihimäki, Hyvinkää, Järvenpää) competition in commuter business against the train is tough. In areas where there is no railway connection, there is more demand for the bus services. Bus can also be an easier opportunity for consumer than train, in the areas where railway is not an option and to get to the train you would need to take another bus or ride. Most of the current customers come on board just from these areas. There are also customers whose work place is closer to the bus route or next to it, meaning that they do not need to use local traffic services.

Losing the competitive tenders means that the operator moves into market-orientated lines and that there is no public money available for supporting the operations. With the old scheduled lines Municipalities have supported the transportation, for example by ‘’buying’’ seats. In practice this means that even though there would not be any passengers in the bus, the company would get money from the seat paid by the municipality or Food and Safety ministry.

Operating licenses earlier included both very productive routes and routes where there are only a few travellers. When operations are switched toward market-based services, the risk is that the routes in sparsely populated areas will decrease since the tickets will not cover the costs. Also, if you will lose the first round of competitive biddings there is the risk that the company would not find substitute traffic and the competitiveness decreases before the next competitive biddings that are usually after a two-year contract period.

Charter business is focused mainly on the Helsinki region and during the summer time from May until September. Demand comes from international cruise ship visitors and other tourist groups’ transfers and sightseeing. Other segments are companies and associations that order buses frequently for their services. Competitors are as follows:

- Reissu Ruoti
- J.Vainion Liikenne
- Linjaliikenne Kivistö
- Pohjolan Matka/
- Lehtimäen Liikenne
- Korsisaari-yhtymä
- Smaller companies

New competitive bidding sites are also a new trend on the charter coach business and Ventoniemi Buses is taking part in these processes. Competition in these is extremely tough and competitors range from sole trader companies to the larger enterprises mentioned above.

Municipalities and the government also run competitive biddings for their charter services. Their agreements are usually worth hundreds of thousands of euros. These are extremely important for the companies since most of these services take place during the winter, which is low season in the charter business. Examples of these charter competitive biddings are school children swimming class transportations, Hansel (government transportation and social and healthcare reformation transportations), etc.

1.6 Customer base, Statement of the research question

As mentioned earlier, income comes from two different sectors: Scheduled lines/ public transport, and charter buses. From a customer relationship management point of view, we should focus on the charter sector and the customer base that it has and how it is divided. This is important so that we understand the segments and their common behaviour. We can divide the customer base in to following segments: Foreign travel agencies, domestic travel agencies, sport clubs, associations, private persons and municipalities and cities.

Customer segmentation creates the foundation of customer relationship management. It is important to the company to know customers well and who they really are and what kind of demographic backgrounds they have. By segmenting the customers, the company can make efficient its marketing and target it to valuable customers. (Mäntyneva 2001: 25-32)

Customer relationship management should be in a state of continuous development for the company, it should not be a single project that the company aims at. Customer relationship management should rather be a continuous process that develops learning always by responding better to customer needs, leading to greater customer profitability, which in turn leads to a higher total customer relationship. (Mäntyneva 2001: 10)

Segmentation strategy can be not segmented, selective or centralized. If marketing its repeatedly targeted at all customer segments this means that it is not a segmented strategy. With selective strategy the company aims its marketing to specific customer group. These groups usually have different product and marketing solutions. In a selective strategy, the company picks a few segments it feels are important and to which it focuses and directs its business only. (Armstrong & Kotler 2013: 203-204)

One of the starting points for customer relationship management is customer segmentation. Entire market is divided into segments through customer needs and behaviour. (Mäntyneva 2001: 41) The purpose is not to meet needs of every customer but to create customer groups with similar needs and expectations and then try to create offering so that it fulfils the needs of majority. The key objective of segmentation is to effectively target marketing communications to the customer. (Mäntyneva 2001: 21) In the case company it is also used in orienting resources and managing business.

Ventoniemi Oy serves foreign and domestic travel agencies. Mainly people transported in this section are from abroad. It is recognizable that there are differences between travel agencies' needs. Often the travel agency has also different needs for certain group series. The groups can be divided into low budget travellers, "normal" travellers and high-end travellers. With low budget groups the need of the client is to get from place A to place B in the most cost-efficient way and the quality is not seen as the most preferable. Normal groups are looking for a good price-quality ratio. Then there are the high-end VIP groups that stay in the nicest hotels and are willing to pay for good service in the transportation.

Tourism season is during the summer months in Helsinki region, even though Finland and Lapland bring tourists also during the winter. For example, Alibaba aims to bring 50 000 Chinese here during this year according to Helsingin Sanomat. For foreign travel agencies it is extremely important that the bus services work as planned and that the car fleet is in good condition. Of course, there are different preferences for people that come from different locations of the world. For example, Chinese do not want white buses; in China white cars are recognized as hearses. Also, they like to have big coaches for small groups so that they all have enough room. At the same time Spanish clients usually want 50-seater coach for 50 people and they prefer to all be in the same vehicle. There are both small and big international travel agencies that use Ventoniemi Buses services.

Cruise operators are one main customer segment. First cruises arrive to Helsinki in early May and the season ends usually in September before the fall comes. Cruise operators have agreements with different cruising companies and they are responsible for their land operations. They provide sightseeing tours, day tours and shuttle bus services for the cruise visitors. The largest cruise ships employ 30-40 charter coaches on their visiting day. Handling this large amount of coaches and drivers at the harbour is extremely laborious so the operators appreciate being on time and good manners from the drivers. Cruise ship operators are also accurate on the quality of the coach. These operators have intense competition in the cruise ship industry meaning that the price levels of the coach suppliers are quite low. The amount of buses needed is still quite high which means that the cruise ship operators are big clients and account for significant turn over, wisely for Ventoniemi Oy.

Sport clubs are one major segment that needs bus services. Ice hockey is one of the most employing sports for Ventoniemi Buses. Hockey players have big hockey packs and the distances are long, so it is efficient to move as a team from place A to B. Most of the transportation happens during the winter and is has been emphasized mostly on weekends. Cooperation with sport clubs is unique when compared to other customer groups, since sponsoring is one of the key factors.

Sports clubs are mainly hobby activities and the parents are paying the costs of the hobby. In addition to this there are AAA teams that compete in the highest levels of junior sports. There are also adult teams that usually play professionally. These all have in common a lack of funding, meaning that they are not willing to use money for the transportation expenses. However, parents are usually very demanding with respect to children's safety, which means that they are willing to pay for that to some extent.

Corporate clients use coach services usually during the winter and not in the busiest holiday season. Company visits usually employ coach companies when visitors abroad familiarize themselves with company's operations and headquarters. Companies' Christmas parties and employee wellbeing activities describes this segment's needs transport accurately. There are also large companies that organize joint transportation for employees between home and work and as well between the different offices and factories. Event organizers transport large amounts of people to their activities.

Ventoniemi Oy has handled customer relationships for the last 90 years. Today's different customer needs as described above requires change from the company in their way of doing customer relationship management. With modern tools, customer relationship management becomes even more organized and efficient. "What sets present day CRM apart is that organizations can manage one-to-one relationships with their customers - all one thousand or one million of them. In effect, CRM represents a renewed perspective of managing customer relationships based on relationship marketing principles; the key difference being that today these principles are applied in context of unpresented technological innovation and market transformation.'' (Payne 2006: 4)

In the case company the segments are divided between different customer groups by their function. The purchasing behaviours of these groups are easily recognizable. For example ice hockey teams need buses during the winter, so you should market your products already during the spring and continue it during summer. International customers are usually travel agencies and for those the case company focus marketing by attempting to travel fairs and workshops where the buyers are met. For smaller customers that order services once or twice a year, the case company sends newsletters. This has been found to be a good way to inform the existing customers about the changes, but also special offers and to attract new potential customers.

This thesis is written to answer the question how the customer relationship management has been done earlier in the case company and how the employees feel it should be done in the future. Based on the results, a guide book for implementing a CRM system is made.

4. Methodology

The starting point of qualitative research is to describe real life. Qualitative research attempts to explore the subject as comprehensively as possible. (Hirsjärvi, Remes, Sajavaara 2009: 161) These research method typical features are that research is usually comprehensive information acquisition and the material is collected in natural and real situations. The sample is chosen according to the purpose (Hirsjärvi et al. 2009: 164).

A qualitative research usually produces versatile and rich material and often material that researcher did not expect to find. For this reason, the researcher should choose a clear and rather narrow phenomenon subject to study. This helps in drawing conclusions and summarizing the topic. Analysis and synthesis are both included in the analysis process. The analysis of the material needs to be truthful and credible. The decisions made need to be justified in the analysis. In a qualitative study, the arguments have a large part. It is also important to be aware of that there really are no guidelines for the selection of analytical methods. How the material is handled depends greatly on the study. (Puusa 2011: 114-118)

Focus of qualitative research is not in the quantities but rather focus on quality. For this reason, there are usually fewer participants, since the sample size does not seem to matter. (Eskola & Suonranta 1998: 26) There are nine participants in this study. This amount is small when compared to studies where sample size its much bigger.

For the thesis and introduction of CRM system qualitative research is carried out. This qualitative research is conducted by interviewing the case company’s staff and by analysing the results. As the CRM introduction is made to the case company it is important that those employees that will be using the system will be heard and their opinions are considered. As the case company is introducing totally new system it is important to have the theoretical part of customer relationship management as well.

There are many studies made about introducing new CRM system into organization. In these studies, the reader is warned that change in organizations might bring resistance as the employees are not willing to change their working habits. These studies review the launching/introduction of new system from the theoretical perspective not form the practical perspective. In this research is conducted in the opposite way; Introduction of the CRM system is done from the employees’ point of view. Once the employee is listened and they participate in the project they are more willing to accept the change. Storbacka et al. (2000: 140) point out that investing in expensive customer relationship systems is not enough and that problems occur for the organizations that lack readiness or willingness to change.

Storbacka et al. (2000: 141) highlight also the importance of future users’ involvement in the change process. The earlier users participate in the process and by taking them in already in the planning phase, the more positive attitude the workers have for the change.

4.2 Objectives

The objective of the research is to find out how customer relationship management has been conducted before in the case company. What problems the company and employees have faced before and in which areas company has been good in customer relationship management. The main goal is to build a foundation to the CRM system based on the answers and theory.

Questions were drawn in a way that the answers would be extensive and comprehensive so that the data would be used in a useful way. Interviews were conducted by using open questions, so that the respondent must form his own opinion. In this way, short responses are also avoided.

The research was carried out by questionnaire via email to the selected sample group. Practically the questionnaire was sent to the group of people working for the case company and participating in customer management through their own work. Interviewees are from the sales team, operations team, finance and the CEO. In the case company the sales team is usually responsible for the communicating with the customer, but others have big roles in creating successful customer experience and therefore the survey is conducted for different departments as well. E-mail inquiry was chosen to serve as a neutral option for the query and the aim was that everyone produces their own answers without the risk that the interviewer will lead respondent answers one way or another. With query form you can collect both qualitative and quantitative data (Hirsjärvi et al. 2009: 194-195). A questionnaire study and an interview do not necessary differ other than the questionnaire needs to work without an interviewer's help (Vehkalahti 2008: 12).

4.3 Analysis methods

The subject itself has a lot of studies and literature available. This time the subject is being studied by conducting qualitative research by query form to the case company's employees. With the survey the aim is to find out answers to my research question. I analysed the material with content analysis. Content analysis enables searching for similarities and discrepancies, and product concentrated information on the subject. In addition to these, content analysis includes the description of the verbal text. (Tuomi & Sarajärvi 2009: 105-111) The researcher itself has active role in the whole process. Researcher interprets and observes and tries to perceive entities. During the process researched mirrors its own interpretation to theory. (Puusa 2011: 123)

After the data was collected and transcripted, it was first organized. This way it was easier for the researcher to keep the material under control. After the content analysis the material were grouped with the clustering method. I grouped answers based on the similarities and discrepancy and started to make conclusions out of them. (Tuomi & Sarajärvi 2009: 110-11) Answers were analysed per question and the answers were examined individually but also as a whole.

4.4 Results

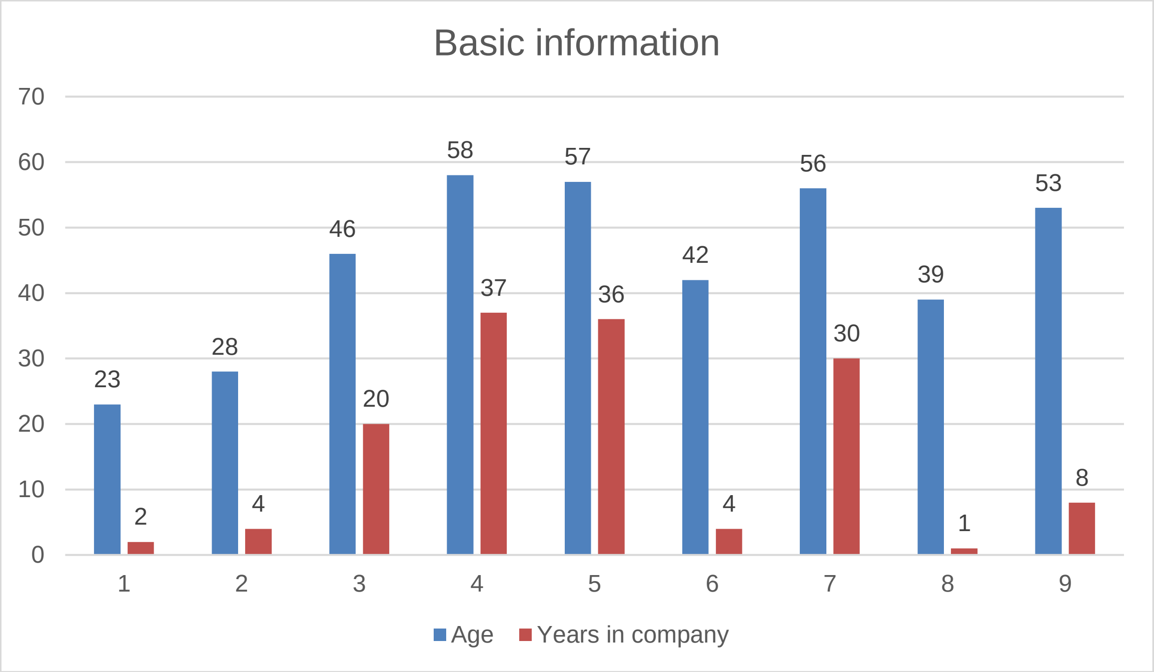
This section deals with the results of the questionnaire that was administered to the Ventoniemi Oy employees. The study examined employees' attitudes towards customer relationship management, the history of customer relationship management in the case company, and how they have managed information flow, and what employees feel about introducing a CRM system to the company. At the same time employee views about the features that a customer relationship management system should have were studied so that it would help the company's operations and how useful they feel the system would be.

When examining the answers to the research it turned out that a few respondents did not respond to some question, or they did answer but not topic related. Based on this the structure of the questionnaire form and layout should be considered. The answers might be influenced by the amount of time used for answering the questions and how precise the respondents have been. General attitude towards the research might also have an impact on this. Conducting interviews would perhaps have helped to tackle this type of problem since the interviewer would have the possibility to guide the respondent to internalize the question.

The results obtained are graphed as frequency (numbers), since the population of the survey is quite low. The shortage of respondents led to the situation in which a single person's response had a big impact on the percentage of answers.

4.4.1 Basic information

The questionnaire started with the basic information of the respondent such as age and the length of the employment. As the case company is a strong family business, respondent's status as a worker or owner is as well identified.



The average age of the respondents is 46,6 years and based on the age distribution it can be assumed that most of the respondents have had a long career in the company. The graph shows that this assumption is correct as the average years in the company is 14.9 years. This high average might be affected by the fact that the case company is a family business and supports the view that the employees enjoy working in the company. 44% of the respondents are owners of the company and in addition to this 11% from the rest are relatives of the owners.

These answers show that the employees enjoy working in the company and also implies that there are probably long advanced customer relationships. However, a high average age might influence the attitude concerning the introduction of new systems. Long careers in the company might also mean that the employees have their own ways to work.

4.4.2 Customer relationship as a definition

Ventoniemi Oy white- collar workers' answers were divided concerning the definition of customer relationship management. From the respondents 77% stated that customer relationship management is a company's common operating model that is being used to manage and analyse customer interactions and data through the lifecycle of the customer. The main goal is to improve the service relationships with the customers and to seek growth. “Customer relationship management is keeping track of customer interactions and managing, tracking and aggregating it with one or several different tools” reflects well the answers of the 73% and the level of understanding of the topic. Two of the nine respondents stated that customer relationship management is a system used to be efficient and to increase the amount of actual sales time. CRM systems are so common that it sometimes misleads the users regarding the actual purpose of the system. A CRM system is just a tool that is being used to help the company in its customer relationship management.

4.4.3 The current way of customer relationship management

The study examined also the company’s history in the customer relationship management, in other words how it has been done earlier and how the responsibility of customer relationships has been divided inside the company. This is important so that we understand how the company has been operated regarding the CRM and that the weaknesses are identified. From the respondents 8/9 stated that the CRM has been the seller’s responsibility. According to these answers each one of the sales team has managed their own clients in the means of communications, bookings and meetings. Customer relationship management has not been systematic, nor have the data been stored centrally. “Each sales person has taken care of their own clients and basically saved the booking details in the system. Customers have been met. No data has been stored centrally but they are in the minds and memories of the sellers.” This direct quotation from one of the respondents defines well the case company’s previous operating model regarding CRM. One of the respondents left unanswered to this question. This might mean that the respondent did not understand the question, or is not familiar with the topic.

Referring to the previous question, the clarifying information how the employees feel about the existing way of doing CRM and its positives and negatives. The answers were evenly distributed, and identifiable factors were found. In seven out of the possible nine answers information restricted and behind a person is recognized as a weakness. From these seven, four as well stated that it has been good that the relationship to the customer is managed personally and hence the relationship is likely to be more intense. One of the respondents raised a view regarding staff turnover and how difficult it might be to continue the customer relationship once the employees change and data is not stored anywhere so that it would be easy to monitor and learn. This risk is higher in the cases that the key personnel from outside of the family. Another respondent answered that the systems being used for saving the bookings is old and cannot be developed to match modern expectations. One of the respondents reminds that the company has customer relationships that have lasted over 30 years, so it can prove that something is done correctly. During this time five different persons have overseen the CRM, meaning the customer information has shifted from mouth to mouth well.

Company’s 70% of respondents experience that the tools for customer relationship management were inadequate before. There has not been one database that would include all the customer related information. Details of what has been saved are in different Word or Excel files, saved in the company’s internal network or in the different systems that are used. The rest of the information about the customer has basically been silent information of the contact person and it is distributed as needed. When asked about the passage of information and internal communications, each respondent replied that the communications are mostly verbal and some of the information regarding customers can be found from the company’s software. The sales team meets up usually every second month to go over the past and to plan the future. If there have been some major changes, a new customer or some problems regarding customer relationships, the issue is discussed there.

4.4.4 Problems with the current model

Workers of Ventoniemi Oy store data in several different software packages as they make deals and offers. Therefore it is important to determine how these employees feel about it. A structured question was presented, and the response options were “yes”, “no” and “I don’t know”. 7 persons answered yes and only two persons felt that they do not need to save information to several different places. All three full time sales persons answered that they feel that they need to save information to several places. All respondents seemed to have a clear opinion since there were not any “I don’t know” answers. Both “no” answers came from the logistics department employees that do not necessarily need all the sales functions as the rest of the respondents needed.

The next question was to find whether there is information on customers in too many different places. A structured question was presented, and response options were “yes”, “no” and “I don’t know”. The results show clearly that there are improvements needed in the customer storage locations as 8 respondents answered “yes”. Of these, 7 were the same as in the previous questions and one employee from the logistics department felt that the information is too fragmented.

4.4.5 Proposals for Development

Questionnaire handled next what type of features the CRM should have such that it would facilitate the work of the employees. According to 90% of employees, the software should be easy to use, and it should not increase the workload too much. In addition, the system should communicate with other systems and the respondents felt that it should have automation with data movement. Company has not had a platform for creating uniform looking deals, so it would be as well a positive addition. History of the communications between the customer and development of relationship would also be information that the employees would like to find from the system. For this reason, the Outlook plug in would be a good tool according to the employees. Keeping track of the hit rates would also help the workers to regulate pricing stated three of the respondents.

The CRM system benefits were also examined from the company’s perspective and how the system would help the company according to the employees. Seven out of nine respondents stated that it would be important to keep all the data and knowledge of companies in one place so that when the employees change the data would stay with the company. Two respondents also stated that monitoring the sales more specifically would help the company to monitor competitiveness between different services and the competitiveness between the seasons. Earlier sales monitoring has been at the end of each accounting period. Three out of nine respondents also stated that a CRM system would help the company to forecast sales for upcoming months and to identify the low seasons even better.

The final question of the questionnaire viewed how necessary and helpful the CRM system would be on a scale 1-5 (1=lowest). The respondents came between 3 and 5, reaching an average of 3,77. Overall the result is good.

4.5 Summary

Employees' quite high average age defines well the age structure of workers in the sector. Most of the bus companies are family owned and have a long history. This also applies to the case company and it allows for long working lives. According to the results especially the owners have made long work careers in the company. When I started research I thought that a high age combined with long work life would affect the will to transform and the employees' readiness to change in a negative way. This proved to be incorrect.

Understanding customer relationship management as a concept seemed to be well under the control of the employees. Employees have certainly participated in customer management during their long working careers, so the information has accrued during these years. A good level of understanding of Customer relationship management also highlights the fact that the company and the employees have felt it important although it has been somewhat lacking in the company as the study has shown.

The customer relationships have largely been the responsibility of certain individuals of the case company. There is and has been a lot of knowledge and skills, but there is not a central channel to preserve it. The respondents felt that information on customer relationships has been sprinkled in several places, mostly in the person's head. Customer relationship management has not been systematic, nor have data been stored centrally. Employees' perceptions may be affected by the fact that a company recently lost a key employee to a competitor, and at the same time went a lot of unrecorded information. These employee observations and attitudes suggest a willingness to implement a system of customer relationship management.

Change Is possible when workers are ready to change. Willingness to change might face difficulties if the change is not positive and will not help the employees in their work. The study showed that 90 percent of the employees felt that a new CRM system should help the workers perform their tasks and not just cause additional work. According to employees the CRM system should be linked and adapt with other systems the company has in order to be effective. The most important thing is that all employees can use the system, and all use it in the same way.

5. Application of CRM to the Ventoniemi Buses

1.7 Introduction

This guide is made to help Ventoniemi Buses employees understand the application of the ZOHO Customer Relationship Management system and its function. With a common set of rules and a suitable guide, the company can take full advantage of the system. Everything will be covered in this guide from navigating in the system all the way to creating reports and analysis.

Why is a CRM system needed? This is a question that many in the company wonder, and it is good to explain this clearly from the start. Ventoniemi Buses and its employees have decades of experience in the field and long lasting partnerships with the clients. This all has been earlier in individuals' minds and it has not been written down for further use. The business world has developed in a way such that it is important to know your client well to be able to serve its needs properly. By keeping track of customer relationships, the company's employees are able to follow its development results and keep up with the pace. It also helps in organizational changes, for example if the company loses a key person it still has all the needed information to continue.

According to Kostojohn, Paulen and Johnsson (2011) CRM data can help decision making in several ways. Sales forecasting is vital to any company and it helps to anticipate possible problems. This helps the company to react early enough if necessary. In addition to this, a CRM system can help with Sales management and monitoring the salesperson's performance. It also might answer the questions: How sales persons are using their time, what deals each person is winning/losing, and what the sales pipeline looks like?

With a CRM system it is also easy to draw up conclusions regarding which type of services customers use frequently and how the prices of those products change. The types of services a customer is ordering tells also a lot about the customer and perhaps about the whole customer segment. According to Kostojohn et al. (2011), CRM can help with Marketing campaign planning. When leads from different sources are fed into the system, the company can monitor which leads and from what sources bring deals. With targeted marketing campaigns towards these leads, the company is able to draw up conclusions regarding which of the marketing campaigns lead to deals.

What should we add into the CRM system? This is a question that each player involved should consider. Everything that you might expect that would be useful information to your co-workers, would be the information you should add into the system. In case of longer sick leave or summer holiday, there is plenty of information that would help when filling-in the clients. According to Storbacka et al. (2000: 146) modern CRM systems enable users to collect any kind of information. However, the company should be careful with this and it should only add data into the system that is useful in the business. The risk is that excessive knowledge overwhelms the necessary information.

1.8 Choosing the provider for CRM- system

A CRM system is usually a big investment. In small and medium sized companies, it is important to look for the cost-efficient solution that will serve the company's needs. Zoho is a cloud-based system that is easy to use with all internet browsers wherever you are. There is a fee for each user account and it is less than 50 US dollars per month. When compared to software that costs over 10 000€ to buy the system + maintenance and monthly services, Zoho is quite attractive. As a result, combined with easy use, customization to match the company needs, and possibility to synchronize with the outlook emails the choice is easily justified.

1.9 The Objectives

A CRM introduction project is usually about introducing and implementing a totally new system into the business. In the background is usually the company's aim of strategic changes in the operating model and the passion to develop the business as Oksanen mentions (2010: 55). This is also the case with Ventoniemi. The change in the competitive environment has led to the situation where the company's aim is to raise the utilization rate of the coaches during the winter. At the same time, the changes in the organization's HR have established a positive environment for change and development.

As the scheduled lines will face a decrease in the upcoming year, the charter business will be the dominant player. The case company has a long history in customer relationship management, but each worker has had their own way of executing it. This means that the data has been in separate Word and Excel documents, usually in the computer of the person responsible for that client. In addition, this there has been plenty of silent information about the clients and passing those to the future employees is often a very laborious and time-consuming project. This is one of the main reasons for the need of a CRM system.

The company has also worked earlier without any sales tracking and monitoring, meaning that there are no data available regarding the percentages of the offers won and lost (the hit rate). This is strongly controversial to company's aim to increase the utilization rate. From the reservation system you can see the deals confirmed, but at the same time you are not able to see what offers you have lost and what is the volume of these offers. For example, by decreasing the prices with 5% would it increase the total sales of 25%? At the same time, it might be that the company sells some products too cheaply, and they are not losing any offers meaning that the price could be increased a bit.

1.10 Login in to the System

Zoho CRM system is a web-based system, so it is used via internet browser. You have already received your user Id's. User is usually your work email address and the password is disposable and needs to be changed on the first sign in.

- Go to https://www.zoho.eu/ (make sure it is .eu not .com)
- Log in with your given ID and password
- Select CRM from the main index
- Select tools from the right top corner and press My account
- Select Security and change your password
- Select CRM from the top left corner menu to enter the front page.

1.11 Plugging Zoho into Outlook

1.12 Navigating in the system

Panorama view should look similar than in the picture 5.1. In the top menu you can find the Clients from Asiakkaat, Contact persons from Yhteyshenkilöt and all the offers made from section Tarjoukset/Sopimukset, By opening the menu from the three dots you are able to find also section Isot asiakkaat, where are all the major contracts and information and numbers about them.

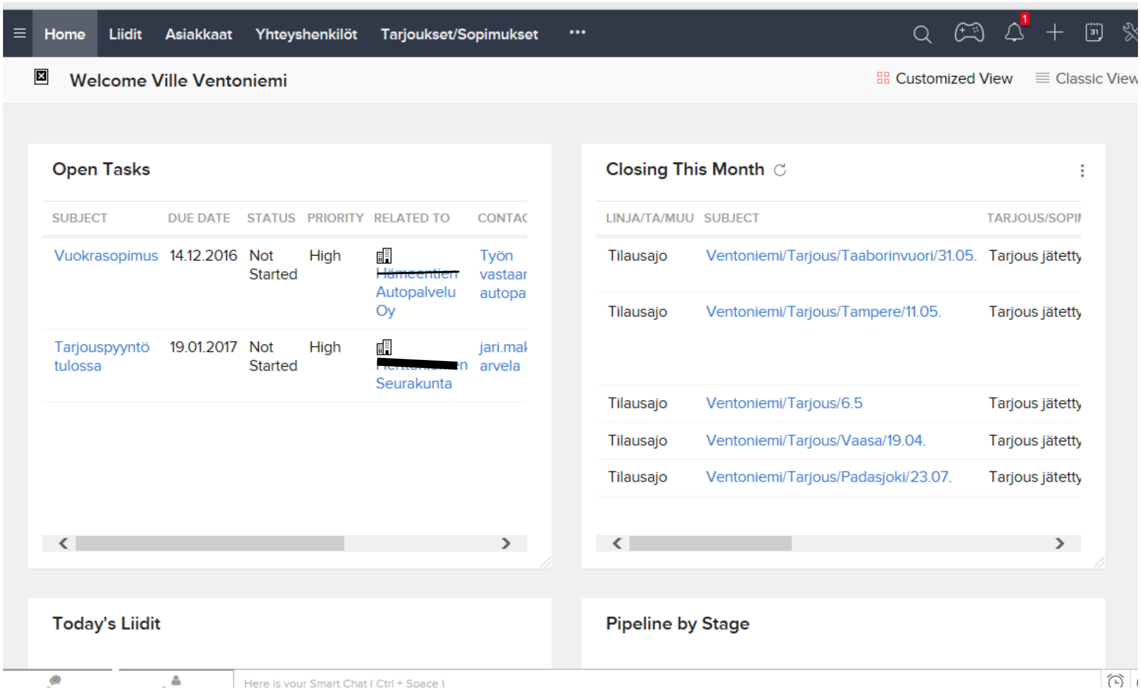


Figure 5.1

You can move in the system either by clicking the wanted topic from the menu or find the wanted thing (person, client, offer etc.) by selecting the magnifying class from the right corner and writing the occurring word. See Figure 5.2.

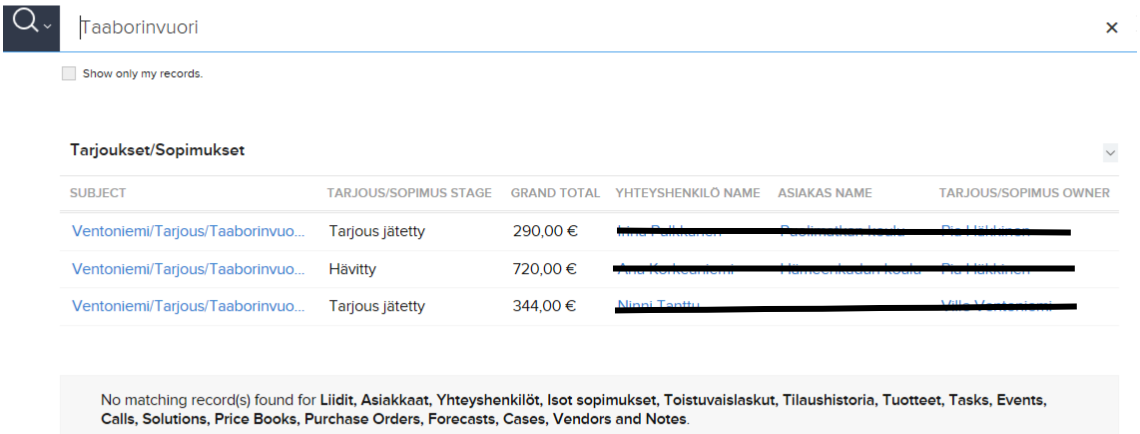


Figure 5.2

Search function will now give you all data found from the system with given words. You can open everything that is in bold blue. For example, by pressing Puolimatkan Koulu it will open the client details or open the offer by pressing the subject of the offer.

It is important to understand that there is no wrong way for navigating in the system and each employee will found its own way for moving from section to section. Free feel to try and ask contact person for help if needed.

1.13 Adding email into the system

Sometimes you receive important email that has information for all employees of the company. For example, agreement and cooperation threads are these kinds of messages we want to save. Notice that by adding the latest email, it will add the whole email conversation. This is good tool also for creating a new contact person. Add email to the system as follows:

1. Choose wanted email from outlook by clicking it.
2. From the Outlook top menu choose Add email from Zoho CRM bar. (Figure 5.3)
3. Email is now added into CRM system and new contact person is created or the email is added under existing contact person.
4. With Search and Add Email you are able to find wanted contact person or client and by choosing it you are able to add the email under it.
5. For example adding order confirmation behind the contact persons/client you use the ''Search and Add Email'' function.

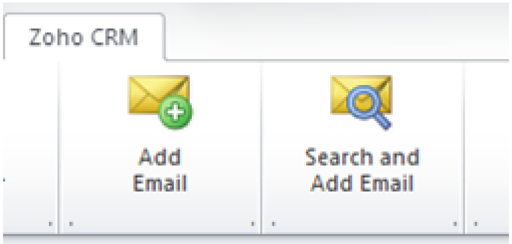


Figure 5.3

1.14 Creating contact person ''Yhteyshenkilö''

The contact person is the person representing the other party with whom we are communicating. There can be many contact persons in one company. It is important for us to know the people that we are doing business with.

1. By adding email (section 5.5).

2. Choose Yhteyshenkilöt → Choose + from right top corner (Figure 5.4)

- Add name, email, company and mobile and save.

3. Select the contact person's company from the space Asiakkaat, or write new client name and it will automatically create new client into the system.

- Press made client and update its information

4. Save by clicking save.

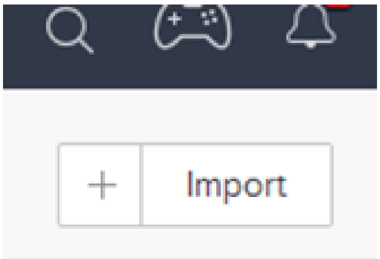


Figure 5.4

There is also possibility to add information regarding the contact person, like the contact persons title, marital status and who is the superior.

Creating client ''Asiakas''

1. For new contact person by writing client name in the **Asiakas** section, it creates a new client automatically (see 5.6: 3)
2. Choose **''Asiakkaat''** → Choose **+** from top of the right corner to make new client.
3. Add client details. Remember to add Bussi system client number into section **''Asiakasnumero Bussi''.**

D. Client ''tree'' should be made as it is shown in Figure 5.5

-Create parent Client ''asiakas'' or parent association and at its contact person (esim. valmennuspäällikkö)

- Create juonior team or subsidiary company and add it below the **Parent Asiakas.** Add also the contact persons (Such as coaches of the team)

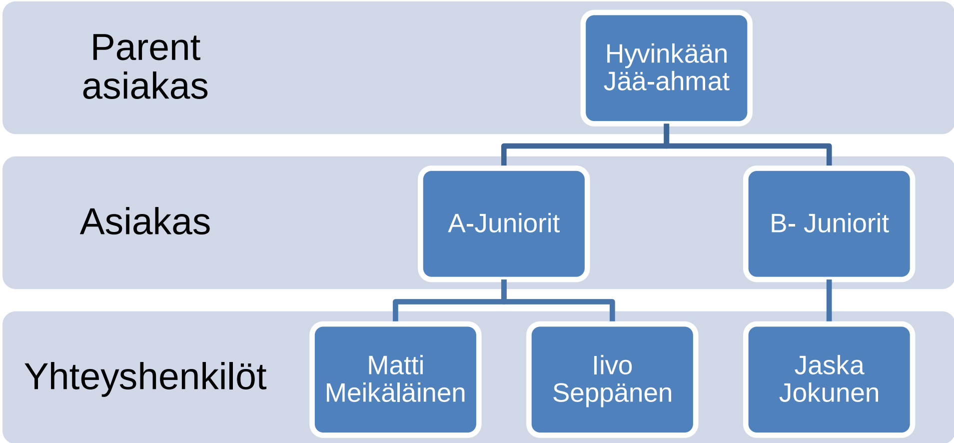


Figure 5.5: A ”client tree”

1.15 Creating offer

All the company’s offers in the future will be made through Zoho CRM system. This means that the company is able to monitor the deals made, the hit rate percentage and also the price levels. It also helps the sales team by keeping track of all the offers made by the company. At the same company facelifts the offer layout and unifies it so that all offers leaving the department look the same.

VENTONIEMI buses

TARJOUS 16.03.2017 08:09 AM

Ventoniemi
[redacted]
Verkatehtaankatu 2
Hyvinkää

Kiitämme tarjouspyynnöstänne ja tarjoamme laadukkaita ja luotettavia tilausajopalveluita seuraavasti:

Palvelut		Bussit kpl	Hinta
1.	Tilausajo	1	545,00 €
Alkaa:	26.02.2017 klo 9.00 Linjala		
Päättyy:	26.02.2017 klo 17.00 Linjala		
Suunta:	Hämeenlinna		
Matkustajia:	50		
Reitti:	Linjala - Hämeenlinnan jäähalli - Linjala		

Tarjous yhteensä (sis. alv 10%) 545,00 € €

Teitä palveli [redacted]
Puhelin (019) 460 0060, sähköposti myynti@ventoniemi.fi

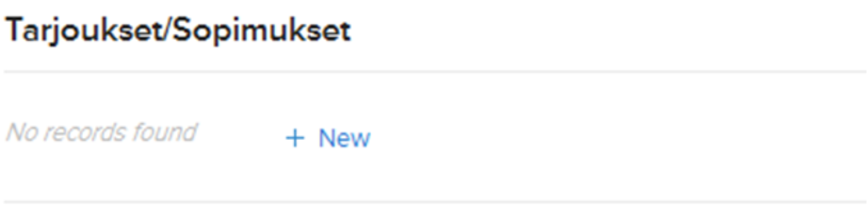
Muut ehdot

Ventoniemi Oy | Ventoniemi buses
Verkatehtaankatu 2 | 05830 Hyvinkää | Puh. (019) 460 000 | Y-tunnus 0131640-2 | myynti@ventoniemi.fi
Ajojärjestelypäivystys 24H (kiireelliset asiat ja tiedustelut) 0400 851031

Figure 5.6: An example offer

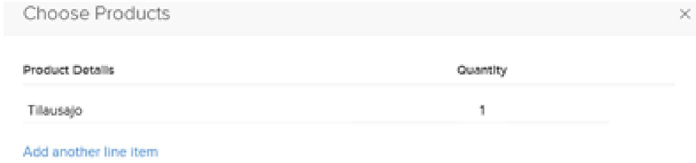
Create the offer by following these steps:

1. Choose contact person/client that you want to create offer to and open it.
2. Scroll the page down until Tarjoukset/sopimukset is visible and click new

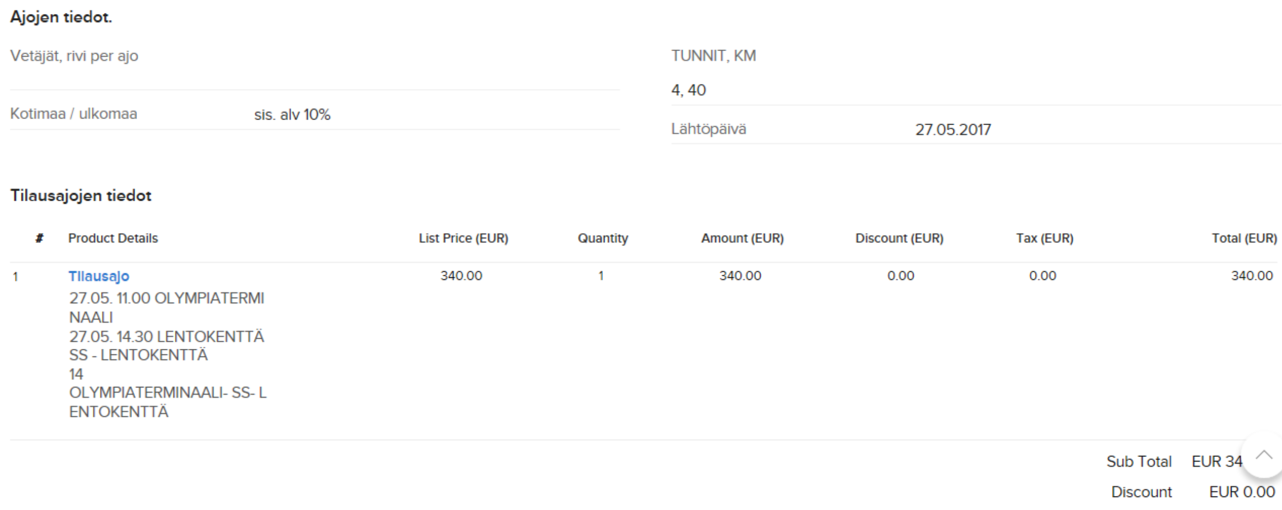


3. Add heading to the subject field. Use pattern: Ventoniemi/Offer/Place/date
   - For example Ventoniemi/Offer/Turku/10.6
4. Add valid until date for the offer
5. Product details –> Add line item

- Choose Tilausajo as your product and wanted amount of coaches to the quantity section and choose Add products.



6. Add following details to Tilausajo column in in following order**: 1 row**, Starting time and place, **2 row**: Ending time and place, **3 row**: direction**, 4 row**: amount of people, **5 row**: route, **6 row** reference and other important matters.

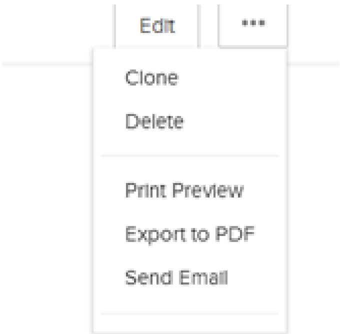


7. Add also the amount of hours and kilometers calculated in the field **Tunnit, Km**. Add also the starting date in the field **Lähtöpäivä**
8. If there is a need for second transfer to the same client it is possible to add it on the same offer sheet. Choose: **Add Lines** and follow through steps 5-7.
9. In the **Terms and Conditions** add other conditions, for example driver's accommodation and meals during the trip.
   - If the client want offer with different coach sizes: Calculate 50-seater in the actual offer and specify rates of the sizes in the **Terms and Conditions** section.
10. Press **Save**

1.16 Sending the offer via Zoho

After we have created the offer it is easy to send directly to the customer via the Zoho system. Offer creator will be shown as a sender in the email. If or when the customer answers the offer via email, it comes directly to the senders' Outlook not to Zoho. Send offer via Zoho as follows:

1. Select the offer you want to send by open it. → Select **Send Email** from the top right corner under the three dots



2. Choose the wanted offer template from section **Choose an Inventory Email** and check the correctness of your offer. Continue into sending email by clicking **Next**

3. Offer made should now be visible in the email as attachment. Choose ready template by clicking **Choose Template** and modify the cover note text if needed. System recognizes the sender and adds the contact details automatically to the email.

1.17 Accepting the offer and decline

After the client has accepted or declined the offer it is important to switch the offer status in the CRM system, so it is constantly up to date. Update the status with the following:

1. Find the right offer from the system and open it.
2. Change **Tarjous/Sopimus Stage** from Depending to **Accepted** or **Declined**
3. If the offer is accepted tickle X to the **Siirrä Bussi-ohjelmaan** box and it is automatically saved in to our system as order.
4. In the **Description** field description can be added (for example: offer was lost to competing company by 150€)

1.18 Clone and Copy existing offer.

1. Select the offer you want to copy by opening the wanted offer.
2. Select **Clone** under the three dots and it creates identical offer.
3. Remember to update the details, follow the process from 5.8: 3

1.19 Adding Leads into the system

Company participates several travel and other fairs annually and collects contact details from the visitors. Screened contacts ‘’potential customers’’ are called leads. Zoho CRM system enables to input Leads into the system by adding ready excel list of contacts directly. These leads can be used for mass marketing purposes.

1.20 Big agreements

As the survey found, the problem has been that the information of accounts has being in several different locations. Now there is a place for this information and all the details should be saved under each customer. Such information is the contracts that the company has with the clients. These should be updated as new contracts has been signed. Contracts are scanned and added to the system.

1.21 Meetings and communication

All the external meetings with business partners and customers should be found from the CRM system. It should include information about the participants, what has been discussed and what actions will be followed. This is extremely important so that there are no information gaps between the customer and the company. Also, workers that did not participate in the meeting can go through the meeting memo and follow the development of the customer relationship.

All the important conversations and communication between the company and customers should also be saved. This is the only way to make sure that the information is available to all who needs it. By doing this it is also much easier to follow how the customer relationship has developed and what actions has been made. Proper documentation of the meetings also decreases the risk of “brain drain” as the current employees might change work place. In the worst-case scenario, the employee might end up working in competitor's company and no one has idea what he/she has discussed with the customers before. This is as well what Ventoniemi faced when the sales manager left and started working in a rival company.

1.22 Adding files

To makes sure that all information is saved into one specific location it is important to add the filers to CRM system. From the system you should first choose company that the file concerns. From the customer overview, please scroll down to until you see section Attachments. Press attach, choose the file you want to add and choose attach again.

Conclusion

The objective of this research was to find out how customer relationship management has been conducted before in the case company. What problems the company and employees have faced before and in which areas company has performed well in customer relationship management. Based on the results and theory a guide for CRM system was introduced. This required a qualitative study of company's current state of doing CRM. Research wanted to find out things and factors where the employees were satisfied or dissatisfied. To this end, a questionnaire was conducted. The research gave answers to the research problems, so it is considered successful.

The study found that the employees are concerned about the company's lack of tools in customer management. According to the results the customers are well cared for, but the information about them is stored in several different locations, and usually in the head of the person responsible. The respondents felt it was very difficult for them not to have access to the data and that there would be room for improvement.

This thesis provides Ventoniemi Oy with a comprehensive starting point for further research, a hand book for the CRM system and a broad-based theory of customer relationship management. From the perspective of the work community, the study gave the opportunity to the employees to take part in developing and creating a customer relationship management system, which itself contributes their willingness to change their working habits. Also, the theoretical part of the paper is limited so that it deals with the customer relationship and the concepts that have influenced it. The theoretical framework was composed extensively of different sources, using both domestic and international ones. The sources consisted both hard copy and electronic formats.

This is a good start for creating a versatile customer relationship system and it will be developed step by step as the needs change. The successful implementation of the system has now been completed, but real functionality of the system will be seen with time. A small problem has already been detected in the company's old systems, since they are hard to modify to match the modern needs. The subject for further development and research would be finding new potential booking and ERP systems, and how to plan and implement them.

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Appendix 1

Questionnaire

- How old are you?
- How many years have you worked in the company?
- How do you define customer relationship management?
- How customer management has being conducted before and how the responsibility has been divided?
- What are the pros and cons of old customer management system?
- Do you feel that the Information is saved in to too many locations?
- Do you feel that the customer information is organized and saved so that it is to find?
- How has the information about customers and their specific needs moved between departments and employees?
- What are the features needed from CRM system that it would help your daily work?
- In a scale 1-5, how important do you feel CRM system is?

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