Delivering Excellent Customer Experiences in a Multi-Channel Business Environment
Case: Company X, manufacturing site

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The objective of research is to study the current interrelationships of CRM processes and Net Promoter Score information utilization for possible development of CRM processes at the case company’s manufacturing site. In addition, the thesis investigates the interrelationship dependences of the customer relationship management processes to identify the key elements of organizational capabilities in customer relationships and customer experiences development. The case company is multinational company and global leader in its industry.

The theoretical framework for this research is cross organizational process based strategic framework of customer relationship management by Frow and Payne (2005; 2006). The researches were most relevant for this thesis in terms of cross organizational dependences of CRM processes for value creation in customer relationships and delivery of excellent customer experience. Theoretical framework was created through relevant academic literature and researches.

The main research method is single case study. The empirical information was collected through case company documentary information, interviews and author’s own observations and work experience. Empirical evidences were used to mirror today’s competitiveness for the companies at the markets and to survive companies need to have differentiators at the markets and capabilities to design competitive advantages through customer feedback information i.e. voice of customer.

The results of this study suggests that cross organizational management of customer relationships and customer feedback information requires integration of processes, functions, technology and people at the case company. Main finding was that customer experiences take place at the personal level interactions in the multi-channel environment of the case company. To manage customer experiences, the company needs to have cross organizational processes in place and tools in use to share strategic valuable knowledge on customer emotional experiences to create competitive advantages.

Chapter 6, chapter 7 and reference list are not published in their full length in the Library version. Information used is classified as confidential.

Keywords: Customer Relationships, Customer Experience, Net Promoter Score
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1 INTRODUCTION

The background and motivation of the research are presented through the discussions of the previous studies and academic literature. The previous studies and academic literature introduces the focal concepts and the influencing factors of the topic and relationship of the topic to the today’s business environment. Changes in a today’s business environment illustrate the relevance for this research in a case company. In addition, the research objective and questions are defined followed by the discussion on the limitation and the structure of the thesis.

1.1 Background and Motivation

Placing customers in a center of a business and serving customers’ needs is not a new concept. In the early 1950’s, Drucker (1954) argued that “It is the customer, who determines what a business is, what it produces, and whether it will prosper” (Drucker 1954, 37). The argument by Drucker is still valid as customers bring revenue into a company through their purchasing decisions and, without that revenue a company does not survive.

The common situation of today’s business environment is the competitiveness for companies, and to survive companies need to have differentiators at the market. To survive in today’s business environment a company needs to change its business model according to the challenges it is facing as well as according to the changes at market. The most recent change in a business environment is an emphasis on customer centricity, customer experience, value creation and customer loyalty.

Many companies have changed their strategic goals from product based to customer based. Organizational structures and culture together with performance measurements have changed accordingly. In companies, customer satisfaction measurements and measurements of performance have been changed to increase focus on organizational behavior of customer orientation. To meet customer based strategic goals and maximize value on customer relationships, a company needs to be able to manage customer
relationships and enable a deep degree of cross functional co-operation (Frow & Payne 2006, 114).

Since the mid-1990’s extensive research has been conducted into Customer Relationship Management (hereinafter CRM) and the definition is often related to information technology and technology solutions for CRM (Gillies & Rigby & Reichheld 2002, 73; Hoyer & Krafft & Reinartz 2004, 293; Frow & Payne 2005, 167; Day & Parasuraman & Rust & Shah & Staelin 2006, 114). The most suitable definition of CRM for this research is based on the strategic framework of CRM by Frow and Payne (2005) which is purely process based CRM concept and will be discussed further below.

According to Frow and Payne (2005, 168), the strategic and process based CRM concept can be defined as follows: “CRM is a strategic approach that is creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of relationship marketing strategies and information technology to create profitable, long-term relationships with customers and other stakeholders. CRM provides enhanced opportunities to use data and information to both understand customers and co-create value with them. This requires a cross-functional integration of processes, people, operations and market capabilities that is enabled through information, technology and applications.” (Frow & Payne 2005, 168.)

Typically, within business-to-business (hereinafter B2B) companies at industrial markets sales and marketing teams have accountability for customers. Sales and marketing teams are held responsible for filling customers’ needs and customer satisfaction as these departments normally have direct interfaces with customers (Frow & Payne 2005, 172-173). Moreover, sales and marketing teams are responsible for selling products and as a result increase their market share. An approach of sales and marketing departments having ownership of the customer relations and selling products as an organizational focus is on product development and market share growth is still a very product centered approach and transaction oriented. (Day & Parasuraman & Rust & Shah & Staelin 2006, 115.)
In research into CRM and customer focused organizations, one of key benefits of CRM has been discussed to be accountability of organizations for customer relationships (Hoyer & Krafft & Reinartz 2002, 302; Frow & Payne 2005, 174; Day et al. 2006, 115; Ata & Toker 2012, 503). Hoyer et al. (2002) discuss in their research importance of implementing customer focus on business functions of companies and not imposing responsibility for customers on marketing managers (Hoyer et al. 2002, 302). Instead of managing the product portfolios, in customer based approach companies are managing portfolios of a customer and customer relationships (Grönroos 2004, 100; Day et al. 2006, 115).

In order to focus on customer expectations and needs, companies are gathering, coordinating and analyzing a large amount of data on customers. As a result, customer inputs can refine a company’s processes, products, policies and offering. (Frow & Payne 2006, 144.) In customer focused organizations, information is shared cross organizationally for ensuring a company’s position to better meet customers’ needs (Day et al. 2006, 115). Successful companies are adopting an integrated strategic approach of CRM to actuate on management of organizational functionalities which might influence on customer experience (Mosley 2007, 125). The objective of CRM is to increase customer satisfaction on loyalty through the excellent customer experience (Gillies & Rigby & Reichheld 2002, 73).

Customer experience is not being built solely on customer solution offerings in order to create value for customers. Customer experience is also built on emotions; customer feels to be treated in friendly, trustworthy and timely manners (Grönroos 2004, 101; Reichheld 2006, 28). In order to deliver excellent customer experience, companies must meet conditions of creating value for customers and creating good feeling for customers to be in a relationship with a company (Reichheld 2006, 28). Recent research by Hui, Rabbanee and Ramaseshan (2013) discusses in a B2B context that value creation and relationships built on a customer’s trust have substantial impact on customer loyalty. As a result, managers’ focus should be more on value creation and relationships with customers than it is today to persuade business customers’ loyalty through customer experience. (Hui & Rabbanee & Ramaseshan 2013, 335.)
A recent measurement tool for customer experience is Net Promoter Score (hereinafter NPS) (Frow & Pawne 2007, 92). The NPS proposed by Reichheld in 2003 measures customers’ loyalty based on the referral and retention of customers. The aim of the NPS is to increase an organizational understanding of reasoning why customers are buying from that particular company and understanding experience of customer to be in a relationship with a particular company. Reichheld (2006) suggest in his book, The Ultimate Question-Driving Good Profits and True Growth, that the NPS will promote an individual accountability and link results to an employee rewarding (Reichheld 2006, 18-19).

The case company has renewed its strategy in mid of 2013. The aim for the renewed strategy is to drive the shift of the mindset from product focus to customer focus. The case company wants to be the most customer orientated player in its industry in terms of reliability, technical expertise and flexibility. Product quality, delivery reliability and competitive prices have been identified as the critical success factors for customer satisfaction. In the customer centric business strategy the case company has also included an emotional message to appeal to customers. The focus on modern life style with the touch of sustainability and emphasis on the long lasting factor of the product have an emotional message. Even though the world is in a turbulent spin, there is something long lasting and stable.

To capture the customer satisfaction on loyalty through customer experience, the company uses NPS methodology. The usage of the results in improving business operations is still in progress as the business functions tend to work in compartments. In turn, the case company’s organizational functions are still measured by the performance on specific metrics to that function in question. For example, the production is measured by the cost-efficiency and cost reduction activities such as monthly cost of production in euros per month and production manufacturing cost in euros per tonne. The measurements are prioritized around the area of financial measurements. Based on the current author’s observation, the primary focus still appears to be on the price of raw materials and the fluctuations of the price impact on the product profitability.
In addition, within the case company the common assumption is that the customers and the customer relationships are owned by the sales and marketing personnel. The term CRM has been associated closely to the technology as Enterprise Resource System (herein after EPR) SAP CRM module. The SAP CRM module is primarily used by few sales companies within the case company. Consequently, the back office functions such as production, financial and human resources do not position themselves directly in customer service. One of the challenges for the case company might be the shift of mindset to customer focused with the organizational functions lacking the direct interactions with the customers.

The research topic involves process development, methodology to measure customer experience and cross organizational co-operation aspects. The current author has strong and in-depth knowledge on the improvements of business processes from a cross organizational point of view. The current author also has work experience in process improvements and measuring the performance cross organizationally aligned with strategy management. For the present author, measuring customer expediencies with the Net Promoter Score is a new topic but still an interesting and challenging area. In addition, the case company and its industry are new to the author as the author does not have any previous experience of the case company. Therefore, the present author is able to be critical and highly objective for the development of practices in the case company.

1.2 Case Organization

The case company’s customers are the end users, processors and distributors from the segment groups of consumer goods and process industries. The company operates in over forty countries. The case company is one of the leading companies in its industry.

The renewed strategy of the case company is to be the global leader in creating and producing advanced materials for a sustainable world and delivering the best solutions to its customers’ needs. The company wants to become the industry’s best known, most preferred and recommended brand. According to the company’s business strategy, the product quality, delivery reliability and customer orientation are seen as strengths of the
case company value proposition together with the technical expertise to ensure the best solution for the individual customer needs.

As was discussed above the case company has established clear strategic goals for transformation from a product based to customer based company. The company has also changed the organizational structure in alignment with the strategy. The transformation of the mindset shift from product to customer focus or the company culture change implementation has not been completed. The aim of the new company culture, the company Spirit, is that the ownership of customers and customer relationships should be jointly shared with all organizational functions. Consequently, the new company culture and way of working is expected to foster the employees’ capability to provide excellent customer experience and value creation for the customer.

Since 2011, the case company has used NPS to capture customer experience to improve customer loyalty. NPS results are based on the customer interviews. The NPS measures the customer loyalty and experience as well as the level of customers’ willingness to recommend the case company as a preferred supply company based on their customer experience.

The internal stakeholder for this thesis is global marketing, communication and IR function of the case company. The global marketing is one of the group functions and has the centralized responsibility for the Net Promoter Score process and the process alignment across the company.

1.3 Research Objective and Questions

The objective of this research is to study the current interrelationships of CRM processes and Net Promoter Score information utilization for possible development of CRM processes at the case company’s manufacturing site.

The means to achieve the objective is to investigate the selected organizational functions and employees’ understanding of their accountability for the CRM processes
through the utilization of the Net Promoter Score tool. The key elements are the communication and sharing the customer information of Net Promoter Score results for cross organizational utilization. Consequently, increase the speed in decision making processes as well as the speed in executing corrective actions in operational business processes. Moreover, the Net Promoter Score results and feedback should be used cross organizationally to form a basis for operational improvements of business activities at the case company’s manufacturing site. In this research the main focus is on the multi-channel customer experience process, information management process and performance assessment process of CRM in the case company’s manufacturing site.

This research addresses three research questions. The research questions are as follows:

1. What are the implications of cross organizational CRM processes for the company?

The first research question analyzes the current processes and identifies the possibilities for related CRM processes development. The possibilities of the development are investigated from a multi-channel customer experience process, information management process and performance assessment aspects. From the multi-channel experience process aspects, the research question identifies the Net Promoter Score information usage cross organizationally to justify the case company’s claim of the customer focused driven business. From the information management process aspect, the research question investigates the level of understanding the interrelationships and dependencies of the organizational functions for operational improvement. The performance assessment process aspect identifies the Net Promoter Score information usage integration to continuous improvement of business operations. The performance assessment process identifies also the integration to the reward and recognition processes of the improved employee customer orientation.
2. *How are the role and business value of customer relationships and NPS perceived in the case company to deliver excellent customer experience? What is the role of employees in excellent customer experience delivery?*

The second research question answers the essence of managing value creation in customer relationships and the theoretical framework of CRM. Similarly, the question identifies key elements of importance in customer experience and loyalty as well as the level of understanding the NPS measurements at the case company. The question answers to perception of the benefits of customer experience and loyalty measurements and multi-channel customer experience process within the case company. The research question identifies the gaps if any on the level of understanding between local organization and corporate organization in the development of the operations based on the NPS results and feedback.

3. *Why and how could the case company develop its CRM processes and related business operations to ensure cross organizational delivery of excellent customer experience?*

The third research question identifies ideas of improvement for how the case company might develop or upgrade CRM related processes. The further development should be based on the case company’s customer strategy and ensure that case company’s CRM processes have positive impact on customer experience and on the management of organizational functionalities which might influence on customer experience. The results of the performance need align back to CRM strategy development process to ensure the alignment of the interrelationship dependencies and to ensure the commitment of the employees. In this research the feedback loops and utilization of the customer data are explored from the interrelationship of organizational functions aspect. In performance assessment, the employees are one of the key factors in enabling the company to achieve its strategic goals and further success.

In this research the customer data and information utilization cross organizationally is investigated from the Net Promoter Score aspect. The NPS closed loop process and utilization of the customer data in a multi-channel environment are explored from the
interrelationship of organizational functions aspect. The investigated organizational functions have been limited to market development, production, supply chain management, technical customer service and quality in the case company manufacturing site.

1.4 Methodology of Thesis

In this sub-chapter, the methodology of thesis is explained in details as the chapter 6 with detailed research method discussions is not published in its full length. The data in the research method chapter is considered as confidential. The purpose of the detailed description of methodology of this thesis research here is to introduce the methodological choices made in this thesis.

For the research strategy, qualitative single case study is used. The main research method is a single case study and it can be used if the research questions explain the present-day situation or phenomena or/and describe in-depth a present-day situation or phenomena (Yin 2009, 4). The case study can be explaining, describing, illustrating, exploring or meta-evaluating real-life situation (Yin 2009, 15). The research objective in this thesis is explanatory and descriptive in nature. The aim of the explanatory objective is to find out the causal relationship of today’s situation. The aim of the descriptive objective is to describe the behaviors and beliefs as well as the procedures and processes of today’s situation. (Hirsjärvi & Remes & Sajavaara 2004, 129.)

Theory development is an essential part of the research design phase as a case study tests or develops theory (Yin 2009, 28). A researcher should select a type of theory or range of theories relevant to study. According to Yin (2003), there are at least six types of theories as follows: implementation theories, individual theories, group theories, organizational theories, social theories and decision-making theories. (Yin 2009, 31.) This research is mainly based on organizational theories such as organizational structures and functions, organizational performance and cross organizational relationships. Typically, the theoretical framework for the study is based on academic literature such as previous studies and articles. Theoretical framework forms the
foundation for the subject of the study with related theories, concepts and methods. (Eriksson & Kovalainen 2008, 32.)

The literature review part consist academic literature and previous studies of CRM, CEM and NPS. The literature review forms the foundation of reliability for this thesis theoretical framework. The theoretical data is collected from the library databases such as Emerald, Business Suite, and ABI inform in the form of scientific articles. Other scientifically acceptable electronic data sources have used such as Internet pages of Voice of Customer (hereinafter VoC) and NPS for theoretical data collection. Theoretical books have been used as well to receive the best level of knowledge of the theoretical framework of CRM, customer experience and NPS.

The case study method can be used to examine the common situation by using multiple data sources such as documents, interviews and observations to provide evidence for the today’s situation (Yin 2009, 13). The use of multiple data sources ensures triangulation of the research for its objectivity, validity and confirming author’s observations (Stokes 2011, 129). The empirical material is linked to the research questions and based on the focus and context of study. (Eriksson & Kovalainen 2008, 32.)

The current author has used case company documentary information as a data source to collect empirical evidence. There has been a large variety of documents used for collecting data such as internal presentations, employee magazines, customer magazines, financial reports and a sustainability report. The current author has also used documentary information on the case company Intranet page as a data source such as CEO message, blog messages and internal articles on the topic of this research. In addition, documentary information has been also collected on competitors’ Internet pages for evidence of the studied phenomena at the industry.

Qualitative case studies involve organizations and people as sources of information (Hirsjärvi & Remes & Sajavaara 2004, 126). The interviews in business research are practical and an effective way of collecting information based on the people’s experiences and knowledge of the topic (Eriksson & Kovalainen 2008, 80-81). Participants for interviews are selected based on the topic of research (Stokes 2011, 48).
Interviews were used as a source of information to collected empirical evidence for today’s phenomena. The participants for the interviews were chosen by the relevancy of their positions at the case company concerning the topic of this research and finding answers to the research questions. Based on the position of participants at the case company, the author had expectations that interviewees had adequate knowledge of and experiences in the topic of this research and topic dependencies.

According to Yin (2009, 89), interviews are guided conversations. Case study interviews have three types as follows: open ended in nature, focused interview and formal survey (Yin 2009, 90). Semi-structured interviews allow interviewees to present their knowledge and experience on the topics in a wider and in depth insight from their own points of view (Stokes 2011, 62). In this research, the interviews at corporate level were informal. At the manufacturing site the interviews were semi-structured and discussions topics were limited to reflect the focus areas of the research. The areas of discussion of the interviews are included in this research as Appendix 1. Detailed notes from interviews are a key information source for underlining key points or events (Stokes 2011, 87). During the semi-structured interviews the author took detailed notes to transcript discussions.

Observations can be either direct or participative observations and data collection activities can be either formal or casual. Formal observations include observations of e.g. meetings, classroom activities or field workers. Casual observations are made for example during the interviews. (Yin 2009, 92.) In this research direct observations were made during one of the corporate Webcast meeting and occasional observations were made during the interviews by the author of this thesis.

According to Yin (2009, 109), “Data analysis consists of examining, categorizing, tabulating, testing or otherwise recombining both quantitative and qualitative evidence to address the initial propositions of a study.” Yin (2009) proposes five different techniques to be used for analyzing case studies as follows: pattern matching, explanation building, time-series analysis, logic models and cross-case synthesis. (Yin 2009, 109.) The pattern matching logic compares empirical pattern against a predetermined theoretical pattern. In explanatory case study the pattern matching need
to include dependent variables and from descriptive aspect dependent variables needs to be defined prior to data collection. (Yin 2009, 136.) In this thesis, the data analysis method is the pattern-matching logic. The empirical data is analyzed against the process based strategic framework of CRM and NPS methodology with interrelationship dependencies.

Knowledge production is a crucial part of research reporting and should not be excluded (Eriksson & Kovalainen 2008, 30). According to Yin (2009), “Reporting a case study means bringing its results and findings to closure” (Yin 2009, 141).

1.5 Limitations

There are limitations to this thesis. Firstly, the theoretical framework will be based on the one definition of the CRM. The thesis author chose the definition of the strategic process based CRM concept by Frow and Payne (2005) to be most suitable as a basis for this thesis theoretical framework. The aim of this thesis is not to present a complete review of the literature and definitions of the CRM. The aim is to discuss and analyze the most relevant research relating to this thesis in terms of cross organizational integration of CRM processes for dual value creation and delivery of excellent customer experience.

Secondly, this thesis work focuses on multi-channel customer experience process, information management process and performance assessment process of the strategic framework of CRM at the one of the case company’s manufacturing site. The case company is an international company and has business operations in over forty countries. The limitation to one company, one manufacturing site in one country could have impact on the reliability as the definition of CRM and related processes could be different in other companies and other size of the companies such as small and medium size companies. Similarly, the company culture could be different in other companies.

Thirdly, in this thesis the focus is on the interrelationship of organizational functions aspect. The organizational functions have been limited to market development,
production, supply chain management, technical customer service and quality at the case company manufacturing site. The thesis focus on the ways of the four organizational functions co-operate and contribute to the Net Promoter Score data utilization cross organizationally to deliver improvement on customer experience. Within the case company and other international companies there are several other organizational functions as well. The selected organizational functions have the most notable impact on customer strategy and customer experience within the case company.

1.6 Structure of Thesis

The thesis aims to increase the understanding of the very relevant topics of the business environment; Customer Relationship Management, Net Promoter Score and cross organizational co-operation. In chapter 2, chapter 3 and chapter 4, literature review provides the information of the main concepts, theoretical definitions and aspects of the research topic. In chapter 5, the main theoretical concepts and aspects of research topic has summarized in a form of theoretical framework relevant to this thesis research topic. In chapter 6, the methodological choices of this thesis are discussed and empirical part is introduced. Chapter 7 answers to the research questions. Chapter 8 presents the conclusions and recommendations for future research.

In the Library version of this thesis the content of chapter 6, chapter 7 and full list of references are not published in their full length. Chapter 6, chapter 7 and full list of references are in Appendix 2, Appendix 3 and Appendix 4. Information in Appendix 2, Appendix 3 and Appendix 4 is considered to be confidential and is not published in the Library version of this thesis.
2 STRATEGIC FRAMEWORK OF CUSTOMER RELATIONSHIP MANAGEMENT

In recent years, many companies have changed their offering from product based to customer based and as a result, organizational structures as well as cultures have changed to be customer centric. In customer centric companies, a top management has set up the strategic directions in customer focused business strategies. (Frow & Payne 2006, 145.) Customer focused business strategies address means of companies to meet customer expectations and needs with a company`s resources and capabilities (Frow & Payne 2006, 145).

In companies, customer centricity requires changes in organizational capabilities such as new ways of working on information sharing, customer information collecting and performance metrics. In customer centric organizations, functions are integrated and aligned to deliver excellent customer service and customer relationship orientation is rooted from a company culture with encouraged behavior model i.e. company values (Jayachandran & Kaufman & Raman & Sharma 2005, 179). A norm in customer centric organizations is that employees are driving customer advocacy in relationships through information sharing with coworkers (Shah et al. 2006, 115). The comparison and differences between product centric organization and customer centric organization approaches are shown in table 1 below.
Table 1. A comparison of the product centric and customer centric approaches (Shah et al. 2006, 115)

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<thead>
<tr>
<th>Basic philosophy</th>
<th>Product Centric Approach</th>
<th>Customer Centric Approach</th>
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<tbody>
<tr>
<td>Sell products; we sell to whoever will buy</td>
<td>Serve customers; all decisions start with the customer and opportunities for advantage</td>
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<tr>
<th>Business orientation</th>
<th>Transaction-oriented</th>
<th>Relationship-oriented</th>
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<tr>
<th>Product positioning</th>
<th>Highlight product features and advantages</th>
<th>Highlight product's benefits in terms of meeting individual customer need</th>
</tr>
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<table>
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<tr>
<th>Organizational structure</th>
<th>Product profit centers, product managers, product sales team</th>
<th>Customer segment managers, customer relationship managers, customer segment sales team</th>
</tr>
</thead>
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<table>
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<tr>
<th>Organizational focus</th>
<th>Internally focused, new product development, new account development, market share growth; customer relations are issue for the marketing department</th>
<th>Externally focused, customer relationship development, profitability through customer loyalty, employees are customer advocates</th>
</tr>
</thead>
</table>

<table>
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<tr>
<th>Performance metrics</th>
<th>Number of new products, profitability per product, market share/product</th>
<th>Share of wallet of customers, customer satisfaction, customer lifetime value, customer equity</th>
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<tr>
<th>Management criteria</th>
<th>Portfolio of products</th>
<th>Portfolio of customers</th>
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<table>
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<tr>
<th>Selling approach</th>
<th>How many customers can we sell this product to?</th>
<th>How many products can we sell this customer?</th>
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<table>
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<tr>
<th>Customer knowledge</th>
<th>Customer data are a control mechanism</th>
<th>Customer knowledge is valuable asset</th>
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</table>

In customer centric organizations, organization structure should be organized around customer segments or at least ensure organizational capability of a lateral networking despite of organizational boundaries (Galbraith 2005, 33). Organizational structure of companies enables business orientation in external relationships and organizational focus on development of customer relationships.

A successful implementation of CRM depends on organizational structures and required change for companies’ culture to drive organizational commitment for a deeper customer relationship building, management practice change, employees’ engagement and cross organizational communication (Ata & Toker 2012, 499). Moreover, organizations are not able to successfully drive changes and development actives if
employees are not committed and contribute to a customer centricity to deliver an excellent customer experiences.

A foundation of CRM is with individual employees to contribute both to external and internal relationships. Therefore, performance measurements and assessment should be based on a customer orientation and employees should be rewarded according to their contribution on improvement of customer relationships through an excellent customer experiences. (Reichheld 2006, 18; Frow & Pawne 2007, 100; Hui et al. 2013, 341.) Employees’ performance should be tied to a level of commitment and capability to execute daily duties on jointly manner for an excellent customer experiences delivery (Frow & Payne 2006, 156-157).

In turn, the level of understanding the core meaning of CRM varies in companies. Some companies incorporate CRM on the technology and software investments (Hoyer et al. 2004, 293). In addition, definitions of the concepts of CRM have a large variety depending on viewpoints and authors. Based on the research by Frow and Payne (2005), the customer relationship management has broader strategic perspective and technology is one of the enablers. The CRM is a cross organizational, process based approach that places CRM at a strategic level. (Frow & Payne 2005, 167.)

2.1 Key Processes and Elements of CRM

In their research Frow & Payne (2005) identified five key processes for a development of the strategic and process based cross functional CRM concept. The criteria for processes were cross organizational nature and integration to customer. These five key processes are as follows: strategy development process, value creation process, multi-channel and customer experience process, information management process and performance assessment process. (Frow & Payne 2005, 170.) As discussed previously, in this Thesis the main focus is on multi-channel customer experience, information management and performance assessment processes as a strategy development and value creation processes are briefly described. The CRM implementation model with
required critical elements and key processes discussed previously is illustrated in figure 1 below.

**Figure 1.** CRM Implementation model (adjusted from Frow & Payne 2005, 171; 2006, 143)

The strategy development process addresses a company means to create valuable, long-term, mutually rewarding and progressive customer relationships based on an in-depth customer insight (Frow & Payne 2005, 170). In most industries, customers are making clear strategic choices to minimize an amount of suppliers. With fewer suppliers, customers are able to formulate closer strategic relationships. (Galbraith 2005, 12.) A relationship is a process over time and a value for customers is developing in a process
over time. Value criteria of a customer relationship might change over time and companies must be able to adjust its customer focused strategy according changes (Ryals 2005, 260).

In a close relationship, customers probably focus on assessing a whole relationship instead of assessing offerings of a company. A products and product related functionalities are important, but might not be a bottom line reason for customers to purchase from that particular supplier. (Grönroos 2004, 108.) The value creation process addresses the mutually agreed and understood value to provide and receive from a relationship between a customer and a company (Frow & Payne 2005, 170).

Companies’ customer focus is not on selling products; instead the focus is on a value creation process for a customer and for a company, i.e. a process of dual value creation. A value creation for a product aspect takes place through price, features, quality and product functionality. A value creation for positive feeling experience in a customer relationship takes place through understanding, listening, been valued and sharing same principles. (Reichheld 2006, 28.) Value generated through positive feeling experience in customer relationships might be harder to copy by competitors than products or service concepts. (Day et al. 2006, 114.) Entire enterprise needs to be engaged in value creating relationships with a customer rather than selling goods and service bundles. A cross organizational co-operation within a company is highly important for a company to increase the value of an offering and gaining deeper customer engagement. (Tuli & Kohli & Bharadwaj 2007, 13.)

In companies, value creation takes place through streamlining business processes to increase value and synergy delivery with cross organizational co-operation (Kaplan & Norton 2007, 17). A successful implementation of cross functional CRM processes, to increase value and synergy delivery requires four critical elements as follows: CRM readiness assessments, CRM change management, CRM project management and employee engagement (Frow & Payne 2006, 143).

CRM readiness assesses a maturity level of CRM within companies. A maturity level is determined by to which extent companies utilize customer information cross
organizationally to enhance customer experiences and customer profitability. Companies need change management activities for facilitating cross organizational way of working and to ensure companies smooth transformation to customer centric approach. Project management should ensure that development activities of CRM discussed above are drive from a company’s strategic objectives thereby support business strategy. Discussed implementation of changes and development activities should support an integration of touch points, including customer experience aspect to build in-depth customer relationships. (Frow & Payne 2006, 150-155.)

2.2 Multi-Channel Customer Experience Process of CRM

The multi-channel customer experience process addresses a single view of value provided by a company and received value experienced by a customer through integrated touch points. A customer experience from interactions with a company is created in a multi-channel environment both within channel and across channels of a company (Hoyer et al. 2004, 294; Frow & Payne 2005, 172). Multi-channel environment provides for customers multiple ways to voice ideas, highlight successes and challenges (Frow & Payne 2006, 146).

Customers are interacting with a company through different channels such as face to face meetings, virtual meetings, e-mail, telephone and the Internet. Interactions through channels might also be different types of interactions such as seeking for information for example environmental quality certifications and technical specifications as well as complaints, payment terms, delivery times and terms. Typically, from every interaction specified customer data only for a department’s own use is collected. (Hoyer et al. 2004, 294.) Customer information is usually spread across organizational departments and interactions with customers are recorded in specific data repositories of a department in question. Improving a customer’s experience in every interactions i.e. touch points depends on a company’s organizational capabilities to collect and utilize customer information across an organization (Frow & Payne 2005, 172-173).
A cross organizational channel management will ensure that a customer’s experience on a company through different channels is consistent in every touch points. Moreover, information and services received by a customer is coordinated and customized based on a particular customer’s interest and needs. To manage processes, customer inputs and a quality level at every interaction with customers requires broad cross functional cooperation. (Frow & Payne 2006, 147.)

2.3 Information Management Process of CRM

An information process in CRM involves customer data collection, collation and intelligence use of customer data and customer relational information from all customer interactions with a company. The successful utilization of information on a company’s benefit is depending on a company’s ability to elicit and manage information on customers. A best source of customer information is customers itself (Pine & Peppers & Rogers 2000, 113). A customer insight and appropriate value offering generated from integrated sources of customer information ensure delivery of an excellent customer experiences and a lasting customer relationships. (Frow & Payne 2005, 177.)

The information management process addresses a ways a company collects, stores and use customer data for a deeper customer insight and enlarges mutual value creation. The information process key materials are as follows: data repository, IT systems, analytical tools and front and back office applications. A company memory of customers is integrated data repositories. Integrated data repositories forms a company data ware house to ensure customer information consistency and transparency. Front office and back office systems records interactions with customers. An integration of front office and back office applications improve internal communication between organization departments and coordination of customer relationships. Organizations need to organize a customer data from customer interactions in a holistic and transparent way. (Frow and Payne 2005, 173; Frow & Payne 2006, 148.)

Utilization of integrated data and software through analytical tools help companies to understand its current and future customers’ purchasing behavior and preferences as
well as projected customers’ lifetime value and customers’ retention. From collected and stored customer information, a company can identify promising customers, meaningful purchasing behavior patterns and quality of customer relationships with analytical tools such as data mining. Moreover, data analyzing tools are enabling to support measurements of a company’s business performance from customer aspect. (Jayachandran et al. 2005, 181.)

2.4 Performance Assessment Process of CRM

Integrations of CRM processes and operational processes are required to optimize organizational performance. Organizational performance measurements reflect organizational capability to meet a company’s strategic goals on customer centricity. (Ata & Toker 2012, 500.) The performance assessment process will ensure that a company’s strategic objectives on CRM are delivered according to a customer’s expectation of standard level and a gap between desired state and current state will be identified for a future improvement of performance (Frow & Payne 2006, 148).

The performance assessment process addresses monitoring and controlling systems to ensure beneficial mutual value creation in relationships through touch points. The process has a dual focus, i.e. results and performance monitoring (Frow & Payne 2006, 148). In research by Johnson and Staughton (2005, 320), a gap was recognized in measuring a way of working in customer relationships in terms of creating trust, commitment and customer orientation. Traditionally, in B2B context, operational performance metrics have been recognized such as quality, speed, flexibility, responsiveness, reliability, price and delivery time which apply to all types of operations (Johnston & Staughton 2005, 320; Mosley 2007, 125).

The traditional operational performance metrics discussed above by Johnston & Staughton (2005), seems to be a standard in every industry and in B2B relationships as those are the characters of service that customers expect to deliver with operational excellence from a supplier as a norm. Therefore, traditional operational performance metrics have only little impact on improving relationships. In B2B industry, there is a
visible movement from “hard” traditional operational performance metrics to “soft” customer relationship and customer satisfaction metrics with related processes to improve customer relationships and customer experiences. (Johnston & Staughton 2005, 328; Mosley 2007, 125.)

For sophisticated measurements of operational and customer relationships performance a variety of metrics has been suggested, such as customer retention, customer loyalty, customer experience, customer advocacy rate, customer acquisition, customer lifetime value, share of wallet, cross-selling ratio, value of existing customers and hours spend with customer. (Frow & Payne 2006, 149; Kaplan & Norton 2008, 85.) Ryals (2005) argues that a customer loyalty or customer retention is not a fundamental issue on measuring customer relationships. A fundamental issue is to measure profitable customer retention and a profitable management of customer portfolios. (Ryals 2005, 260.) Cross organizational CRM processes should assist companies to predict changes in customer relationships and react accordingly in terms of resource allocation and meeting customers’ needs (Hoyer et al. 2002, 296).

Companies’ resources should be allocated on highly or potentially highly profitable customers. Companies need to have effective cross organizational processes and tools in place to allocate companies resources correctly and for identification of customer profitability. Moreover, companies should have tools to recognize customers who are in a customer life cycle stage to leave a relationship or the customers who are building relationships with competitors. (Hoyer et al. 2002, 296.) Companies should be able to monitor a share of customers’ purchases from competitors and a company itself as well as a gap between customer needs and a company’s supply capabilities (Pine & Peppers & Rogers 1995, 114).

To utilize strategic valuable customer knowledge to meet the needs of customers and improve a company’s supply capabilities is the fundamental success factor. For companies, it is crucial to have management control system in use for CRM performance monitoring. In a performance monitoring of CRM, performance indicators are needed for an improvement of CRM activities to increase a positive customer experience. Target setting for the performance indicators depends on a company’s value
gap between desired state and current state. Targets are consistent if they enable a company to close value gap and execute its vision for future. (Kaplan & Norton 2008, 85.) In result reporting on CRM performance, indicators should have a feedback loop to CRM activities planning and practices to ensure a continuous improvement, organizational learning and communication. (Frow & Payne 2006, 149.) Without consistent and continuous communication on a company’s performance on execution of strategy, employees cannot deliver desired results. (Kaplan & Norton 2008, 20.)

Measuring a strategy execution and expecting visible benefits from performance improvement takes different time frames. Performance improvements and benefits in a customer value delivery and customer relationships are visible after one to three years’ time span. It is important to remember in a result reporting that strategic objectives and implementation takes short-term, mid-term or long-term delivery of visible benefits. (Kaplan & Norton 2008, 72.) The time frame for visible improvements on performance is depending on a company’s willingness to implement and agility to react on required changes to improve a company’s competitive edge at the insensitive competition.

3 MONITORING CRM PERFORMANCE THROUGH CUSTOMER EXPERIENCE

Offering great solutions such as products and services is not enough to keep competitive edge. An objective is to understand in detail what customer values and what a company can do better in eyes of customers (Dullweber et al. 2009, 46). According the research by Dawar and Vandenbosch (2002), customers do their purchasing choices based on ways a supplier interacts with them. Customers’ values received good experiences from the interactions as much as they value a product and product functionalities. (Dawar and Vandenbosch 2002, 36.)

In international companies, thousands of interactions take place on a daily basis between customers and employees of a company. Each interaction is an opportunity for a company to increase positive customer experience. Every interaction is a “moment of
truth” holding possibility either delight or alienates customers. Interactions are also called as touch points. (Dullweber et al. 2009, 45.)

Touch points are either indirect or direct contacts that customers have with a company’s product, service or people. Each touch point has different value for a customer depending on a customer’s life time stage. To place a value for touch points, a company should first map positions of touch points in a value chain. From each touch point, a company can collect information and measure a gap between customer expectation and experience. (Meyer & Schwager 2007, 3.) As discussed previously by Pine et al. (2000), for a company the best source of customer information is customers itself by simply asking feedback from customers on their experience from interactions through different channels with a company (Pine et al 2000, 113).

A company should be able to collect data from different channels and intelligently use customer data to predict a customer needs based on monitoring customers’ voice and purchasing behavior (Gibbons 2013, 44). Direct input from customers and deeper customer insight knowledge might help company to make its customer focused strategy more consistent by converting inputs into improvements on every business area where a company compete and improvements on internal business operations such as pricing, procedures, solutions and processes (Dullweber & Markey & Reichheld 2009, 46). A company should use deeper customer insights on daily decision making throughout a company.

In addition, many of the researches have conclude that persuading a long-term relationships with existing customers have proven to be more profitable for a company than acquire new customers (Dullweber et al. 2009, 44; Reichheld 2006, 45; Knox & Ryals 2005, 458; Hopton et al. 2000, 135). To increase a customer satisfaction on customer experiences, a company should consider measuring customers’ experiences from aspects of a normal daily routines and practices to customers’ emotional experience (Frown & Payne 2007, 92). The aim for managing customer experiences is to create mutually valuable long term in-depth relationships with customers.
3.1 Definition of Customer Experience

According to Dibeehi, Shaw and Walden (2010, 3), “A customer experience is an interaction between an organization and a customer as perceived through a customer’s conscious and subconscious mind. It’s a blend of organization’s rational performance, the senses stimulated and emotions evoked, and intuitively measured against customer expectations across all moments of contact.” (Dibeehi & Shaw & Walden 2010, 3).

A customers’ preference driver is experiences of customer service and emotional dimensions such as trust and commitment. For companies, it is not anymore enough to meet a customers’ standard expectation on a supplier performance to create competitive advantage on customer experiences. Within B2B context, companies prefer to spend time and have interactions with customers around functional and rational dimensions of experience such as lead times, product portfolio and delivery times rather than emotional dimensions (Mosley 2007, 125-127).

In today’s business environment, it is not enough for a company to measure only tangible factors such as product performance, quality and price as intangible factors such as sense of valued, politeness and problem solving capabilities have become equally important for customers to make purchase decisions. Moreover, customers must feel that they are valued, their voice is heard and their needs are understood. They need to feel good in their relationship with a company. (Reichheld 2010, 28.)

According to Wolf (2006), a perfect customer experience “Results in customers becoming advocates for the company, creating referral, retention and profitable growth”. Much closer customer relationships are created as long as customers are experiencing their voice is heard and a company is making visible future improvements on its offering based on customers’ value criteria and customers saying (Found & Harrison 2012, 264).
3.2 Capturing Voice of Customers

The VoC have two dimensions as follows: Value of Customer and Voice of Customer. Value of Customer addresses customer’s value criteria and expectations on a product and service and informs economics of the customer value. Voice of Customer addresses an actual performance of a company against customer expectations and informs satisfaction of a customer experience. Both dimensions are measurable and should be aligned with a company’s business processes. (Found & Harrison 2012, 258.)

The VoC is a closed loop process. Bruce Temkin (2011) introduces six capabilities for an organization to be fulfilled for closed loop VoC process. These six capabilities are also known as “six D’s of a closed loop VoC”. (Temkin 2011, 3.)

- Detect - Focus on right data and data collection at right time from right customers. Integrate a key data sources for comparison and analyze.
- Disseminate - Information need to channel to right people at right time in unified format for actions.
- Diagnose - Gain deeper knowledge of challenges, improvements and opportunities not only from current situation aspect but also from future insight.
- Discuss - Gather gross organizational poll of people for performance reviews and improve mutual understanding of customer value drivers and actions for improvement.
- Design - Follow up cross organizationally agreed implementation of improvement actions and monitor impact on improve a customer experiences.
- Deploy - Focus on business intelligence and cross organizational continuous improvement approach on business processes, procedures, technology and employee engagement. Monitor an impact of changes to jointly improve customer experience.

The “six D’s of closed loop VoC” also assess a maturity levels of a company’s VoC capabilities on customer data collection at a multi-channel environment, cross organizational cooperation, cross organizational process development and effective and efficient utilization of a deep customer insight on strategy development and decision
making across a company. A desired maturity level is where customer insight knowledge and actions from a multi-channel environment are linked cross organizationally into most of business processes from operational processes to a strategy development. (Temkin Group 2011, 2.)

At companies, VoC program should emphasize an importance of a contextual customer feedback information gathering and text analyzing from a multi-channel environment of a company. The aim for the VoC program should be an actionable customer insight. As a result, a company should take actions based on what they have learned from a customer feedback surveys. A value of VoC program is to increase customer centricity within a company and understanding why customers are buying from a company as well as predicts customers’ future needs. A company should not think VoC performance metrics such as Net Promoter Score to deliver numbers but to deliver an actionable customer insight and knowledge of a customer experience to be in a relationship with a company. (Temkin Group 2013.)

3.3 Measuring VoC with Net Promoter Score

The most recent measurement for a customer feedback is NPS. NPS is an actionable indicator for a company to gain deeper customer insight on how their customers think and feel to be in a relationship with a company. NPS creates accountability for every member of an organization and focuses entire organization on improving customer experience through closed loop customer feedback process. The aim of NPS is to increase profit earned from good customer relationships by listening voice of customers and delivering excellent customer experiences for customers’ to make personal recommendations. (Reichheld 2006, ix-x.) In companies, two previously discussed dimensions of VoC must be fulfilled by a company with customer satisfaction before a customer will make personal recommendations (Reichheld 2006, 28).

To conduct NPS survey, a company interviews its customers with one question: “How likely is it that you would recommend Company X [or Product X] to a friend or colleague?” in a scale of zero to ten. Followed by question “What is the primary reason
for the score you gave?” for reasoning the score in verbatim format. (Bain & Company 2013a.) NPS is both quantifying and qualifying metric (Reichheld 2006, 49).

Customers can be segmented by a score they gave into three clusters as follows: promoters with scoring ten to nine, passives with scoring eight to seven and detractors with scoring six to zero (Reichheld 2006, 19). A score inform characters of customers’ buying behavior and attitude as verbatim feedback on reasoning increase organizational knowledge of influencers on customers’ buying behavior i.e. retention patterns and attitude. (Reichheld 2006, 96-97.) NPS assists a company to manage and measure customer relationships based on NPS clusters and cluster characters (Reichheld 2006, 40). Figure 2 below illustrates the scale and customer cluster positioning on the scale as Promoters, Passives and Detectors as well as the calculation method of the NPS score.

**Figure 2.** NPS zero to ten scale, customer cluster and calculation method (Bain & Company 2013a).

3.3.1 Customer Clusters: Promoters, Passives and Detectors

The principle of NPS is to find the ways to increase amount of Promoters and decrease an amount of Detectors. Promoters has high retention rate and are less price sensitive. A company’s costs to serve Promoters are lower as a pattern of buying behavior and a customer needs are predictable. Promoters normally increase their purchasing from a
preferred supplier over time and are responsive for cross-selling efforts of a company. They usually have valued long term relationship with a company. Promoters generate positive referrals on their customer experience through word of mouth and urge others to buy from a company. (Reichheld 2006, 48-49.) Passives are averagely satisfied customers. In turn, passives would easily leave a relationship and turn to competitors for a better deal. Detectors might be profitable customers in a term of accounting but at same time might be most resource consuming and demotivating customers from a company’s overall profitability point of view. Detectors give most of negative word of mouth comments and criticism on a company. (Reichheld 2006, 30.)

A company net promoter score is calculated by subtracting a percentage share of promoters from a percentage share of detractors. Total net promoter score can be either negative or positive as scale is between -100 and 100 percentages. Most efficient growth companies such as Amazon.com, e-bay and Dell have their NPS score between 50 to 80 percentages. The study by Reichheld (2006) has concluded that companies with high positive net promoter score over 50 percentages also have a visible, strong and sustainable growth trend in their industries. In turn, high performance on NPS results does not exclude a fact that even high performing companies have room for improvement. (Reichheld 2006, 20-21.) Verbatim feedback gives reasoning for NPS score and provides explanations for a company’s successes and improvement areas as viewed by the customers.

3.3.2 Verbatim Feedback

Tracking verbatim feedback with text analysis is important tool for companies to acknowledge improvement areas and utilization of information for a problem solving purposes. Investigation of a true root cause of a problem requires technology capabilities to collect and analyze background information such as customer and transaction information from a multi-channel environment to determine a status of relationship from both dimension, value of customer and voice of customer. (Bain & Company 2013b.)
Typically, a true root cause behind verbatim feedback of customer experience is in a company’s capabilities such as organizational structure, business process management, operational procedures, company culture, employee motivation and attitude to meet and exceed customer’s expectations. Solving a problem requires cross organizational cooperation as hardly ever a frontline employees are able to solve a known root cause by themselves. Therefore, effective and systematic problem solving requires competence from an employee. For example, an employee needs to have competence and skills to use problem solving techniques such as “Five Why’s” from quality management. Five Why’s is a method where why question is repeated and by fourth or fifth time repeating a real root cause for occurred problem can usually be found. In most of cases, root cause is a multidimensional and requires several departments’ involvement to be solved and to prevent reoccurrence of a situation. (Bain & Company 2013b.)

In addition, verbatim feedback gives also an insight for “wow-factors” of a company. It is equally important to have knowledge on a delighting customer factors and positive key influencers impacting customers to be or to transform to Promoters. For companies to survive in a competition, it is fundamental to be able to measure a quality of the customer relationships and have knowledge on state of customer relationships as it is to have measurements on profitability. (Reichheld 2006, 138-139.)

### 3.3.3 Closed Loop Feedback Process

Closed loop feedback process should be consistent and results should be used for an accurate internal comparison between business units, regions, countries, etc. and for externally benchmark competitors’ results at industry (Reichheld 2006, 111). From an organizational perspective, feedback information should use for learning purpose, learning from mistakes and success as well as gaining a competitive advance. (Bain & Company 2013c.)

NPS is closed loop customer feedback process and outcome should be linked to a company’s daily business processes and procedures and product development for an
improvement of actions and assessment on customer relationships. A process starts with interviews with preselected customers by asking a recommendation question and follow up with a reasoning question for a score they gave. (Bain & Company 2013c.)

Interviews are conduct on a regular basis with similar format to ensure continuity on result reporting and comparability of past results for an organizational performance monitoring and customer relationship assessment. Responses from interviews are analyzed and results are categorized in an appropriate format such as geography, customer segments and business units depending on a company’s organizational structure. Verbatim feedback is text analyzed and categorized by customer value criteria per number of responses. (Bain & Company 2013c.)

Analyzed feedback is shared with a company’s employees with direct responsibility for customer experience performance. Responsible persons, normally front office employees, will share feedback with customers and with a company’s back office functions. Typically, back office functions have a responsibility for a company’s capabilities and enablers for shaping the customer experience through product development, processes, procedures, etc. (Bain & Company 2013c.)

Improvement actions normally have an impact on a company’s business processes, procedures, product development, etc. Improvement actions typically involves cross organizational a root cause analyze and effective problem solving activities. Therefore, it is equally important to share feedback with customers and cross organizationally. Constant cross organizational sharing of customer feedback information will assist also back office employees to better understand reasons for customer experience and key influencers of customer experience. Sharing customer feedback information cross organizationally is critically important for a company’s success as otherwise back office employees might feel themselves disconnected from customer and having limited possibilities to influence positive customer experience. To increase a company’s holistic performance on customer experiences, responsible persons will follow up feedback with customers and agree cross organizational proposed improvement actions. (Bain & Company 2013c.)
In turn, limitations of NPS have been criticized. Temkin (2011a) argued that NPS do not emphasize enough required improvements of a company’s capabilities and enablers thought customer insightful actions. NPS or any feedback system and information should be linked into a strong VoC program. A strong VoC program includes three elements of customer experience: functional, accessible and emotional. Functional element informs a company’s degree on ability to fully accomplish a customer request and need at interactions. Accessible element informs ease of interactions for customers with a company. Emotional element informs on a customer’s sense of treated during interactions with a company. Therefore, NPS solely is not a valuable metric and companies should focus more on customer insight and action management than managing a feedback system. (Temkin 2011a, 2; Temkin 2011b.)

3.3.4 Drive Growth with NPS

Results of NPS have two dimensions as follows: voice of customer in terms of score and verbatim feedback in correlation with a value of customer in terms of value of individual customers to a company and impact on customer relationship investments to a profitable growth of a company. To deliver greatest return on a company’s profitable growth depends on a company’s ability to turn detectors and passives into promoters.

It is recommended to add information on revenue and cost to serve per different customer clusters on NPS results and to analyze an impact on purchasing behavior of different customer cluster to a company economics. NPS focus of customer equity is on a customer retention rate such as customer lifetime, a customer referral such as word of mouth recommendation of promoters’ impact on financial and a profitability of different customer clusters to a company through annual spending and margins. (Markey & Reichheld, 2012.)

Customer equity measurements such as share of valet and average customer lifetime value are display to analyze financial benefits of investments in building stronger customer relationships. Customer equity measurements assist a company to focus its investments on profitable customers and NPS feedback. (Bain & Company, 2013d.) At
micro level, a company should be able to determine value of a customer for a company through customer equity such as customer annual purchase minus variables. At macro level, a company should be able to determine if investments made to increase customer loyalty and customer experience paid off in terms of a profitable growth in a company. (Markey & Reichheld, 2012.)

A profitable growth of a company is depending on a quality of its customer relationships. Through a customer experience feedback system, a company can identify its best practices and failure points, ideas and innovation for a better value offering in addition to create customers’ commitment and increase employee accountability for results. Customers promote a company to succeed with sharing information on their experiences to be in a relationship with a company. A growth of a company is accumulated from intelligent cross organizational use of customer insight knowledge on a company’s benefit to create a better mutually valuable and sustainable individual customer relationships than a company’s competitors. (Frow & Payne 2007, 98-100.)

3.4 Customer Experience as a Top Priority

At a company, collected information on customer experience through a customer feedback system such as NPS should use to design differentiators from competitors. Differentiators might be a unique cross organizational CRM processes based on a customer life time value and a profitability and customer position on a Promoter-Detractor scale. (Rechheld 2006, 120.) With a strong customer feedback system, performance management process and procedures in place, a management and employees should start owning customers’ experiences as they own targets of finance such as revenue and profits. It is not enough to measure and circulate findings on customer experience feedback without a clear responsibility and accountability for every employee putting information in use. (Meyer & Schwager 2007, 2.) A deep customer insight knowledge can only be achieved with a cross organizational collaboration and cross functional teamwork (Frow & Pine 2007, 99).
Every organizational function has its role to play to persuade an importance of customer experience and improving a company’s capabilities to increase positive customer experience. Marketing should capture customers’ emotions and value of customers and set the standards for a targeted customer segments. Marketing has also a responsibility for sharing customer insight knowledge across a company and tailoring customer communication based on a company’s customer insight knowledge. (Myer & Schwager 2007, 10-11.)

Based on the customer insight knowledge, operations have to ensure adjustments of processes, practices and employee competences in every direct or indirect interaction with customers that have most impact on customers’ experiences. Customers’ experiences should be shape through product development by observing customers’ utility of product, services and solutions and focus on identifying changed or undiscovered needs of customers. Collecting data, analyzing data and distribution on data tools to generate integrated information of customers’ experiences and customer insight knowledge in a multi-channel environment of a company should be a priority of information technology function. Training plans for employees on customer experience management and change management communication on ways of working should be focus of Human Resources. In addition, to create strategic competence plan for a company on its skills and competences need from company’s employees in the future. (Myer & Schwager 2007, 10-11.)

4 CRM STRATEGY AND PROCESS MAPPING ON PERFORMANCE MANAGEMENT

From performance management point of view, a company’s business processes, systems, organizational structure and way of working have to change to reflect a priority of customer experiences within a company. Commitment and involvement is required from all business units and functions as well as individual employees. Alignment of organization, its systems and processes succor a company speed up its customer centric decision making process. Decisions must be supported by results from customer centric metrics. According to Shah et al. (2006, 120), “what gets measured gets done”.
A way of working must be modified to ensure a strategic alignment and cross organizational cooperation to meet strategic goals by cross utilizing available information and a data for improvement of a company’s entire performance for future. The aligned and comprehensive closed loop performance management system involves many business activities and improvements on organizational interrelationships as well as coordination of causal relationships. Organizational processes are normally run in isolation such as budgeting by finance, competence and talent development by human resources, operational processes by business units and performance monitoring and measurements as well as the information will be in departmental silos. (Kaplan 2010, 29.) In companies, fundamental changes are required in business processes and practices additional to new type of skills and competences, new measures, new incentive schemes, new methods for value creation and annual planning for a company to prosper (Hopton et al 2000, 136).

To ensure a company’s strategic alignment, a customer centricity measures should be tied into a company’s annual planning cycle and include performance targets from all critical perspectives of organizational performance. Account teams need to include a customer equity, NPS and customer portfolio performance into annual business planning cycle, both in financial and in operational planning. Moreover, financial teams should create a model to show business value of a customer portfolio in profitability and growth. Value models reflect efforts taken by a company to increase positive customer experiences and connections to financial results, from current and predictive future aspect. Otherwise, there will be a clear disconnection between a company’s strategic vision for a future and reality. (Hopton et al. 2000, 136.)

Balanced Scorecard (hereinafter BSC) is one of the most commonly known approaches to provide alignment on cross organizational measurements and ensure alignment of organization departments on performance and processes as well as strategy alignment on a performance monitoring (Frow & Payne 2006, 149). BSC have four different perspectives of performance as follows: customer, internal i.e. process, innovation and learning or learning and growth i.e. human, information, organization capital and financial (Frow & Payne 2006, 149; Kaplan 2010, 22). Table 2 is an example of a
strategy, business processes and systems mapping on internal causal relationships of four BSC perspectives when customer centricity is a strategic theme of a company.
**Table 2.** Example of a customer centricity alignment mapping in a company (adjusted by the author from Kaplan 2010, 22 and Ryals 2005, 253-254)

<table>
<thead>
<tr>
<th>Customer Centricity (Strategic Theme)</th>
<th>Perspective</th>
<th>Value drivers</th>
<th>Metrics</th>
<th>Plan Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Financial</td>
<td>Growth: Enhance customer value</td>
<td>Customer equity</td>
<td>Short-term (STP &amp; LE)</td>
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<tr>
<td></td>
<td></td>
<td>Growth: Expand revenue opportunities</td>
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<td></td>
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<td>Productivity: Improve cost structure</td>
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<td></td>
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<td>Productivity: Increase asset utilization</td>
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<td>Total revenue/average purchase/customer</td>
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<td></td>
<td>Customer life time revenue</td>
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<td></td>
<td>Customer profitability</td>
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<td></td>
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<td>Share of wallet</td>
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<td></td>
<td>Profit margin</td>
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<td></td>
<td>Customer cost to serve</td>
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<td></td>
<td>Etc.</td>
<td></td>
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<tr>
<td></td>
<td>Customer</td>
<td>Customer relationship</td>
<td>NPS</td>
<td>Mid-term (Operational plans)</td>
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<td></td>
<td></td>
<td>Customer experience</td>
<td>Customer advocacy</td>
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<td>Customer loyalty</td>
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<td>Customer retention</td>
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<td>Quality, flexibility, delivery, price, etc.</td>
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<td></td>
<td>Process (Internal)</td>
<td>Select customers</td>
<td>Customer portfolio</td>
<td>Mid-term (Operational plans)</td>
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<td></td>
<td></td>
<td>Acquire new customers</td>
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<td>Retain existing customers</td>
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<td>Grow business with customers</td>
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<td>Shared services</td>
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<td>Customization</td>
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<td>Service levels</td>
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<td>Customer feedback and problem solving</td>
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<td></td>
<td>Etc.</td>
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<tr>
<td></td>
<td>Learning &amp; Growth</td>
<td>Human capital</td>
<td>Competence &amp;Skills</td>
<td>Long-term (Strategic competence plans/HR plans, Individual employee plans: personal objectives plans and personal development plans)</td>
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<td></td>
<td></td>
<td>• Competence gap</td>
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<td></td>
<td></td>
<td>• Training (on job, mentor/buddy system)</td>
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<td></td>
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<td></td>
<td>Company level agreed targets to personal objectives plan</td>
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<td></td>
<td>Information capital</td>
<td>CRM Technology</td>
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<td></td>
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<td>• Integration of the front and back office applications</td>
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<td>• Data quality (reliability, etc.)</td>
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<td></td>
<td>• Analyzing tools and holistic reporting</td>
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<td></td>
<td></td>
<td>• Information availability</td>
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<td></td>
<td>• Lessons learnt/success stories</td>
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<td></td>
<td>• Blogs</td>
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<td>• Intranet</td>
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<td></td>
<td>Organizational Capital</td>
<td>Employee satisfaction survey</td>
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<td>Open communication&quot;Town hall meetings&quot;</td>
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<tr>
<td></td>
<td></td>
<td>• Result reporting, concrete corrective actions &amp; WOW</td>
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<td>factors</td>
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<td>Communities &quot;Ambassadores&quot;</td>
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<td>Internal quality competition</td>
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</table>

Causal relationship
Strategy and process mapping tools and techniques might assist a company to highlight differentiators and opportunities as well as identify failure points in a customer experience i.e. as viewed by a customer. Traditional measurements of performance on customer satisfaction do not necessarily help a company to gain enhance understanding of the value gap between a customer perceptions and a company delivery. A deeper knowledge of value can be achieved by a cross organizational integration of processes, departments and employees. An important enabler of organizational integration is centralized databases to support a new ways to collect, store and analyze a customer information enabling intelligence utilize customer information on a company´s benefit and competitive advantage. (Frow & Payne 2009, 99.) Main benefits of intelligence customer information utilization should be learning and continuous improvement of value drivers for purchasing choices, “Why do your customers choose to buy from you rather than your competitors?” (Dawar & Vandenbosch 2002, 36).

5 SUMMARY OF THEORETICAL FRAMEWORK

The theoretical framework forms the foundation of this research on current CRM processes from multi-channel customer experience, information management and performance assessment aspects at the case company. The main focus of this research is on cross organizational usage of Net Promoter Score information to deliver excellent customer experiences. The theoretical framework is used to identify the possibilities for related CRM processes development by investigating the organizational internal relationships, organizational capabilities and dependencies of organizational functions and processes for continuous improvement of business operations. The key elements used in this research for the foundation of theoretical framework are illustrated in a figure 3 below.
**Figure 3.** Key elements and foundation of theoretical framework for case study (source: author)

The theoretical framework forms the foundation to investigate the level of understanding NPS and actionable customer insight at the case company. The perception of benefits of customer experience and NPS results and feedback to improve business operations and organizational capabilities are investigated from the multiple organizational level aspects such as local, regional and global. The key elements for continuous improvement of business operations are organizational capabilities and the way of working to share customer insight information through information management and existing technology.
The theoretical framework is used to investigate the impact of organizational capabilities such as the case company strategy, leadership, culture and structure derived from the corporate level to manufacturing site of the case company. The organizational capabilities enable organizational functions’ vertical network and information share of deeper customer insight for continuous improvement of customer centric approach in management practices, procedures, processes and customer solutions. Organizational capabilities also enhance team and individual employee levels to understanding responsibility and accountability for customer relationships and quality of customer relationships at the case company. At the employee level, the theoretical framework is used to investigate linkage between the reward and recognition schemes and the performance assessment of employee personal objectives for improved employees’ customer orientation.

The theoretical framework is used to investigate customer experiences on multi-channel environment of the case company and impact on customer experience on value creation as well as customer purchase decision making. Customer experiences in a multi-channel environment is studied from the aspect of using VoC to improve organizational and employee understanding the multiple dimensions of customer value criteria.

Voice of customer through NPS is studied from the aspect of continuous improvement of the business operations to deliver excellent customer experiences and design differentiators to influence on customer purchase decision making. Investigations of value creation includes also employees perceptions of customer experience dependencies such as must have factors, emotional dimension and interactions at the case company in a multiple level of the organization. The ultimate goal and backbone of organizational performance on delivery of positive customer experiences is to increase the case company’s profitability. To drive case company’s growth and profitability in an intensive market competition at the industry, the effective use of customer data and financial metrics as well as NPS customer clusters are investigated from the aspect to drive growth and profitability for the case company.
6 RESEARCH METHOD

The research studies the common situation at the case company’s industry. The common situation is the competitiveness at markets and companies at the industry are trying to find differentiators from competitors to allure customers with their value offering through long-term and mutually valued customer relationship creation. The case study focus on organizational interrelationships to meet the changing customer demands on customer relationships and successfully transform from product centric company to customer centric through CRM processes, CEM and NPS.

The purpose of empirical part of the research is to collect empirical data and analyze data for evidence of the real life situation at the case company’s manufacturing site. The objective of research was to study the current interrelationships of CRM processes and Net Promoter Score information utilization for possible development of CRM processes at the case company’s manufacturing site. For the development purpose, the means to study the objective was to identify the dependencies to deliver excellent customer experiences.

This chapter is not published in its full length in the Library version of this thesis. In Library version, from sub-chapter 6.1 onwards this chapter 6 is in Appendix 2 as information is considered to be confidential and is not published in Library version.

7 RESULTS

In this chapter are the main empirical findings of this research and proposal for development of CRM processes. Empirical findings are viewed from cross organizational utilization of NPS information point of view on the multi-channel customer experience process, information management process and performance assessment process of CRM at the case company’s manufacturing site.

According to summary of theoretical framework of this thesis, the Net Promoter Score results and feedback should be used in a company to increase the delivery of a good
customer experience as well as a development of products, policies and processes with a cross functional co-operation. A cross organizational interrelationships, i.e. front office activities such as sales in a relationship with back office activities, should be a basis for operations development and continuous improvement. Performance improvement measurements should be clearly defined and documented and results should be communicated cross organizationally on a regular basis and proven track records should be found for an improvement of a performance. Results of a performance need align back to CRM strategy development process to ensure an alignment of interrelationship dependencies and to ensure a commitment of the employees.

For the developments on CRM processes at the case company, proposed developments are viewed from the four different perspectives of the BSC method suggested by Kaplan and Norton. BSC approach was selected to highlight cross organizational dependencies and casual relationships on CRM processes. These four perspectives are financial, customer, process, growth and learning on company capital such as human capital, information technology capital and organizational capital. Development of CRM processes is mirrored from the manufacturing site perspective and from the company’s global marketing point of view of. The global marketing has the corporate level responsibility for CRM, CEM and NPS processes alignment and processes development at the case company.

In a Library version of this thesis, chapter 7 is not published in its full length. In a Library version, from sub-chapter 7.1 onwards chapter 7 is in Appendix 3 as information is considered to be confidential and is not published in Library version.

8 CONCLUSIONS

The objective of research was to study the current interrelationships of CRM processes and Net Promoter Score information utilization for possible development of CRM processes at the case company’s manufacturing site. For the development purpose, the means to study the objective was to identify the dependencies to deliver excellent customer experiences.
According to several researches, a successful customer relationship management is depending on integrations and alignment of organizational capabilities. Organizational capabilities such as structure, company culture and behavior models and cooperation of organizational functions ensure vertical cross organizational networking. Vertical networking enhance collective knowledge sharing for continuous improvement of the business operations (Galbraith 2005; Jayachandran et al 2005; Frow & Payne 2006; Shah et al 2006; Ata & Toker 2012). At the case company, during the past 12 months the foundation has been established for the company’s transformation from a product focused to a customer focused company. The renewed business strategy with customer centric strategic objectives, new organizational structure with customer focus and new customer inspired company spirit with winning behavior are organizational capabilities for the case company’s transformation.

According to new organizational structure of the case company, the interviewed managers represent back office functions at the manufacturing site. The managers at back office functions expressed their point of view that renewed strategy and company spirit do not promote possibilities to involve or influence customer relationships better than in the past and they expressed their concern in view of being isolated from the front office functions and customers. The manufacturing site functions have mainly indirect interactions with customers. Indirect interactions were not regarded as important as direct interactions in terms of creating value in customer relationships. Through direct interactions with customers, the ownership of customers and customer relationships were considered to be with the company’s sales function.

The case company has the multi-channel business environment as customers are interacting with the case company through several different channels. The customers are able to give feedback on the company’s operational and employees’ performance in the multiple ways. At the manufacturing site, direct or indirect customer interactions are mainly managed through e-mail and telephone. Typical types of customer interactions at the manufacturing site deal with complaints, technical specifications and delivery times. From every interaction, the departments collect data for the department’s own use. According to the interviews, the customer data collection and data storage from customer interactions are managed through isolated data repositories.
The value creation takes place in interactions at the multi-channel environment of the company. At the manufacturing site, the typical customer feedback was mainly related on daily routine of solving business problems. Business problems are solved in cooperation with back office functions at the manufacturing site. In a customer experience management, one fundamental emotional dimension of customer experience is the problem solving capability of a supplier. Based on author’s own work experience, in multinational companies often a situation takes place to a different people in different places and there is no awareness of reoccurring nature of a situation. In a systematically driven corrective action management, causal relationships are revealed through tracing a chain of causality in direct increments from effect to root cause to understand what went wrong and preventing reoccurrence of situation.

For the case company, the NPS provides holistic visibility for company’s employees to understand what went wrong in eyes of customer. It is clear that effective problem solving requires both the front office and the back office contribution as normally the nature of root cause is multidimensional. The front office functions and the back office functions is required to systematically share problems and challenges and automatically it would lead to cross organizational designing and sharing solutions.

The purpose of the NPS survey is to produce knowledge for the company and employees on customer value criteria impacting on purchase decision making. In both cases, to receive customer feedback on daily routines and through NPS surveys, customers are expecting the company employees to act based on the feedback provided by customers. As result, customers are also expecting to acknowledge visible results delivered by the company’s employees. Moreover, customer input would assist the company to identify differentiators at market and support the company’s strategy development based on competitive differentiators.

At the case company, individual employees are responsible and accountable to put customer feedback information in use. According the interviews, NPS is not used for the improvements of business operations at the manufacturing site. One of the reasons was the current result reporting format and results availability only at EMEA level. Therefore, the results cannot be targeted clearly enough to the manufacturing site level.
Based on research findings and current author’s own work experience, can be concluded that information needs to be with the right people, in the right format at the right time. The format of NPS result report depends on the organizational structure and what is the best suitable format for the individual company to enable its employees to act based on customers feedback. Based on current author’s own work experience and the interviews at the manufacturing site, can be concluded that the format of NPS result report should change at the manufacturing site level. The change of the report format enables right people to act on the NPS results at the right time and to improve organizational capabilities through development of processes.

As a conclusion, cross organizational circulation of NPS findings and cross analyzing customer feedback in a multi-channel environment needs to improve to promote organizational learning and increase efforts on continuous improvement of customer relationships and customer experiences. At the case company, the front office function should have an active role in cross organizationally share customer feedback information and ensure effective cross organizational problem solving. Consistent and coordinated cross organizational customer feedback and information sharing prevents the back office functions to view been isolated from the customers. Collectively sharing customer insight knowledge enhances the back office functions capability to recognize its possibilities to influence on customer experiences.

At the case company, the change of the NPS reporting format is not sole solution for improvement on cross organizational information management and customer insight knowledge sharing. At the manufacturing site, the sales function is missing from the performance review meeting. Therefore, NPS results are not systematically shared or cross analyzed with the customer feedback from other channels. As a conclusion, the change of the organizational structure has inflicted the gap in coherent management of the performance on customer relationships and customer insight knowledge sharing between the front and the back office functions.

The important enabler of communication flow and cross organizational cooperation is utilization of excising virtual team sites and virtual meeting tools. The existing virtual tools could enable cross organizational customer insight knowledge sharing and design
competitive advantages on the company’s benefit. Currently, virtual team sites and virtual meeting tools are not used for organizational networking and managing the customer insight knowledge at the manufacturing site. At the case company, virtual team sites and virtual meeting tools might not be used in that extend as company’s current technology would enable. The virtual team sites and tools can be used for organizational networking and customer insight knowledge sharing, especially in performance review meeting to increase the operational excellence at the manufacturing site.

At the case company, to assess the performance empirical evidences supported the fact that the case company’s business performance and employees’ performance in customer relationships are monitored and measured through the production and product related operational performance metrics. The performance metrics for customer satisfaction are based on the must have factors at the industry. The traditional must have factors are such as product quality, delivery reliability, competitive prices, technical expertise, flexibility and responsiveness. The customer related information is relatively easily available from the production and product portfolio aspect. The customer related information available is for example the produced volumes of product per customer at the manufacturing site. As a conclusion, without easily available customer data and information it is challenge to improve performance management of customer relationships. Integrations of the IT systems and the back office and front office application would be needed to ensure the fact based management of customer relationships and measuring the performance on customer relationships at the case company.

In addition, company’s employees are rewarded based on traditional operational metrics related to the production and product portfolio as well as customer satisfaction metrics based on must have factors at the industry. Consequently, employees spend their work hours around the functional and rational dimensions of customer experience such as production lead times, delivery times, product portfolio and product quality as well as company’s internal cost saving programs at the manufacturing site. Based on the empirical evidences and author’s experience, can be concluded that employees are behaving and prioritizing operational actions based on the measurements their
performance is assessed and they are rewarded on. As a conclusion, the organizational and employee performance on customer relationships should be based on customer portfolio and customer equity metrics to improve the customer life time value and customer retention for the case company to prosper.

In a study of case company’s market environment became clear that must have factors such as product quality, technical experience, delivery reliability and competitive prices have become as a standard for every supplier at the case company’s industry. At the case company, especially managers from corporate level and three managers from the manufacturing site were discussed the human centric approach on customer relationships. The human centric approach was discussed based on employee’s personal level interactions with customers and impacting on customers’ emotions and customers’ purchase behavior. The customers’ emotion discussions based on the creation of positive feeling experiences such as understanding and listening customers and placing oneself in a customer’s position. As a conclusion, the influencing factor of emotional dimension to customer purchase behavior was acknowledged at the corporate level of the case company and in some extends at the manufacturing site. Emotional dimension of customer experiences were acknowledged but not viewed as important in value creation as product quality, competitive prices, delivery reliability and technical expertise. At the manufacturing site of the case company employees are rewarded on the performance of must have factors basis.

In addition, the case company’s employees need new skills and competence to respond on the future competence required at the industry. Developing employees’ capabilities supports the case company position at the industry on execution of customer experience management. At the manufacturing site, all managers interviewed had a positive attitude to additional learning on CEM and NPS benefits and contributions to their daily work. Based on the empirical evidences and interviews at the manufacturing site, the case company already has personnel with the in-depth technical and industry knowledge competence at the manufacturing site. As a conclusion, there was a clear demand for employee trainings on CEM and NPS to strength employees’ competence on customer experience management within the case company. At the case company, employee
trainings on CEM and NPS would support the change management efforts of transformation from the product focused to the customer focused company.

At the case company and manufacturing site, the integrations of processes, people and technology might need reformulation to create aligned and comprehensive closed loop CRM performance management system. It is clear that the nature of customer relationship management processes is cross organizational and has direct impact on customers. Cross organizational CRM processes enhance the opportunities to understand customers’ preference drivers and to create dual value in customer relationships. Cross organizational integration of the organizational functions, processes, technology and employees might increase the organizational understanding on the value gap between customers’ value perception and the case company capabilities to deliver excellent customer experiences.

In conclusion, Cross organizational coordination and cooperation in the multi-channel environment with the closed loop CRM performance management system and CRM processes of actionable customer insight might need reformulation at the case company. Reformulation of the closed loop CRM performance management system and CRM processes might improve organizational capability integrations to increase the delivery of excellent customer experiences and creating successes from the case company’s customer relationships.

8.1 Analysis of Findings

At the case company, the top leadership level has been acknowledged that the company’s competitive edge is not built solely on product performance. The competitive edge on is neither built solely on customer satisfaction on must have factors such as product quality, technical expertise, delivery reliability and price at today’s business environment. One of the biggest changes in the case company’s business strategy is to increase employees focus on and commitment to customer orientation in a new way of working. This means cross organizational development of business operations based on the voice of customer to gain deeper customer insight on demands.
at the markets. Customers can assist the case company to succeed by sharing their ideas and experiences from interactions with the company. It is clear that the case company benefits from customer feedback system such as NPS in place to measure and to develop the quality of its customer relationships.

Based on empirical evidences and current author’s own observation, CEM and NPS are relatively new ways of managing customer relationships and customer satisfaction on experiences in the case company’s industry. In the study of the case company’s market environment, clear empirical evidence proved that the case company is one of forerunners in its industry on implementation CEM as a management principle and measuring and monitoring CEM through NPS. At the top leadership level of the case company it has also been acknowledged that value creation from customer aspect is not anymore done between companies in a traditional faceless way of working relying only on product facts and product quality. Today’s business environment, value creation for customer takes place in human centric way of working, person to person. According to CEO of PureMatter and marketing strategist Bryan Kramer (2014), “It is no more B2B or B2C. It is H2H, human to human. Businesses do not have emotions, people do” (Kramer 2014). Customers’ emotional experiences on feelings at personal level have become equally important as must have factors on a basis for purchase decision making. The human centric way of working was also included in the top leadership messages and in internal employee communication at the case company.

The human centric way of working was visible also in study of the market environment at the case company’s industry. At the case company’s industry, there was visible transformation from the “hard” traditional product centric approach to the “soft” personal level customer centric approach to manage customer relationships. Empirical evidences on the competitors’ Internet pages support the facts that two globally recognized competitors are also alluring customers at personal level. Competitors’ allurement of customers at the personal level was based on a customer’s emotional preference drivers to create trust and commitment in customer relationships.

The same phenomenon of movement from “hard” values to “soft” values has been deducted in the several researches in a B2B industry context. Several researches have
also deducted that over time an operational high performance based on must have factors become as a norm in industries. Companies’ performance management on traditional production and product related key performance indicators have only a minor impact on development of customer relationships. For companies, to create competitive advantage at the market environment customers’ standard expectations on performance must be met and a company needs to exceed customers’ expectations on experiences in interactions. (Johnston & Staughton 2005; Reichheld 2006; Mosley 2007.) It is clear that in the industry where service or products as well as product functionalities are quite similar the management of customer experiences and utilization of valuable customer insight knowledge could assist the company to design differentiators for the company to prosper.

Through the NPS feedback system the company can identify its successes and areas of improvement to develop better and mutually valuable customer relationships than the company’s competitors. NPS is a customer feedback system that provides a channel for customers to voice themselves. In turn, customer feedback system such as NPS in use does not provide any value by itself to the company. The value for the company and its customers takes place through actions that the company and employees take based on the customer feedback. The fundamental value of NPS is on cross organizational closed loop feedback process to circulate the findings and having actionable customer insight. It is proven that in today’s business environment competitive advantages are created through a favorable customer experience with positive emotions such as sense of valued and feel of been appreciated and based on problem solving capabilities of a supplier in interactions with customers.

Moreover, NPS results and feedback enhances cross organizational learning from successes. Learning from successes is as important as learning from challenges to improve quality in customer relationships and deliver excellent customer experiences. Concluded from author’s own experiences, successes are results from cross organizational efforts and require contribution from the front office functions and the back office functions. It is crucial for the case company to recognize “wow” factors in customer experiences and improvements on quality of customer relationships instead of primarily focus on the case company’s internal cost saving programs.
Dibeehi et al. (2010) conducted a research to monitor the trends in customer experience from the organizational and customer aspect. This research concluded that customer express their concern in view of 79 percentage of organizations are focusing on managing company’s internal costs and 99 percentages of organizations admitted that they were ignoring customers’ emotional needs. This research showed clear gap on companies’ capabilities to recognize and utilize customer experience emotional dimensions on companies’ value offering. (Dibeehi et al. 2010, 4-6.)

Based on Dibeehi et al. (2010) research and empirical evidences of the case company strategy roadmap and measurements to assess performance at the case company can be concluded that case company is no exception. In comparison of the case company to other organizations, the case company has also a strong internal organizational and product focus and is ignoring customers’ emotional needs. In a conclusion, the biggest challenge for the case company might be to implement its strategic intent of customer centricity with concrete and measurable actions. As result, to allocate and balance the company’s resources between the internal cost saving and the efficient management of the case company’s customer relationships.

Companies have gap in measuring and monitoring customer relationships in a terms of companies’ ability to create trust, commitment and customer orientation through employees’ way of working. (Johnson & Staughton 2005; Mosley 2007; Hui et al 2013.) Therefore, assessment of employees’ performance and rewarding should be based on a customer orientation and contribution on customer relationships through an excellent customer experiences (Reichheld 2006; Frow & Payne 2007; Hui et al 2013). The case company is not able to successfully drive and implement strategic changes and development activities without employees’ engagement and commitment to deliver an excellent customer experiences. Employees should have ownership of customer relationships regardless of the direct or indirect interactions with customers. Every function and every employee at the case company have its role to play to increase the delivery of excellent customer experiences.

In every interaction with customers, direct or indirect, the case company’s organizational functions are collecting customer data and information. At the case
company, efficient knowledge management of the multi-channel environment requires integrated IT systems and analytical tools. Integrated IT systems and analytical tools enables cross analysis of the customer information from several different perspectives of the business to support the case company’s decision making process and design for competitive advantages. In the era of social networking, the case company should also utilize its exciting technology for global corporate communities to increase the collective intelligence. The utilization of exciting virtual team sites and virtual meeting tools is recommitted for corporate social networking to share knowledge and to ensure that valuable customer insight knowledge is not stored in isolated data repositories.

The current author of this thesis truly believes that the right strategic direction for the case company is to drive transformation of the customer focused company and to promote CRM, CEM and NPS as the means to implement the company’s transformation. The company’s renewed strategy, new structure, new vision and mission and new culture with employee desired behavior models has been in effect such a short period of time that it might be premature to justifiable evaluate the case company’s assertion to have customer driven business.

As a summary of findings, the top leadership of the case company has already acknowledged that “good old ways” are not sufficient enough to deliver growth and profitability at today’s competitive business environment. The leadership focus on development of customer relationships is critical driver for the case company transformation to the customer focused company. At the case company, it is fundamental to acknowledge that business processes are enabling the company to achieve its strategic objectives. The end to end CRM processes are enabling vertical networking as processes cross the functional silos. Integrations of the organizational capabilities such as people, processes and technology ensure consistency to deliver excellent customer experiences. In the multi-channel environment of the case company, the cross organizational utilization of strategic valuable knowledge through NPS feedback system and NPS closed loop process might increase in-depth customer insight at the case company and enhance organizational capabilities to design differentiators for the company to prosper.
8.2 Proposal for Future Research

The current author proposes three areas for future research to ensure the case company’s position to be forerunner in its industry on CEM and to promote lean way of working to understand customer voice. Firstly, development of strategic planning process at the case company is suggested as future research. Strategic planning process ensures that strategic goals of the company, plans of business areas, departments and teams and actions performed by employees are aligned at the case company. Development of strategic planning process at the case company is suggested to study from the aspect that everyone at the company is moving in a same direction at the same time and waste from inconsistent directions and information flow is eliminated.

Secondly, use of quality as a differentiator in customer relationships at the case company is suggested as future research. In a quality management, customer focus is a first management principle and understanding customer value is a first Lean principle. Lean can be defined as a process-focused management system (Jackson & Jones, 1996 cited in Found & Harrison 2012, 252). It is suggested to do conduct study to develop a customer attractive quality. Lean way of working is not only limit to product quality and production processes. Lean way of working also includes quality in customer relationships and customer related processes, especially in value chain. High quality in a company’s customer relationships has been proven to have impact on company’s growth (Frow & Payne 2007).

Thirdly, the author of this thesis suggests development of information technology integrations and business intelligence maturity on customer data and processes at the case company as future research. Integrations of the front office function and back office function applications has proven to enhance cross organizational communication and cooperation on development of customer relationships and design competitive advantages. Researches by Frow and Payne (2007; 2006), have proven that the growth of a company is accumulated from intelligent cross organizational use of in-depth customer insight knowledge for a company’s benefit to create mutually valuable long term customer relationships.
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APPENDICES

APPENDIX 1: DISCUSSION TOPICS FOR INTERVIEWS
APPENDIX 2: (CONFIDENTIAL) RESEARCH METHOD
APPENDIX 3: (CONFIDENTIAL) RESULTS
APPENDIX 4: (CONFIDENTIAL) REFERENCES
APPENDIX 1: DISCUSSION TOPICS FOR INTERVIEWS

Subject: The focus is on CRM processes: multi-channel customer experience, information management and performance assessment processes as well as responsibilities and accountabilities on customer relationships and customer experience. The CRM processes are discussed from NPS results and feedback information cross organizational utilization aspect.

Interviewee:
Interviewer:
Date:
Place:

Responsibility and accountability for customer relationships

1. Who has accountability for customer relationships at manufacturing site?
2. What managing customer relationships means in a context of you and your daily work?
3. Based on your experience, what is the value criterion for customers to select the company as a supplier?
4. Do you feel that renewed strategy of the company and the company Spirit enables you and your team to influence and involve on the quality of customer relationships better than in past? How?

Multi-channel customer experience process

1. How would you define the term Customer Experience?
2. What is the common situation, direct or indirect, for you and your team to be in contact with customer?
3. What are the main channels for you and your team to receive customer feedback and type of customer feedback you receive?
4. Can you describe what Net Promoter Score is and purpose of NPS usage at the company?
Information management process

1. What type of customer data you and your team collect and what are the tools you use for customer data storage?
2. Do you know where NPS results and feedback information can be found and when the information is available?
3. Can you describe the procedure to cross analyze customer information and feedback from other data sources with NPS results?

Performance assessment process

• Performance review and cross organizational co-operation

1. Can you describe how and the frequency NPS results are shared with your team?
2. Can you describe in which purpose you and your team is using NPS results and feedback information?
3. How you and your team co-operate cross organizationally at the manufacturing site on implementation of corrective actions based on NPS results?

• Root cause analysis and closed loop

4. Based on NPS results and feedback do you have internal corrective actions management process for documenting, tracking and monitoring in place? In your opinion are the problems reoccurring? Do you have systematic problem solving in place?

• Operational planning

5. Can you describe type of actions on customer experience and measurements on your team’s operational plan?
• Personal development (Competence and skills)

6. Do you feel that it is beneficial to have the customer experience management and NPS on personal development plans? Why?

• Reward and recognition

7. In your opinion should customer experience metric such as NPS be part of the company’s reward and recognition scheme? Why?

• Current performance assessment

8. In your opinion what are the most important metrics for you and your team to monitor and assess performance and be rewarded on? Why?

Information availability and learning (Learning & Growth)

1. Are you satisfied on the current level of training offered on customer experience management and Net Promoter Score at the company? Why?

2. Are you satisfied on the current level of information availability and information quality on customer experience and NPS on Intranet pages and Customer Voice Community site? Why?

3. Are there any areas of customer experience management and NPS where you would like to have more support for your team from global marketing of the company?

Closure

1. Is there anything you would like to add to what has been discussed before during this interview?

2. May I contact you again if I need you to clarify some discussed issues from this interview?

3. Do you give your permission to refer you by name in thesis work?
4. Would you like to check the parts of thesis work where I might have quoted you by name before the final version of the thesis has been submitted for evaluation?
APPENDIX 2: (CONFIDENTIAL) RESEARCH METHOD

6.1 Data Collection Method
6.2 Data Analysis Method
6.3 Case Company and Market Environment
  6.3.1 Strategy and Strategy Roadmap
  6.3.2 Vision and Mission
  6.3.3 Building Blocks for Success
  6.3.4 Company Culture
  6.3.5 Organizational Structure and Sales by Business Areas
  6.3.6 Customer base
6.4 Customer Data and Information Management at Case Company
6.5 Customer Experience Management at Case Company
6.6 Net Promoter Score Methodology at Case Company
  6.6.1 Verbatim Feedback
  6.6.2 Customer Economic Value
  6.6.3 Closed Loop Customer Feedback Process
  6.6.4 Continuous Improvement
6.7 Case Analysis
  6.7.1 Organizational Capabilities on Customer Relationships at Manufacturing Site
  6.7.2 Multi-Channel Customer Experience Process at Manufacturing Site
  6.7.3 Information Management Process at Manufacturing Site
  6.7.4 Performance Assessment Process at Manufacturing Site
  6.7.5 Customer Insight Knowledge at Manufacturing Site
  6.7.6 Continuous improvement
APPENDIX 3: (CONFIDENTIAL) RESULTS

7.1 Net Promoter Score Data Utilization at Manufacturing Site
   7.1.1 Organizational Capabilities of Customer Relationships
   7.1.2 Multi-Channel Customer Experience Process
   7.1.3 Information Management Process
   7.1.4 Performance Assessment Process
   7.1.5 Customer Insight Knowledge
   7.1.6 Continuous Improvement

7.2 Proposal for Developing CRM Processes
   7.2.1 Financial Perspective
   7.2.2 Customer Perspective
   7.2.3 Process Perspective
   7.2.4 Learning and Growth Perspective
      7.2.4.1 Human Capital
      7.2.4.2 Information Capital
      7.2.4.3 Organizational Capital
APPENDIX 4: (CONFIDENTIAL) REFERENCES