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# CUSTOMER RELATIONSHIP MANAGEMENT AS A STRATEGY TOWARDS CUSTOMER RETENTION

– at DEKRA INDUSTRIAL OY, FINLAND



MASTER'S THESIS | ABSTRACT

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- for DEKRA INDUSTRIAL OY, FINLAND

A key purpose of any business is profitability. Thus an important focus for any organisation is customer retention.

Although widespread academic research has emphasised the value and importance of managing relationships with clients, much less research have explored the management and maintenance of client relationships within the industrial service industry and very little research has been found specific to Finnish clients in this sector, with the emphasis on client retention. DEKRA Industrial Oy' is the commissioner of this study.

This study answers the following research questions:

- 1.) How does Customer Relationship Management influence customer retention?
- 2.) What does the commissioner's current customer retention strategy entail, and is it effective?
- 3.) How can DEKRA's clients be better retained for long-term transactions?

The methods of an in-depth, face to face interview with the Director, Sales & Business Development of DEKRA and an interview schedule with clients of DEKRA was used as the methods in this study.

This study led to the conceptualization of a traditional plan for DEKRA's NDT industry-specific customer retention tactics. The traditional plan for the implementation of client retention strategies is a synthesis of current academic suggestions (from the fields of CRM, public relations, and marketing management) and concepts from the practical side of the NDT industry, thus encompassing all possible approaches to effective client retention.

This method is contemporary, relevant, and is based on research from three sources: literature, customers, and the organization's management. Thus, this traditional plan for implementing client retention strategies should help the organisation implement and maintain successful client retention initiatives, thus increasing organizational profitability.

## KEYWORDS:

Relationship Marketing, Marketing Management, Customer Relationship Management, CRM, Customer Retention, NDT

To Barney

For always seeing the best version of me.

To Bernard

For giving me the drive to do and be better.

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## **LIST OF ABBREVIATIONS (OR) SYMBOLS**

|        |  |
|--------|--|
| B-to-B | Business to Business (Abbreviations.com)             |
| CLV    | Customer Lifetime Value (Abbreviations.com)          |
| CRM    | Customer Relationship Management (Abbreviations.com) |
| DT     | Destructive Testing (DEKRA INDUSTRIAL)               |
| KPI    | Key Performance Indicators (Abbreviations.com)       |
| NDT    | Non-destructive Testing (DEKRA INDUSTRIAL)           |
| PR     | Public Relations (Abbreviations.com)                 |
| ROI    | Return on Investment (Abbreviations.com)             |

# 1 INTRODUCTION

A key purpose of any business is profitability. Clare (2007) supports this argument by stating that the priority of any business is profitability, but more importantly, he further states that the second-most important focus for any organisation is customer acquisition and customer retention.

Attracting the right customers and retaining them is crucial to business success (Knox, Maklan, Payne, Peppard & Ryals, 2003). Client retention is even more critical during increased competition, recession, globalisation and stronger regulations (Moodley, 2007). Organisations striving toward more effective client retention practices and, ultimately, profitability should establish how quality relationships are developed and how they should be handled. The success and profitability of most businesses depend on the ability of the organisation to retain clients. It seems reasonable to deduce that for an organisation to be profitable (i.e. successful), attention should be given to client retention strategies.

Customers have numerous choices regarding service providers and products; thus, organisations often struggle to retain customers for known and often unknown reasons. Losing customers threaten the existence of companies, including those in the industrial service sector. The subject of marketing management evolved and a field view on customer retention (Loots, 2012). In the mid-nineties, the focus shifted from transactional to relational, where relationships became essential for developing and maintaining the marketing sector. (Strydom, 1999). Efforts needed to be adapted to support this new perspective and innovative ways of working with customers.

As Bigelow (2018) stated, this paradigm shift resulted in the birth of the concept of Customer Relationship Management (CRM), which is consistent with Gonroos (1994) that companies establish, preserve, and enhance relationships with customers to ensure continuous, profitable exchanges over time that fulfil promises.

As pointed out earlier, the priority of any business is profitability (Clare, 2007). Organisations in the industrial service industry are no different, and profitability is the ultimate objective. By retaining clients for longer, companies increase their profitability (Reichheld et al., 2000). The ability to establish long-term client relationships in the industrial service industry will remain one of the essential success indicators in this very



competitive industry (Joseph, Stone & Anderson, 2003). Ndubisi et al. (2007) agree and state that to achieve success in such a technology-driven, complex and competitive market of today, client relationships need to be established to gain privileged information about clients and better understand their needs to serve them satisfactorily.

Although widespread academic research has emphasised the value and importance of managing relationships with clients (Salunke, Weerawardena and McColl-Kennedy, 2019), much less research have explored the management and maintenance of client relationships within the industrial service industry, and very little research has been found specific to Finnish clients in this sector, with the emphasis on client retention. This study is an ideal opportunity to understand better this market, its clients, and how to ensure DEKRA Industrial Oy's continued growth.

### 1.1 The Case Organization Background: DEKRA Industrial Oy

DEKRA Industrial Oy performs inspections and assessments of pressure equipment, electrical equipment, fire detection equipment and extinguishing equipment, non-destructive testing (NDT) and destructive testing of materials (DT) in Finland. Performance assessments of load-bearing steel structures required for the C.E. marking of steel structures and product and management systems certifications. The case organisation works intently with its customers to ensure quality and safety. Their operations and services focus on technical inspections, testing, assessments and certifications in various industry areas. The organisation has a workforce of over 200 in Finland and builds a foundation for Finnish success, and helps its customers achieve their goals.

DEKRA Industrial Oy started operations in 1974 under Polartest Oy's name. DEKRA Industrial Oy is owned by the international inspection and testing organisation DEKRA SE. It is headquartered in Stuttgart, Germany. It started as an association in 1925 in Berlin and is now the world's largest unlisted audit organisation. It has a turnover of EUR 3.3 billion and more than 45,000 employees. The organisation has operations in 29 European countries and North America, Brazil, Morocco, South Africa, New Zealand, and China. With its international network, the organisation can offer global contacts and facilitate international activities.

DEKRA is an independent entity with official authorisation. (DEKRA Industrial Oy, 2020) It is a non-affiliated inspection organisation with regulatory approval. It acts as an expert in conformity assessment. DEKRA has three business areas: vehicle testing, industrial equipment inspection and testing, and personnel-related services (e.g. training). It is the fifth-largest inspection and testing organisation in the world.

## 1.2 Research objectives/questions

A close seller-buyer relationship creates a higher level of loyalty, which also applies to the B-to-B market. For this reason, building long-term customer relationships is very important to companies. Retaining profitable customers and adding value is often cheaper than acquiring new customer relationships (Fill C. & Fill K. 2005). Therefore, it is beneficial in the long run for companies to focus on building long-term customer relationships. Another positive result of long-term customer relationships is customer satisfaction.

The purpose of this study is to answer the following research questions:

- 1.) How does Customer Relationship Management influence customer retention?
- 2.) What does the commissioner's current customer retention strategy entail, and is it effective?
- 3.) How can Dekra's clients be better retained for long-term transactions?

## 1.3 Assumptions

Throughout this study, the following assumptions are made:

- Qualitative research is the most appropriate method for assessing the influence of quality relationships on clients.
- The data gathered from respondents via interviews is a realistic and reliable representation of the 'real world.'
- The qualitative research yielded a sample that adequately represents the entire target population.

A delimitation of this study is that clients may not always base their purchasing decision solely on their relationship with the organisation. Other factors such as cost, comfort, and transaction speed may also impact a person's intention to enter a relationship. According to marketing and communication management literature, to retain clients, relationships must be created, but cost considerations may cause a client to be less loyal, regardless of the significance of the relationship. (Loots, 2012)

#### 1.4 Structure of the thesis

In Chapter 2, this study investigates the development of Customer Relationship Marketing (CRM) as an approach to marketing management through researching relevant literature and a strategy towards customer retention. Chapter 2 concludes with a breakdown of the theoretical framework of this study.

Chapter 3 discusses the data collection and analysis methods. The chosen method of data sampling for this study is explained in greater detail. The methods of an in-depth, face to face interview and interview schedule are discussed, as is their relevance to this study. The trustworthiness of this study is also discussed in Chapter 3.

In Chapter 4, data collected during the in-depth interview and questionnaire are analysed to determine the research results and conclude the findings. This chapter aims to provide the study findings and interpret them using a chosen data analysis technique. Qualitative content analysis was primarily utilized to analyze data gathered from respondents, with inter-coder reliability testing performed to validate the data's reliability. Following data processing, the study's results were discussed and evaluated. The results' relationship to the literature review was also examined, as did their interpretation.

Chapter 5 reviews the key concepts found during the research phase. Chapter 5 also provides a traditional plan for implementing customer retention tactics towards DEKRA as recommended by CRM literature and ideas (as discovered via data from clients and organization management). This traditional plan is expected to bring value to the organization and theoretical bodies of knowledge in terms of successful customer retention.

Chapter 6 summarizes the study's results and provide suggestions based on them. To complete the cycle, the research results link back to the study's research questions.

Chapter 6 also discusses the study's shortcomings and provide suggestions for further research.

## 2 LITERATURE REVIEW

### 2.1 State of the art – The development of Customer Relationship Management

Although there are no specific dates for Customer Relationship Management (CRM) entry, the concept of customer relationship management was an important factor in customer service as early as the mid-1980s (Crosby, 2002). The overarching goal of any CRM strategy is to build, develop, and maintain profitable customer relationships (Buttle, 2006). According to Ryals (2005), research has shown that CRM provides better business performance through effective customer relationship management. CRM is a bespoke loyalty solution and comes from relationship marketing based on the discipline of marketing management.

CRM is critical to an organisation's success, especially in any competitive environment (Chen and Popovich, 2003). At the centre of this customer-oriented strategy is the absolute necessity of building and maintaining long-term customer relationships to improve customer service and increase satisfaction (Stefanou, Sarmaniotis & Stafyla, 2003). Fernekees (2006) adds that the purpose of CRM is to find, attract and retain customers, and this purpose confirms that CRM is essentially the approach offered in marketing management for successful customer loyalty and customer retention.

In its most basic form, marketing began as a business transaction between two parties, in which both parties must agree on their needs and determine whether the value offered was fair compared to what they were offering (Van der Walt et al., 1997). Over the years, marketing has evolved from a sales process to a holistic, specialised function that should be present in any profit-seeking business (Van der Walt et al., 1997).

Strydom (1999) confirms that the purpose and outcome of the marketing process were sales. There was a tendency to market a transaction until there was a strong interest in customer behaviour in the 1960s. Since the 1970s, a new marketing approach has emerged based on interactions between its stakeholders (Lemmens, 2016). This new interest led to directional changes in marketing theory and practice, and many saw it as a substantial change. Over the years in marketing management, customer value has become vital to business success and profitability. Business success relied on customer value, so marketing had to adapt to this new element and new ways to deal with customers. (Loots, 2012)

According to Strydom (1999), marketing as mere advertising and sales would be wrong. Marketing is generally seen as a function that defines the customers' needs and directs the business resources to meet those needs. Satisfaction is the main focus of marketing. Marketing management had, in the past, been based on transactions and only been involved in the work required to perform sales (i.e. transactions) (Gronroos, 2000).

According to Stokes (2002), marketing, in essence, is both a management philosophy and a function. Marketing is seen as advertising, product development, sales, and market research as an organisation's function. Marketing is viewed as a philosophy in which an organisation focuses on its customers' needs and satisfaction.

To retain customers, organisations need to understand better customers' needs, especially their relationship needs, than their competitors (Zineldin, 2006). According to Buttle (2006), a 'need' implies an insufficiency of something, and by understanding the needs of customers, an organisation is in a better position to serve these customers and keep them as customers for the long haul.

The concept of relationship marketing introduced the importance of customer relationships. Relationship marketing arises as a marketing approach (Gummesson, 2000) and business process (Gummesson, 2004) and focuses on all stakeholders involved in an organisation. Bull (2003) refers to relationship marketing as a business process and includes all marketing activities focused on establishing, developing and maintaining relationships. It can be assumed that relationship marketing flows from a change of marketing patterns used by organisations as a business process to manage relationships with stakeholders.

Many researchers have confirmed the above statement that relationship marketing is not intended to secure sales but maintain long term relationships among all stakeholders involved (Gronroos, 2000, Strydom 1999; Van der Walt et al., 1997). Gummesson (2000) endorses this view, stating that relationship marketing emphasises loyalty, especially customer loyalty, and the goal is contact with the prospect to shop repeatedly and develop a long-term relationship. According to Ward and Dagger (2007), the development and maintenance of long-term relationships are critical to business operations because an organisation's success is often determined by its ability to maintain and grow a loyal customer base. Dyche et al. (2002) argue that customer retention is one of relationship marketing's main objectives. Thus, relationship marketing is one of the approaches suggested by marketing management to retain customers.

Corner and Hinton (2002) argue that the growing concern of companies regarding customer management, in particular, led to the birth of the concept of Customer Relationship Management (CRM). Gronroos (2000) agrees and argues that CRM was born out of relationship marketing, but instead of focusing on all stakeholders, CRM only focuses on customers. Strydom (1999) defines CRM as establishing, maintaining, expanding, and commercialising customer relationships. This will achieve the goals of the interested parties through mutual exchange and fulfilment of promises.

Researchers (Bull, 2003; Gummesson, 2004) agree that CRM emerged from relationship marketing, emphasising that effective customer relationship management leads to customer loyalty, which affects an organisation's profitability.

It is no longer enough for an organisation to focus on the sale of an item (transactional) to remain profitable; for customer relationships to develop, organisations must focus on what factors promote a mutually beneficial relationship (relational approach).

According to Njenga (2010), there is an increasing focus on a relational approach rather than a transactional focus on customers when creating long-term commitment to the business. Businesses have recently seen Return on Investment (ROI) regarding CRM and invest in specialised, trained personnel in this field. Table 1 shows the distinct differences between a transactional and a relational focus.

Table 1: Differences between a transactional and a relational focus (Source: Strydom 1999)

| Transactional marketing  | Relationship marketing   |
|--|--|
| <ul style="list-style-type: none"> <li>• Orientation to single sale</li> <li>• Emphasis on single transactions</li> <li>• Discontinuous customer contact</li> <li>• Focus on product features</li> <li>• Short time scale</li> <li>• Little emphasis on customer service</li> <li>• Limited commitment to meeting customer expectations</li> <li>• Quality perceived as a concern of production staff</li> </ul> | <ul style="list-style-type: none"> <li>• Orientation to customer retention</li> <li>• Emphasis on lifetime value</li> <li>• Continuous customer contact</li> <li>• Focus on customer value</li> <li>• Long time scale</li> <li>• High emphasis on customer service</li> <li>• High commitment to meeting customer expectations</li> <li>• Quality as the concern of all staff</li> </ul> |

Transactional marketing considers a customer's purchase as an individual transaction or exchange rather than predicting the likelihood of repeated purchases (Grönroos, 2000). Zineldin (2006) states that in contrast to transactional marketing, relationship

marketing and relationships' development provides value to the organisation beyond the original product or service's value. With this in mind, the focus has shifted from the emphasis on transactions (i.e., sales) to the principle of relations, where the development and maintenance of relationships are essential (Strydom, 1999).

## 2.2 CRM as a Customer Retention Strategy

CRM's main idea is to develop strategies to attract the right customers and maximise their value in life by increasing their loyalty. CRM is the process of attracting, growing, maintaining, and retaining customers. It emphasises the relationship strategy and approach used to identify customers, create customer knowledge, build customer relationships, and shape customer perceptions of the organisation and its products. (Saarijärvi, Karjaluoto and Kuusela, 2013) Additionally, strategic CRM defines how the organisation relates to its customers through channels, messages, products and services. CRM's operational vision is to automate customer communication processes, such as general front office processes including communication and sales, marketing and customer service. According to Peppers and Rogers (2011), operational CRM "focuses on software installation and process changes that affect the organisation's day-to-day operations - it produces and delivers different processes to different customers." This definition also reveals the essence of doing a customer-centric business: treat different customers differently.

The conceptual complexity of CRM is further compounded by, for example, Parvatiyar and Sheth (2001), who emphasises the importance of CRM to integrate various organisation functions such as marketing, sales, customer service and supply chain functions to improve value delivery efficiency. Process-based definitions encourage companies to collect customer data, distinguish the most valuable customers over time, and strengthen customer loyalty by customising products and services. Companies increasingly focus on selling goods to support the customer evaluation process, emphasising the essentials, exchanges and relationships (Mobtaker, 2021) associated with current marketing thinking. As part of their efforts to provide more effective services, companies are designing a service application where customer data is used for the user's benefit rather than creating firm value. Besides the traditional roles of users, users profiles are constantly adjusted and restructured. Both consumers and companies use new methods to engage in each other's value creation, often called value creation.



Consumers range from passive recipients of marketing communications to active partners and negotiators. (Eggart, Ulaga, Frow and Payne, 2018)

Relationships are increasingly seen as an asset to an organisation, and the value of relationships can be increased through effective relationship management (Phillips, 2006). Grunig, Grunig and Dozier (2006) suggest that an organisation invest in good relationships (through effective CRM) because good relationships mean more opportunities for the organisation to achieve its goals and profitability, and bad relationships will not allow for continued growth. (Bernazzani, 2020).

Loots (2012) found that customers are more likely to terminate a contract if no relationship with the organisation exists and negative circumstance changes occur. Most of Loots' (2012) case respondents indicated that they want a relationship and that having a good relationship with their service provider will influence their decisions to stay with that organisation, even if something unfavourable happens. The relationship gives the client confidence that the storm will be weathered together because they feel essential and valued to the service provider. Providing honest advice and explaining the finer details of the contract are likely to influence a client to stay with the organisation, thus building a solid foundation for a long-lasting relationship and customer loyalty (Loots, 2012).

*Customer loyalty* is defined as a deep-rooted commitment to repurchase or patronise a preferred product/service in the future, which leads to repeat purchases of the same brand or the same brand, despite behaviorally changing influencers and marketing efforts. (Oliver, 1999) However, not all loyal customers are profitable. According to Reinartz and Kumar (2002), the overall relationship between loyalty and profitability is doubtful for two reasons: 1) A relatively high percentage of long-term customers make little profits, and 2) a relatively large portion of short-term customers make high profits. CRM can be directed to all customers, but it is unnecessary (Balamurugan et al., 2012). CRM will not automatically lead to strong customer relationships; Instead, customers will demonstrate the different proximity and strength of the relationship (Akroun and Nagy, 2018)

CRM is considered to perform most effectively when customers are actively involved in producing a product or service, there is an element of personal interaction, and customers are willing to participate in relationship-building activities (Mary, 2020). CRM strategies must reinforce relationship benefits for customers to be viewed as attractive.

Relationship quality is the most frequently used measure concerning relationships (Yoon et al. 2017) and relationship satisfaction (Abdul-Muhmin, 2002)

The oriented strategy is that companies are responsible for establishing and maintaining contact with their customers, whereas they used to be customer-dependent. (Leverin and Liljander, 2006) Also, while the goal is to build relationships and relationship satisfaction with selected customers and retain them, its systems and structures can be configured to support transactional exchanges (Brent et al. 2018). Payne and Frow (2005) point out that customer relationship management involves a set of processes that need to be integrated internally to be successful.

Strategic CRM is about treating each customer differently, and as a result, increasing the lifetime value of each customer in the organisation (Sin et al. 2005). This basic idea of strategic CRM is called the IDIC-model (identification, differentiation, communication and customisation (Di Fabio, 2014), which enabled CRM to choose the right customers. Reinartz et al. (2004) show that implementing CRM procedures has the most significant impact on post-relationship care. Customer data is used as a fixed resource and a resource to add value to consumers. Customer data opens up a large number of business opportunities that go beyond traditional exchanges. In addition to goods, companies can provide customers with information that supports customer value creation. This shift in focus also has a significant impact on the further development of the CRM framework. (Saarijärvi, Karjaluoto and Kuusela, 2013)

Interaction with clients forms the basis of the CRM framework. Personal interaction with customers through two specific functions: presence and expertise. The presence function originates from the need of the organisation to be close to the customer and is actualised in either constant, systematic or occasional interaction. (Mainela and Ulkuniemi, 2013) The expertise function derives from the specific capabilities and knowledge deployed to solve problems on behalf of the customer, and it manifests itself as an industry, customer and product-specific expertise. The two functions of personal interaction are influenced by two situational factors: the consistency of the participants and troubleshooting events. These factors create specific contexts for personal interaction. Within these contexts, personal interaction can either facilitate or hinder customer relationship management. The functions also influence the situational factors making the effect on the constructs a two-way one. (Mainela and Ulkuniemi, 2013)

According to Mainela and Ulkuniemi (2013), presence is created through three types of personal interaction; constant, systematic and occasional. From a CRM perspective, it is essential to acknowledge these different influences on the customer interface. While constant interaction is primarily focused on the product level, systematic interaction is more related to the relationship level, and the occasional interaction is activated when needed on either level. Different types of personal interaction in creating presence are also relevant, considering the customer's consistency. Constant and systematic interaction tends to lend consistency to the exchange. The occasional interaction is highly person-related, and its role is emphasised in troubleshooting events; therefore, its influence on the relationship and the organisation's success can be critical. (Mainela and Ulkuniemi, 2013)

Personal interactions also have potential negative aspects related to self and collective interest (Munksgaard and Medlin, 2014). Collective interests can be built through strategic planning, but individual interests management is much more complex. Conflicts of interest may arise between an organisation and the person representing it or between two people representing internal or inter-organisational parties with two business relationships. (Plank and Newell, 2007). Plank and Newell (2007) emphasise that a supplier's sales and support staff relate personally with the buyer, creating conflicts of interest. It is typical of the commissioner's industry that the circle of contacts is pretty tiny; not so many organisations and people operate in their specific industry. Within these small circles, those individuals changing jobs can have an important role. Those who have experience working in several organisations in the industry value chain and various positions in the product's develop a broad industry experience that is highly influential and valuable to managing customer relationships. (Mainela and Ulkuniemi, 2013)

Expertise as a function of personal interaction relates to three areas of expertise. Industry and customer expertise might be the most influential at the relationship level. Product expertise is more focused on single products, although those may be repetitive. (Mainela and Ulkuniemi, 2013) The relationship's full potential may not be exploited if the personal interaction relies solely on product expertise. If the exchange had included more industry and customer expertise, the relationship could have involved a broader set of services in other areas. (Mainela and Ulkuniemi, 2013)

### 2.3 Theoretical framework

When it comes to the relationship marketing strategy, CRM is used as a concept within the academic discipline of marketing management. Relationship marketing was considered the most suitable approach in marketing management, while in communication management, relationship management was deemed the most appropriate approach based on the stakeholder theory (Loots, 2012).

The management of relationships determines customer retention, and it is from this point of view, the emphasis should be on relationship management with units or systems inside an organization.

To complete the circle, both relationship marketing and relationship management, as components of marketing management, refer directly to the world view of this study, which is that relationship management determines client retention and that relationships between organisations and clients are defined and shaped by communication between the parties involved. (Loots, 2012) Table 2 shows a breakdown of the relevant theoretical concepts to this study.

Table 2: Breakdown of the theoretical framework (Adapted from Loots, 2012)

|                           |  |
|---------------------------|--|
| <b>Academic field</b>     | Marketing Management, Communication Management |
| <b>Approach or Theory</b> | Relationship Marketing                         |
| <b>Concept</b>            | Customer Relationship Management (CRM)         |
| <b>Constructs</b>         | Relationship building                          |
|                           | Customer Retention                             |
|                           | Customer Loyalty                               |
|                           | Customer Satisfaction                          |
|                           | Strategy                                       |
|                           | Customer Trust                                 |
|                           | Commitment                                     |
|                           | Profits  |
|                           | Knowledge Management                           |

## 3 DATA & METHODS

This study focuses on the contribution of Customer Relationship Management towards customer retention:

- To determine the literary perspectives of Customer Relationship Management as a customer retention strategy.
- To determine the current approach towards customer retention by the commissioner.
- To test the current approach towards client retention to determine the effectiveness thereof.
- To present a traditional customer relationship management plan towards client retention specific to Dekra Industrial OY, Finland.

The research methodology is based on a qualitative research paradigm consisting of three phases. Phase I is a literature review on relationship marketing and customer relationship management's academic field to retain clients.

Based on the literature review in Phase I, and particularly the approach towards client retention, in Phase II-A, the current retention practices of DEKRA was tested utilising an in-depth interview with their Director, Sales & Business Development. In Phase II-B, an interview schedule was developed, and answers were collected amongst clients of the commissioner.

Phase III-Attempts to present a relationship marketing plan of client retention strategies specific to the industry, based on Phases I and II results

### 3.1 Data

#### 3.1.1 Data collection

The information obtained during data collection must be recorded to allow the researcher to effectively analyse the data (Matthews & Ross, 2010). This study's data collection methods include a semi-structured, in-depth interview conducted via the digital platform TEAMS (Phase II-A) and data gathered from an interview scheduled questionnaire via

Google Forms (Phase II-B) with the various participants. In Phase II-B, participants completed an online questionnaire of various open-ended rating and ranking questions. The questionnaire was designed to take no more than 20 minutes to complete.

### 3.1.2 Sampling method

Qualitative sampling is involved with information richness, which two critical criteria should guide: relevancy and adequacy (Matthews & Ross, 2010). To put it another way, qualitative sampling necessitates the selection of appropriate participants (those that can best inform the study) and adequate sampling of sources of information (i.e. people, places, events).

Relevance and suitable sampling are essential when addressing research questions and developing a comprehensive description of the phenomena under investigation. Purposive (judgmental) sampling was used to identify the 20 contacted clients from the sample population of DEKRA clients for Phase II-B. Purposive sampling adheres to specific criteria and is a type of non-probability sampling non-random and subjective. Non-probability sampling allows researchers to identify sample elements as they see fit or wherever they come across them (Khan, 2020). Judgement sampling is a type of purposive sampling in which the researcher selects study participants based on specific criteria. (Loots, 2012)

In the case of this study, participants were chosen based on prior experiences with the organisation. The most appropriate sampling method for this study is judgment sampling, which allows for selecting and interviewing specific individuals with strong opinions and previous experience with DEKRA organisation interactions.

In qualitative research, sampling proceeds until the research themes are sufficiently developed and examined, at which point additional sampling becomes unnecessary (Saunders et al., 2018). The section that follows discusses the recommended number of interviewees.

### 3.1.3 Sampling size

According to Saunders (2018), qualitative sampling can constitute a limited number of participants while collecting a large amount of data through many hours of participant interviews. No predetermined minimum number of participants is required; however, adequate depth of information must be gathered to explain the studied phenomena (Saunders et al., 2018).

Pratt (2009) concurs, arguing that no "magic number" of interviews should be undertaken in a qualitative research project. According to this author, the appropriate number of interviews is determined by the questions a researcher aims to answer.

### 3.1.4 Data analysis

Researchers need knowledge, not raw data, to accomplish particular study goals. The term "data analysis" refers to the process of analysing gathered data to produce usable information. The data analysis process entails condensing large amounts of data into digestible chunks, creating summaries, identifying trends, and using statistical methods (Cooper & Schindler, 2003).

Qualitative data analysis is the act of analysing, synthesising and interpreting data to describe and explain the phenomena under investigation accurately. (Cypress 2018).

Phase II-A consisted of an in-depth interview with the Director, Sales & Business Development of Dekra. This interview was done using TEAMS, as movement was restricted due to safety concerns during COVID19. The interview was guided through eight open-ended questions from three categories: customer retention, customer acquisition, and relationship management. Appendix 2 contains a transcript of the interview with DEKRA's Director, Sales & Business Development.

By limiting Phase II-B to a sample size of five customers, sufficient evidence was gathered to develop a precise viewpoint and knowledge of the subject. Thirty-seven open-ended questions and three ranking questions comprise the interview program. Although the ranking questions are quantitative, they are addressed throughout the

interview with the respondent. The Likert scale is employed as the rating measurement scale (i.e. summative rating scale), which comprises statements expressing either a favourable or unfavourable opinion toward the item of interest (Cooper & Schindler, 2003).

The respondents were asked to indicate if a particular idea would encourage them to continue their relationship with DEKRA by stating whether the concept would strongly (1) influence them to stay, slightly (2), or not at all (3). A forced ranking scale was utilised for the rating questions. The forced ranking scale denotes a collection of things that must be rated in order of importance. Typically, ranking begins with the most desired, followed by the second most preferred, and so on (Cooper & Schindler, 2003). In this research, ranking began with the most desired option (1), followed by the second most liked option (2), and so on.

According to Lombard, Snyder-Duch, and Bracken (2002), content analysis is critical for communication research, and therefore data were analysed qualitatively using content analysis. Researchers do content analysis by establishing a set of categories and quantifying the number of occurrences that fit into each category. The researcher begins with the data (recorded interview), then proceeds to parse the whole interview for units of meaning (Henning, 2004). The researcher goes through the data using these units of significance. Once codes, segments, or units of meaning have been identified, they are grouped or classified (Henning, 2004). The categories are based on specific topics.

Once all data sets have been coded and classified, the researcher is charged with viewing the big picture. Once the researcher is convinced that the topic accurately reflects reality, the researcher constructs the foundation for an argument in a debate centred on the subject.

### 3.2 Methods

Qualitative research employs a variety of strategies for addressing research issues. During Phase II-A of this research, an in-depth interview was conducted with the Director, Sales & Business Development of DEKRA, and in Phase II-B, answers from an in-depth digital questionnaire were collected from the clients of DEKRA.



### 3.2.1 1 In-depth face-to-face Interview

As per Phase II-A, in-depth and semi-structured interviews probe participants' experiences and the interpretations they ascribe to them. A semi-structured interview is utilised particularly because they enable a more in-depth examination of certain subjects (Fossey et al., 2002). Using interviews as a data collecting tool, researchers must encourage participants to discuss topics relevant to the study question via open-ended questions. (Tong et al., 2007).

Cooper and Schindler (2003) concur, stating that in-depth interviews encourage participants to disclose as much information as feasible in an open setting. The researcher provides direction via an interview schedule, consisting of a series of questions designed to encourage participants' conversation and elaboration on particular themes (Cooper & Schindler, 2003). Additionally, these writers say that the atmosphere in which the interviews occur must be comfortable enough for the participant to speak wholly and freely about a subject. Open-ended questions were posed, and the respondent was given sufficient opportunity to expand on their experience and views.

### 3.2.2 Interview schedule

A researcher is guided throughout an interview by a schedule of predetermined strategic questions. Questions must be phrased in such a manner that they describe, verify, or make sense (Crescentini & Mainardi, 2009).

In the context of this research, more information and an understanding of why customers might terminate their contract with DEKRA and switch to another business are required. This is a qualitative argument, as Crescentini and Mainardi describe (2009). In this situation, the questions must be stated appropriately, which means that each question component must be as specific as possible, according to Crescentinin and Mairnardi (2009).

The purpose of the interview schedule is to use open-ended, semi-structured questions to elicit more information from the responder by encouraging conversation. This enables descriptive explanations that aid in better understanding the customers' viewpoints. Additionally, the purpose of this research was to solicit new and innovative ideas and

methods to client retention from the clients themselves, as they would be the most outstanding judge of their requirements in terms of staying a customer of a particular organisation. Appendix 5 contains the interview schedule used to interview customers.

### 3.3 Trustworthiness of the study

Numerous variables may affect the reliability and validity of findings, and it is essential to be aware of these influences. It is critical to keep in mind that the dependability of findings may be affected throughout the content analysis coding and categorising phases. A researcher's potential lack of consistency may result in incorrect segmentation and categorisation of qualitative data. This may affect the reliability and validity of the findings and, therefore, the research as a whole. Additionally, Henning (2004) notes that content analysis may provide superficial results since it captures what is assumed to be the 'real world' (through the respondents' eyes). This is not always the case, but the presumption is that the data gathered from respondents is trustworthy and represents reality and the 'real world' accurately. This study is completed in English, and it has proven to be an obstacle to businesses that communicate primarily in Finnish. The meaning of specific answers may be lost in the language barrier or even have prevented companies from participating in the study altogether.

### 3.4 Conclusion

Qualitative data sampling is used in this research to create comparisons and uncover themes gleaned from the various participants. In Phase II-A of this study, an in-depth interview with the DEKRA Director, Sales & Business Development was performed, and in Phase II-B, responses to five in-depth digital questionnaires were gathered from DEKRA customers. 5 DEKRA clients were judged sufficient to continue to the study's next step, namely the analysis of the research findings.

In Chapter 4, data collected during the in-depth interview and questionnaires will be analysed to determine the research results and conclude the findings.

## 4 FINDINGS

This chapter aims to explain and justify the analyses performed on data gathered during the interview with the Director, Sales & Business Development of DEKRA and interviews with clients OF DEKRA (Phase II). Additionally, this chapter analyzes the research findings, examines their ramifications and significance, and connects the findings to academic areas and ideas discovered during Phase I of this study's literature evaluation (Chapter 2).

### 4.1 The respondents' descriptions

The Director, Sales & Business Development of DEKRA Finland participated in a 1-hour in-depth interview (Phase II-A), recorded using the TEAMS application and field notes.

Five customers were questioned during Phase II-B of this research. The customers' companies have been doing business and had contracts with DEKRA between 5 and 18 years. Participants were located across different regions across Finland. Participants carry titles such as Technical Manager, Department Manager, Welding Engineer and Managing Director.

### 4.2 Questions for the interview

In Phase II-A, a set of predetermined questions were presented to the Director, Sales & Business Development of DEKRA. These questions were designed to be open-ended, as to invite new ideas and concepts, as well as to test specific theories that were discovered in the literature study.

The interview schedule in Phase II-B comprised three kinds of interview questions: open-ended, rating and ranking.

The ideas to be tested in Phase II-B are included in Table 3, along with the questions used to assess those concepts. The themes were identified from the literature study (Phase I) and data from the interview (Phase II-A)

Table 3:: Interview Questions, Phase II-A

| Phase I and Phase II-A               | Phase II-B   |
|--------------------------------------|--|
| THEMES                               | QUESTIONS TO TEST  |
| Relationship building and management | 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8 and 1.9,                        |
| Customer Retention                   | 1.6, 1.9, 2.3, 4.2, 4.4, 6.2, 8.3, 9.1, 9.2, 10.1, 10.2, 11, 12 and 13 |
| Loyalty                              | 2.1, 2.2 and 2.3   |
| Satisfaction                         | 3.1, 3.2, 3.3 and 3.4  |
| Trust                                | 4.1, 4.2, and 4.3  |
| Commitment                           | 5.1, 5.2, 5.3, 5.4 and 5.5   |
| Client Focus                         | 6.1 and 6.2  |
| Communication                        | 7.1, 7.2, 7.3, 7.4, 7.5 and 14   |
| Knowledge Management                 | 8.1 and 8.2  |

#### 4.3 Data analysis method: Content analysis

All data gathered had to be analyzed and evaluated to arrive at conclusions that addressed the study questions outlined in Chapter 1. Data analysis is the process of transforming unstructured data into meaningful patterns (Henning, 2004). According to Williams (2019), analysis entails segmentation into understandable themes, patterns, trends, and relationships. Additionally, he argues that the purpose of the analysis is to understand the data by examining the relationships between ideas, structures, and variables to see if any patterns or trends exist that may result in data themes. Additionally, data must be appropriately evaluated, which entails connecting outcomes and discoveries to established theoretical frameworks and demonstrating whether the new interpretations support or refute them (Mouton, 2001).

Qualitative content analysis will conduct this research and analyze open-ended research questions in Phase II-B. The average ranking technique will analyze data about Phase

II-B ranking questions and the rating questions. However, the outcomes of the data will be discussed separately in distinct parts of this chapter.

#### 4.4 Distribution of results: Phase II-A

Open-ended questions were utilized in Phase II-A's interview with DEKRA's Director, Sales & Business Development and are discussed individually in the following section. The interview questions are available in Appendix 1, and a transcript of the interview can be found in Appendix 2

Qualitative content analysis was utilized as the data analysis technique for this research to analyze the open-ended questions precisely. (Loots, 2012) Units of meaning were discovered and categorized from the raw data. After grouping and categorizing coded portions, themes were discovered. Following that, these topics were explored and utilized as the foundation for arguments addressing the study goals stated in Chapter 1.

##### 4.4.1 Results of Interview Questions

#### **Categories based on interview transcript**

The data from the transcript were classified into 29 categories. Appendix 3 contains the categories identified. The next stage in the content analysis process is to organize the 29 categories into themes that will serve as the foundation for debate and argumentation about the study results.

#### **Themes based on categories**

The preceding part identified 29 categories, which were then divided into six themes. Table 4 summarizes these topics.

Table 4: Themes, Phase II-A

| THEME NUMBER | THEME   |
|--------------|---|
| 1            | <b>Retaining clients for the long term is a priority.</b>     |
| 2            | <b>All DEKRA employees help retain and grow market share.</b> |
| 3            | <b>Relationship Management is common practice</b>             |
| 4            | <b>Good service is a key component.</b>                       |

Table 5: Themes, Phase II-A (continued)

| THEME NUMBER | THEME   |
|--------------|---|
| 5            | <b>Trust is the most important component of customer retention.</b> |
| 6            | <b>Reputation is a key element.</b>                                 |

These topics must first be addressed and aligned with the research goals and relevant literature to get the study's results. These themes are explored in more detail in the next section and are also included in Appendix 4.

Because none of these topics is considered more essential than the others, they are addressed in no particular sequence. However, it is vital to notice that the themes' substance is addressed in a specific sequence. First, the categories that comprise the topic will be presented, followed by the data gathered on the subject. The topic and findings will then be explored and contextualized via the literature review (Phase I). Finally, a summary will end the examination of the subject.

### Theme 1

#### **Retaining clients for the long term is a priority.**

This topic is divided into four subcategories. These are the categories:

- Category a: Always prefer customers who are prepared to sign a long-term contract.
- Category b: The focus is to keep customers for the long term.
- Category c: It is much cheaper to sell services to an existing customer than a new customer.
- Category d: Long term agreements means that you can estimate your business much easier.

DEKRA understands that retaining existing clients is both more straightforward and less expensive than acquiring new ones, and this corresponds to the literature discussed in Chapter 2. As a result, DEKRA focuses on acquiring clients with long-term (5+ year) potential. Examples of such customers include Neste Oil Refinery, a DEKRA client since the 1970s and continue to be so up to this point.

It is easier to project annual income when the organisation has a steady supply of customers and budgets accordingly. Long-term contracts and customers provide the opportunity for a business to invest in new projects, methods, or equipment, secure in the knowledge that their bottom line will not be negatively affected. Maintaining long-term client relationships will continue to be one of the most significant success indicators in the industrial service sector, a highly competitive industry (Ndubisi, 2007)

In short, DEKRA can ensure that it will continue to be successful for the foreseeable future by keeping customers for the long term. DEKRA can ensure that it will remain profitable for the foreseeable future.

## Theme 2

### **All DEKRA employees help retain and grow market share.**

This topic is divided into six subcategories. These are the categories:

- Category e: DEKRA's market share in Finland is 60%., this means that any new customer comes from a competitor.
- Category f: NDT is a mature market; opportunities are pretty rare.
- Category g: The managing director directed that everybody sells.
- Category h: The managing director has been in the company for 35 years. Thus DEKRA has long working relationships in the company.
- Category i: DEKRA has *ABCD* and other client's kinds of classifications,
- Category j: This same customer retention strategy has been around for a long time,

DEKRA already has a significant market share in Finland but is actively maintaining or growing that share. DEKRA follows up on every possible opportunity through all staff members. Management, Supervisors, and technicians are all responsible for selling products and services. Leads are then redirected to the correct department to be followed upon.

By all staff actively selling and maintaining, it is easy to pick up a problem early—this help to avoid a relationship deteriorating due to lack of service or communication.

Organizations should establish how quality relationships are developed and how they should be handled. Using a classification system, DEKRA can ensure that their time and resources are spent cultivating relationships with important clients with long-term potential.

In conclusion, all DEKRA employees need to actively listen for any new opportunities and help maintain current relationships with clients.

### Theme 3

#### **Relationship Management is common practice**

This topic is divided into four subcategories. These are the categories:

- Category k: DEKRA cultivates relationship marketing.
- Category l: DEKRA tries to make the client feel comfortable.
- Category m: DEKRA knows all our customers.
- Category n: A personal relationship, when negotiating or if a customer is not satisfied with your service, makes it easier to give honest feedback.

Building and sustaining relationships with customers may help a business retain customers in the case of an adverse occurrence. The relationship makes it easier to interact with customers openly and honestly and collaborate to resolve issues.

DEKRA increases the effectiveness of their customer relationships by getting to know all of them on a personal level. This allows them to understand how the client's company works and what their requirements are. Companies that want to retain consumers must better understand their customers' requirements, particularly their relationship needs, than their rivals (Zineldin, 2006).

CRM asserts that the goal of relationship building is to keep customers happy and loyal. Additionally, increasing the amount invested in the relationship results in increased customer loyalty, satisfaction, and devotion, increasing the probability of retaining a client over time. (Loots, 2012)



Finally, it is impossible to overstate the evident significance of relationships. Business companies should use their customer relationships and the retention benefits that come with them and integrate them into their organizational strategies since this results in higher customer retention and, therefore, higher revenue generation.

#### Theme 4

##### **Good service is a key component.**

This topic is divided into five subcategories. These are the categories:

- Category o: Service is a critical component of customer retention
- Category p: Customers need to feel that they will get good service.
- Category q: The only differentiation is the way of service.
- Category r: We try to cultivate this idea of good service.
- Category s: DEKRA tries always to be the nice guys.

When it comes to client retention, DEKRA believes that getting good service from an organization impacts how likely a customer is to continue doing business with the company. DEKRA views excellent customer service as a critical component of their overall company strategy. According to the responder, service is all you have to offer. This is especially true when you consider that the NDT market in Finland is very competitive in terms of pricing upfront.

By establishing yourself as the nice guy, you allow the customer to feel comfortable and confident that he will contact you if any issues occur. The customer must have the impression that they are being assisted in attaining their company objectives and ambitions.

In conclusion, good service is one of the most important ideas that may distinguish companies that offer comparable services from one another.

#### Theme 5

##### **Trust is the most important component of customer retention.**

This topic is divided into nine subcategories. These are the categories:

- Category s: Trust is the leading and most important component to customer retention.
- Category u: DEKRA cultivates a reputation as being trustworthy.
- Category v: Trust is to admit that you have made mistakes, and then you take responsibility.
- Category w: If you are honest and try to do your best, the trust usually follows.
- Category x: Trust goes both ways.
- Category y: Trust and reputation is the only thing that you have.
- Category z: DEKRA has ethical rules and a code of conduct.
- Category å: DEKRA is open to customer audits.
- Category ä: Customer audits is the formal part of the trust.

Throughout the interview, the respondent broached the subject of trust consistently. The respondent explained that should the client have a high level of confidence in the organization, it will likely impact their decision to continue the relationship.

Trust is seen as a characteristic of a relationship that shows the quality of the relationship, and it is also used to measure the quality of relationships in public relations (PR) (Grunig & Huang, 2000). Furthermore, CRM considers trust to be essential for the preservation of relationships (Buttle, 2006).

In summary, trust is primarily contingent on the presence of a positive relationship, but in situations when the customer is not interested in developing one, trust may be earned by delivering excellent service and maintaining a positive reputation.

## Theme 6

### **Reputation is a key element.**

This topic is derived from one subcategory:

- Category ö Reputation is essential to DEKRA.

Company reputation is a crucial element to attracting new customers and keeping the ones DEKRA already has. However, the company's reputation is not entirely within its control. Client (and stakeholder) views of a company's conduct in the marketplace are referred to as its reputation in the marketplace. Themes 4 and 5 are strongly related to

the concept of reputation. A company's reputation is built on both excellent service and trust.

In summary, consumers' perceptions about a company significantly impact their decision to become customers. More significant numbers of customers and positive word-of-mouth (WOM) result in more significant volumes of new customer acquisition and lower turnover for companies with an outstanding reputation.

#### 4.5 Distribution of results: Phase II-B

Three specific questions were utilized in Phase II-B's interview schedule and are discussed individually in the following section. These include open-ended questions (which are considered qualitative), ranking questions, and rating questions (both considered quantitative in form). The data analysis methods for all three questions are described in more detail, as are the findings.

The open-ended questions are analyzed and reported on first since they comprise the majority of the interview questions. Following that, three ranking questions are analyzed and reported on, leaving two rating questions for discussion and reporting on their findings last. This part follows a similar format, beginning with a description of the data analysis method, followed by the reporting of results, and concluding with specific conclusions based on the data analysis performed. (Loots, 2012)

##### 4.5.1 Phase II-B results of open-ended questions

As with Phase II-A, a qualitative content analysis was utilized as the data analysis technique for this research to analyze the open-ended questions precisely.

#### **Coding based on raw data**

The data was analyzed using an open coding method. Segments or meaning units were recognized and given a unique code. Open coding codes that the researcher creates as

he or she goes through the data (Henning, 2004). The same will be valid for this research. 242 meaning units were discovered throughout the data analysis's coding step. These units were then divided into 22 categories. Appendix 55 shows the meaning units and coding thereof.

### Categories based on coding

The 242 coded meaning units were classified into 22 groups. Appendix 6 contains the translation of codes to categories; Figure 1 demonstrates the transition from codes to categories.

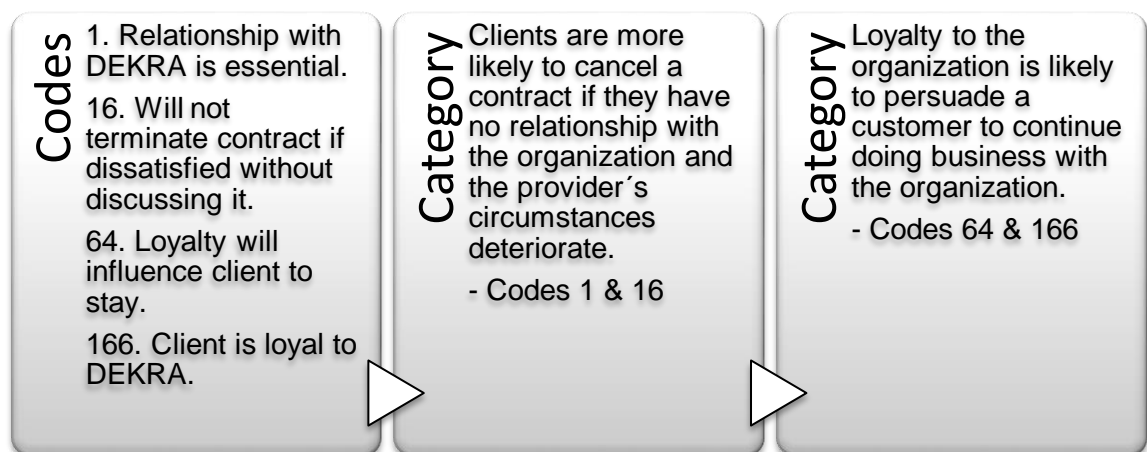


Figure 1: From coding to categories: An illustration Source: Adapted from Henning (2004)

The next stage in the content analysis process is to organize the 22 categories into themes that will serve as the foundation for debate and argumentation about the study results.

### Themes based on categories

From the codes 22 categories were identified, which were then divided into ten themes. the identified. The identified categories are available in appendix 7, while appendix 8 contains the themes that were concluded from the categories. Table 5 summarizes these topics.

Table 6: Themes, Phase II-B

| <b>THEME<br/>NUMBER</b> | <b>THEME</b>   |
|-------------------------|--|
| 1                       | <b>Clients are more likely to cancel a contract if they have no relationship with the organization and the provider's circumstances deteriorate.</b> |
| 2                       | <b>Promptness, problem-solving, and honesty are all factors that may affect a client's decision to remain with an organization.</b>                  |
| 3                       | <b>A relationship's importance to a customer.</b>  |
| 4                       | <b>The organization's expertise, competence, and reputation.</b>   |
| 5                       | <b>Good service is likely to persuade a customer to continue doing business with the organization.</b>   |
| 6                       | <b>Effective communication may influence a client's likelihood to continue a relationship with an organization.</b>                                  |
| 7                       | <b>The relationship's power balance affects a client's choice to continue doing business with the organization.</b>                                  |
| 8                       | <b>Loyalty to the organization is likely to persuade a customer to continue doing business with the organization.</b>                                |
| 9                       | <b>When a customer has confidence in an organization, the client is more inclined to continue doing business with the organization.</b>              |
| 10                      | <b>Mutual commitment to the relationship is likely to sway a customer to continue doing business with the organization.</b>                          |

These topics must first be addressed and aligned with the research goals and relevant literature to get at the study's results. These topics are explored in more detail in the next section.

It is critical to highlight that any customer may reach a point when they must choose between cancelling a contract with a current provider and remaining with the same organization. (Loots, 2012) Numerous variables may affect this choice, and any organization must recognize and proactively use these aspects to retain customers.

While some of these variables were discovered during the literature review (Phase I), additional factors were uncovered during Phase II-B of this research. These ideas are expanded upon as themes.

Because none of these topics is considered more essential than the others, they are addressed in no particular sequence. However, it is essential to notice that the themes' substance is addressed in a specific sequence. First, the categories that comprise the topic will be presented, followed by the data gathered on the subject. The topic and findings will then be explored and contextualized via the literature review (Phase I). Finally, a summary will end the examination of the subject.

### Theme 1

**Clients are more likely to cancel a contract if they have no relationship with the organization and the provider's circumstances deteriorate.**

This topic is divided into three subcategories. These are the categories:

- Category a: A relationship is either necessary or not necessary for a relationship.
- Category b: When there are unfavourable changes to the contract, a responder will attempt to address problems before ending the contract if a positive relationship exists.
- Category c: Increased costs without notification from the organization will facilitate the respondent's contract cancellation.

Respondents stated that if their relationship with the organization were positive, they would attempt to fix the issue first to maintain the relationship. It was apparent that when adverse developments occurred, respondents who had a positive relationship with the organization would contact them first before cancelling the contract or seeking alternative options. The converse seems accurate; when no relationship exists, it appears to be simpler for a customer to cancel the contract or discard future contracts.

This topic connects to the literature review (Phase I) and demonstrates that building and managing excellent relationships leads to successful customer retention. This also aligns

with the primary objective of CRM, which is to create, maintain, and grow client relationships. (Loots,2012)

The literature (Phase I) demonstrates unequivocally that successful customer retention requires high-quality relationships. This presents a problem since one of the five responders does not see developing a relationship as essential, making customer retention more difficult in this instance. The literature is ambiguous on the methods to take in the absence of a partnership or relationship. CRM is primarily concerned with establishing, maintaining, and developing relationships with clients. Thus, it is recommended that any adverse changes be avoided to keep those customers with whom no relationship is feasible. If adverse changes are unavoidable, the organization must ensure that other elements influencing a respondent's choice to remain with the organization are in place and successful in keeping the customer.

In summary, the presence of a positive relationship provides possibilities for customer retention that would not have existed in the absence of the relationship. Thus, Theme 1 implies that the presence of a relationship may affect a respondent's decision to remain with an organization.

## Theme 2

**Promptness, problem-solving, and honesty are all factors that may affect a client's decision to remain with an organization.**

This topic is divided into three sections, which are as follows:

- Category d: The respondent's choice to remain with the organization will be influenced by the organization's speed and promptness in doing business.
- Category e: Effective issue resolution may or may not impact the respondent's choice to remain with the organization.
- Category f: The respondent's choice to remain with the organization will or will not be influenced by the organization's honesty.

Respondents emphasized the significance of timeliness and effectiveness, particularly when choosing whether to remain with or quit a particular organization. In today's fast-

paced world, interacting with organizations needs speed, promptness, and convenience. Respondents are looking for an organization that can effectively solve their problems and be honest about any obstacles that may occur or have already occurred. Respondents are more likely to stay with an organization that they feel are transparent in their actions.

To summarize, respondents want promptness, effective problem solving and honesty when interacting with organizations. Time-consuming transactions that are inconvenient are likely to harm a client's decision to remain with an organization.

### Theme 3

#### **A relationship's importance to a customer.**

This theme was created by grouping three categories together. The following categories apply:

- Category g: Qualitative advice may or may not affect the respondent's choice to remain with the organization.
- Category h: The responder would prefer contact with someone with whom the customer already knows.
- Category i: The responder wants to interact with just one individual.

The majority of respondents stated that they want a relationship and that having one would affect their choice to remain with the organization even if anything adverse occurs. This topic is highly correlated with Theme 1, in which respondents stated that if any unfavourable modifications were made to their contract and a relationship existed, they would attempt to fix the issue first since they would want to remain with the organization. The respondents who want a relationship think that someone would look after them and act in their best interests by investing in one.

Respondents think that developing a relationship will result in improved service. Some of the respondents who desired a relationship stated that they would like to work with a single employee or contact, as this would improve the relationship's efficacy since there is a personal touch and they know how the respondents' organization operates and what



their needs are. This may also be attributed to organizations being more customer-centric and concentrating their efforts on the individual rather than the bulk.

The fact that respondents value a relationship indicates that they are ready to pay more for it, even if the identical commodity is available elsewhere. This bolsters CRM's claim that the purpose of relationship development is to retain customers. Additionally, spending more for the relationship results in greater loyalty, contentment, and dedication, improving the likelihood of keeping a customer.

In conclusion, the apparent importance of relationships cannot be overstated. Businesses should use relationships and the retention advantages associated with them and incorporate them into their organizational plans since this results in greater customer retention and, therefore, increased revenues.

#### Theme 4

##### **The organization's expertise, competence, and reputation.**

This topic is grouped over three sections:

- Category j: The respondent's understanding of the organization may or may not affect his or her choice to remain with the organization.
- Category k: The respondent's perception of the organization's competence may or may not affect his or her choice to remain with the organization.
- Category l: A respondent's choice to remain with an organization may or may not be influenced by the organization's reputation and credibility.

Respondents agreed that their perceived understanding of the organization significantly impacted their likelihood of remaining with the organization. Additionally, they stated that ineptitude would facilitate leaving the organization.

One respondent noted that they would choose the organization with the better reputation if service levels and pricing were equal among competing organizations.

In summary, respondents want to know that the organization managing their contract is professional, informed, and looking out for their best interests. As a result, knowledge is a critical component of successful customer retention strategies.

### Theme 5

#### **Good service is likely to persuade a customer to continue doing business with the organization.**

There is just one kind of resort in this theme, which is:

- Category m: Excellent service will affect the respondent's choice to remain with the organization.

Even if this topic is limited to a single category, it is essential. All respondents were unequivocal and emphatic that receiving good service from the organization affects their likelihood of staying with the organization, and the converse is equally valid. Poor service experiences are more likely to persuade the responder to cancel the contract more easily. Respondents want quick and efficient service, which relates to Theme 2 (Promptness, problem solving and honesty are all factors that may affect a client's decision to remain with an organization.)

As shown by the respondent response, service is a critical component of customer retention. Effective service is not addressed in CRM as a factor in customer retention, but it should certainly be explored as a stand-alone notion. Effective service is particularly critical when the customer is not interested in developing a relationship. In such instances, the relationship is ineffective at retaining clients, and good service is one of the few options for keeping the customer happy for as long as feasible.

To summarize, in today's challenging economic climate, when all goods are comparable in terms of quality and price, service to the customer has become the deciding element in which product a client chooses. Additionally, the service will decide whether or not that customer will stay a client of the organization. Cuevas (2018) makes a similar remark, stating that in an era of product similarity, when there are few significant distinctions between goods and organizations, the only element that may provide an organization with a genuine competitive edge is effective customer relationship management. Cuevas,

(2018) refers to the importance of excellent customer relationships, which begs the issue of how service fits into this picture. Is service seen as an integral component of a great relationship and therefore seldom addressed in marketing and communication management, or is it time to recognize its make-or-break potential and investigate efficient service delivery as a predictor of customer retention on its own?

### Theme 6

#### **Effective communication may influence a client's likelihood to continue a relationship with an organization.**

This topic is derived from two sections:

- Category b: When there are unfavourable changes to the contract, a responder will attempt to address problems before ending the contract if a positive relationship exists.
- Category n: Effective communication directly impacts the respondent's choice to remain with the organization.

It should be noticed that category b is also one of the categories that compose Theme 1, which adds to both themes' validity.

Respondents stated that an organization's excellent communication would cause them to reconsider discontinuing its contract. Effective communication is seen as a proactive way of preventing a customer from reaching the point of contemplating cancellation. Effective communication is also highly valued in the area of communication management. Effective communication aids in the development and maintenance of relationships, making it twice as critical for any organization's customer retention strategy. (Loots, 2012)

Effective and open communication establishes and sustains relationships and improves their quality, which creates trust between the customer and the organization and serves as a strong indication of the organization's dedication to the relationship.

In summary, without good communication, customers get irritated and unhappy, which may easily result in contract cancellation, mainly when there is no relationship. As stated in Theme 1, respondents have a lower threshold for contract ineffectiveness and unfavourable changes when a positive relationship exists. Effective communication enables the organization to correct errors and retain customers.

### Theme 7

#### **The relationship's power balance affects a client's choice to continue doing business with the organization.**

This topic is divided into four sections. These include the following:

- Category o: The respondent feels cherished and unique, which may or may not impact his or her choice to remain with the organization / The respondent feels like a number, which may or may not influence his or her decision to remain with the organization.
- Category p: The organization's willingness to go the additional mile may or may not affect the respondent's choice to remain with the organization.
- Category q: The responder or the organization has the most significant influence.
- Category r: The responder either desires or detests from having power in the relationship

This topic presents a difficulty since respondents' perspectives on the balance of power in a relationship were wildly divergent.

Two of the respondents stated that they feel DEKRA goes the extra mile for them, at least on occasion, whilst two feel that more could be done. Three respondents feel like just a number to the company, whilst two feel valued and unique clients. The same notion (3 vs 2 split) was noted in whether or not he would be a factor when considering moving to another organization.

Of the four respondents who answered this question, two stated that they like to be empowered as the customer and retain most of the relationship's authority. The other two respondents made it very apparent that they want the organization to have complete

control of the relationship since the organization has the expertise necessary to counsel and lead the respondents, while the responder lacks such knowledge and may be considered a layman.

Exchange and collaborative relationships are two kinds of relationships that reflect the relationship's power balance, whereas control mutuality also reveals the relationship's power balance. According to the research, a relationship's quality may be influenced and measured by the balance of power.

In summary, the respondents had divergent views on how a relationship's power balance should be structured. This begs the issue of the significance of a relationship's power balance in determining whether a client will stay in the relationship or not.

### Theme 8

**Loyalty to the organization is likely to persuade a customer to continue doing business with the organization.**

There is just one type of resort associated with this theme:

- Category s: Loyalty to the organization may or may not affect the respondent's choice to remain.

Loyalty was a recurring theme throughout the interviews. Even though just one category falls under this subject, it was chosen to address loyalty as a stand-alone topic due to its importance in the contract business.

Except for one respondent, all respondents stated that their loyalty to the organization would affect their choice to continue doing business with the organization. What their relationship is with their organization, they consider themselves to be loyal to that organization. One respondent expressed no loyalty toward the organization, despite their admission that loyalty would affect their decision to remain in the relationship.

This topic is connected to several earlier ones, as well as the literature study. Gummesson (2000) endorses this view, stating that relationship marketing emphasises

loyalty, especially customer loyalty, and the goal is contact with the prospect to shop repeatedly and develop a long-term relationship.

The second theme suggested that promptness, problem-solving, and honesty from the organization will persuade customers to continue doing business.

The respondents support this by stating that honesty is one of the most critical aspects that will increase their loyalty, resulting in easier retention. Theme 4 shows how the organization's expertise, competence, and reputation likely affect a respondent staying in a relationship for an extended period, which substantiates it.

Theme 5, which implies good service, breeds loyalty, likely to persuade a customer to stay in a relationship. Superior service is likely to persuade a responder to remain with the organization.

Theme 6 implies that good communication may impact whether or not a contract will retain a responder. Respondents corroborate this assertion by emphasizing the importance of good communication in increasing their sense of loyalty. They are more likely to stay in the relationship if they have a favourable attitude about the organization.

In summary, when people have a positive relationship, they feel loyal, and because loyalty is a factor in respondents' decision to stay with the contract, the goal is to establish and sustain positive relationships.

### Theme 9

**When a customer has confidence in an organization, the client is more inclined to continue doing business with the organization.**

This topic is comprised of two categories, which is as follows:

- Category t: The respondent's choice to remain with the organization will not be influenced by their trust in the organization.
- Category u: Satisfaction with the organization may or may not affect the respondent's choice to remain with the organization

As with loyalty, trust is a constant topic highlighted by respondents, and although this theme encompasses just one area, it was determined that it should remain a stand-alone concept.

The respondents who reported a positive relationship with the organization also indicated confidence in the organization, likely impacting their decision to continue the relationship. This demonstrates that trust is developed and maintained via positive interactions and that other variables increase the organisation's confidence. It is worth noting that all but one respondent stated that trust was a factor in their original choice to purchase.

Trust is seen as a feature of a relationship that indicates its quality, and it is also used to quantify the quality of relationships in PR (Grunig & Huang, 2000). Additionally, CRM views trust as critical for relationship maintenance (Buttle, 2006).

CRM views satisfaction as critical for developing customer relationships and sustaining a competitive edge (Stefanou et al., 2003).

In summary, trust is primarily contingent on the presence of a positive relationship, but in situations when the customer is not interested in developing one, trust may be earned by delivering excellent service and maintaining a positive reputation. Satisfaction may be enhanced by the majority of the other factors that affect customer retention, as discussed in CRM literature. Satisfaction also strengthens and validates relationships, indicating that the more client retention components (as defined by the research) that are accessible, the more effective client retention efforts will be.

#### Theme 10

**Mutual commitment to the relationship is likely to sway a customer to continue doing business with the organization.**

This topic is made up of one category, which is as follows:

- Category v: Mutual commitment to the partnership affects or does not affect the respondent's choice to remain with the organization.

Commitment is a constant motif highlighted by respondents, and even though this topic encompasses just one area, it was determined that it should remain a stand-alone theme.

Three respondents stated that mutual commitment to a partnership would impact their continued business with the organization. Respondents who had a positive relationship stated that they are dedicated to the relationship and believe the organization is.

When respondents were asked what would improve their level of commitment, they answered that deeper cooperation, keeping promises, and the organization increasing their commitment would raise their commitment. Respondents who indicated a desire to develop a relationship said that the personal touch and working with the same individuals would enhance their commitment to the relationship and remain with the organization.

In summary, CRM indicates mutual commitment as a necessary component of customer retention, which was corroborated by respondents' comments throughout the interviews. Each respondent believed that commitment would improve their likelihood of remaining in the relationship.

#### 4.5.2 Phase II-B results of ranking questions

Three ranking questions were included in the interview schedule of this research, and the findings of each question are shown in three separate tables. For questions 1.7, 7.4, and 10.1, ranking scales were utilized. Respondent 5 did not complete the ranking question 1.7

A compelled rating scale was utilized. The forced ranking scale provided a list of things that required rating. The responder was required to rate the things in order of preference, beginning with the most desired, progressing to the second most preferred, and so on, until all items were ranked. For all three questions, the ranking began with the most desired option (1), followed by the second most liked option (2), and so on.

In question 1.7, the responder was asked to rate four things. The respondents were asked to identify which of the four factors would have the most effect (1) on their decision



to remain with the organization, followed by the second most significant influence (2) and so on. Table 6 summarizes the results of ranking question 1.7.

Table 7: Results of ranking question 1.7

| <b>Respondent</b> | <b>Quality of relationship</b> | <b>Service level</b> | <b>Pricing of product</b> | <b>Benefits of product</b> |
|-------------------|--------------------------------|----------------------|---------------------------|----------------------------|
| Respondent 1      | 3                              | 2                    | 1                         | 4                          |
| Respondent 2      | 1                              | 2                    | 3                         | 4                          |
| Respondent 3      | 3                              | 1                    | 2                         | 4                          |
| Respondent 4      | 3                              | 1                    | 4                         | 2                          |
| <b>Total</b>      | <b>10</b>                      | <b>6</b>             | <b>10</b>                 | <b>14</b>                  |
| Average Ranking   | 2.5                            | 1.5                  | 2.5                       | 3.5                        |
| <b>Position</b>   | <b>2</b>                       | <b>1</b>             | <b>2</b>                  | <b>4</b>                   |

The average ranking was used to identify which of the four things is most important to respondents in terms of maintaining a relationship with an organization, the second most important, and so forth. Service levels are considered the most impact on a respondent's decision to continue a relationship with an organization, based on the average ranking way of reporting findings. This closely connects to Phase II's Theme 5, as described in the preceding section.

The second most important factor influencing a respondent's decision to remain in a relationship was the quality of the relationship, which relates to Theme 1, and the product's pricing. The product's benefits have the least impact on the respondent's decision to continue the relationship with the organization.

In summary, customers rank service levels as the most crucial factor influencing their decision to remain in a relationship, followed by relationship quality, pricing, and perks.

Respondents are asked to select their most preferred (1) mode of communication, followed by their second most preferred (2) mode of communication, and so forth. Four elements comprised the rating scale. The findings of Question 7.4 are shown in Table 7.

Table 8: Results of ranking question 7.4

| <b>Respondent</b> | <b>Telephone</b> | <b>Email</b> | <b>Face to face</b> | <b>Post</b> | <b>Digital Platforms</b> |
|-------------------|------------------|--------------|---------------------|-------------|--------------------------|
| Respondent 1      | 2                | 3            | 1                   | 5           | 4                        |
| Respondent 2      | 1                | 2            | 3                   | 4           | 5                        |
| Respondent 3      | 2                | 3            | 1                   | 5           | 4                        |
| Respondent 4      | 2                | 1            | 3                   | 4           | 5                        |
| Respondent 5      | 3                | 4            | 1                   | 5           | 2                        |
| <b>Total</b>      | <b>10</b>        | <b>13</b>    | <b>9</b>            | <b>23</b>   | <b>20</b>                |
| Average Ranking   | 2                | 2.6          | 1.8                 | 4.6         | 4                        |
| <b>Position</b>   | <b>2</b>         | <b>3</b>     | <b>1</b>            | <b>5</b>    | <b>4</b>                 |

The results of this question are also reported using the same average ranking technique. The average score shows that face to face is the most often used mode of communication among respondents. The second most favoured mode of communication is the telephone, followed by email and digital platforms. Post as a means of communication was identified as the least preferable way of contact.

This may also be a consequence of the convenience of having DEKRA employees on-site every day. Using the phone in conjunction with e-mail is an efficient and convenient way to communicate, using less of the respondent's time. This also supports the notion that ease and speed have become important concepts to consider since they may significantly impact customer retention.

To summarize, customers prefer face-to-face contact the most, followed by telephone communication, e-mail communication, digital platforms and finally, postal communication.

In Question 10.1, respondents were asked to rate 11 things in order of which one is most likely (1) to motivate them to remain with the organization, which one is second most likely (2), and so on. These topics are addressed in Chapter 4 as part of the integrated approach. The findings of Question 10.1 are summarized in Table 8

Table 9: Results of ranking question 10.1

| <b>Elements to be ranked</b>         | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>Total</b> | <b>Average ranking</b> | <b>Position</b> |
|--------------------------------------|----------|----------|----------|----------|----------|--------------|------------------------|-----------------|
| Quality of the relationship          | 6        | 1        | 6        | 4        | 7        | <b>24</b>    | 4.8                    | 3               |
| Dynamics of the relationship         | 10       | 2        | 10       | 11       | 2        | <b>35</b>    | 7                      | 8               |
| Loyalty                              | 4        | 7        | 5        | 9        | 5        | <b>30</b>    | 6                      | 7               |
| Satisfaction                         | 2        | 3        | 8        | 7        | 4        | <b>24</b>    | 4.8                    | 3               |
| Trust                                | 1        | 5        | 1        | 1        | 6        | <b>14</b>    | 2.8                    | 1               |
| Commitment                           | 5        | 4        | 2        | 8        | 1        | <b>20</b>    | 4                      | 2               |
| Valued client                        | 7        | 6        | 7        | 10       | 8        | <b>38</b>    | 7.6                    | 9               |
| Effective communication              | 8        | 11       | 4        | 3        | 3        | <b>29</b>    | 5.8                    | 5               |
| Knowledgeability of the organization | 9        | 10       | 11       | 2        | 10       | <b>42</b>    | 8.4                    | 10              |
| Pricing of the products              | 3        | 8        | 3        | 6        | 9        | <b>29</b>    | 5.8                    | 5               |
| Benefits of the product              | 11       | 9        | 9        | 5        | 11       | <b>45</b>    | 9                      | 11              |

According to the average rating of all respondents, trust is the most important element influencing respondents' decision to remain with a specific organization. Commitment is the second most important element, followed by satisfaction and the quality of the relationship. According to respondents, effective communication and the pricing of the products are tied as the fifth most important element in customer retention, followed by loyalty and the dynamics of the relationship. Being a valued client is ranked ninth, followed by the knowledgeability of the organization. According to respondents, the

product's benefits have the least impact on their decision to continue working with the organization.

CRM see customer trust as a critical component of client retention. According to the responses to this question, respondents also see satisfaction and commitment as critical factors in deciding whether or not they would remain with an organization. This corresponds to Phase II's Themes 9 and 10, as mentioned before.

It is worth noting that respondents ranked product price fifth on their priority list, with trust, satisfaction, commitment, quality of the relationship and influential communication ranking higher. One might argue that respondents are ready to pay more if these components of the relationship are present. This is a good indication for the organization because it can manage its communication efforts, although it is difficult to control the price. It satisfies customers and builds loyalty, honesty and trustworthiness, and its degree of expertise.

It is interesting to note that in Question 1.7, quality of the relationship and price were viewed equally when choosing to remain with an organization, yet in this ranking, the quality relationship ranked (joined) 3 third and price (joined) fifth.

The benefits of the product seem to weigh the least in a client's decision to remain with an organization or not. One might claim that when a customer gets good communication, he or she will be pleased and will trust the organization. Additionally, the customer will view the organization as competent, resulting in value and satisfaction.

In summary, customers consider trust is the most essential factor in their decision to remain in a relationship, followed by commitment, satisfaction, and quality.

#### 4.5.3 Phase II-B results of rating questions

Questions 9.1 and 9.2 included a rating scale. In question 9.1, respondents were asked to indicate whether a particular concept (as defined in the integrated approach) would strongly influence them to maintain a relationship and in question 9.2, what concepts would not at all influence them to stay in a relationship. Table 9 summarizes the responses to question 9.1, and table X the responses to question 9.2

Table 10: Evaluation of factors strongly affecting a client's decision to remain in a relationship (question 9.1)

| <b>Elements to be ranked</b>         | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>Total</b> | <b>Position</b> |
|--------------------------------------|----------|----------|----------|----------|----------|--------------|-----------------|
| Quality of the relationship          | X        | X        |          | X        | X        | <b>4</b>     | <b>2</b>        |
| Dynamics of the relationship         |          | X        |          |          |          | <b>1</b>     | <b>4</b>        |
| Loyalty                              |          |          |          |          |          |              |                 |
| Satisfaction                         | X        |          |          |          | X        | <b>2</b>     | <b>3</b>        |
| Trust                                | X        |          | X        | X        | X        | <b>4</b>     | <b>2</b>        |
| Commitment                           | X        | X        |          | X        | X        | <b>4</b>     | <b>2</b>        |
| Valued client                        |          | X        |          |          |          | <b>2</b>     | <b>3</b>        |
| Effective communication              |          |          | X        | X        |          | <b>2</b>     | <b>3</b>        |
| Knowledgeability of the organization |          |          |          |          |          |              |                 |
| Product Pricing                      | X        | X        | X        | X        | X        | <b>5</b>     | <b>1</b>        |
| Product Benefits                     |          |          |          | X        |          | <b>1</b>     | <b>4</b>        |

The findings show that the pricing of the products has the most significant impact on all other variables, and this demonstrates that price is always a determining factor in cancellations.

The dynamics of the relationship, trust and commitment have a significant impact on whether a customer will continue to do business with an organization or not. (Loots, 2012) This connects to and substantiates Question 10.1, in which trust was also identified as a critical factor influencing a client's decision to stay in a relationship.

Effective communication and satisfaction both showed a comparable average rating of having a significant impact on a client's decision to remain or leave an organization, which aligns with the findings of Question 10.1. However, the findings show that feeling like a valued customer does carry more weight than in rating question 10.1.

Table 11: Evaluation of factors not at all affecting a client's decision to remain in a relationship (question 9.2)

| <b>Elements to be ranked</b>         | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>Total</b> | <b>Position</b> |
|--------------------------------------|----------|----------|----------|----------|----------|--------------|-----------------|
| Quality of the relationship          |          |          |          |          |          |              |                 |
| Dynamics of the relationship         |          |          |          | X        |          | <b>1</b>     | <b>3</b>        |
| Loyalty                              |          | X        |          |          |          | <b>1</b>     | <b>3</b>        |
| Satisfaction                         |          |          |          |          |          |              |                 |
| Trust                                |          |          |          |          |          |              |                 |
| Commitment                           |          |          |          |          |          |              |                 |
| Valued client                        |          |          |          |          |          |              |                 |
| Effective communication              |          |          |          |          |          |              |                 |
| Knowledgeability of the organization |          | X        | X        |          |          | <b>2</b>     | <b>2</b>        |
| Product Pricing                      |          |          |          |          |          |              |                 |
| Product Benefits                     |          | X        | X        | X        |          | <b>3</b>     | <b>1</b>        |

Table 10 shows that the benefits of the product are consistently the least significant of all the variables. The knowledgeability of the company again scored second lowest as a factor that would impact the respondent to stay in a relationship. These two factors rated no 10 and 11 in question 10.1 as well.

To summarize, cost, trust, commitment, and the quality of the relationship have the most impact on a customer's decision to stay in a partnership. This is consistent with the results of Question 10.1.

#### 4.6 Conclusion

This chapter aims to provide the study findings and interpret them using a chosen data analysis technique. Qualitative content analysis was primarily utilized to analyze data

gathered from respondents, with inter-coder reliability testing performed to validate the data's reliability. Following data processing, the study's results were discussed and evaluated. The results' relationship to the literature review was also examined, as did their interpretation.

The next chapter presents a traditional plan for implementing client retention techniques applicable to the business based on Phase I and Phases II (as described in this chapter). This traditional plan may help the organization better understand and serve its customers, thus increasing client retention and profitability.

## 5 DISCUSSION AND RETENTION PLAN

### 5.1 Introduction

The factors discovered during the literature review (Phase I) were evaluated for relevance to customer retention in the NDT contract market. These components were validated via Phase II. Clients and management agreed on the components described in the literature and their significance when compared to one another. The results were cross-referenced to relevant literature and will help address the study's research questions.

### 5.2 Discussion and interpretation of results

The purpose of the research is to determine the effectiveness of the current customer retention plan of DEKRA; and develop a customer retention plan that DEKRA, Finland, could implement. According to the research findings, the current customer retention strategy is on par with the clients' expectations. The overwhelming majority of responders expressed satisfaction with their current relationship with DEKRA, and no significant discrepancies were discovered. Additionally, it was acknowledged that clients were pleased with the service provided by the company.

The results of this research revealed that the current customer retention strategy of DEKRA, as described by DEKRA's Director, Sales & Business Development, corresponds with the concepts described in CRM literature. Although there are many factors to consider, some are more important than others in successful customer retention. The key results of this research are described in more detail in the next section.



### 5.3 Review of critical results

As recommended by CRM literature and the data retrieved in Phase II, this section revisits current customer retention components and contains the relevance and efficacy of these elements to this study.

#### 5.3.1 The significance of a relationship

The findings explicitly stated that if a customer is unhappy with any element of the contract or work, and the client and DEKRA have a strong working relationship, the client will first contact the organization to attempt and fix the problem before cancelling the contract.

According to the survey results, clients who expressed loyalty and trust towards the organization were more likely to stay during adverse circumstances. This demonstrates that a positive relationship provides the organization with a chance to keep the customer when other reasons encouraging the client to remain with the organization have failed.

#### 5.3.2 Clients will be willing to pay extra for a long-term relationship.

According to the findings, clients expressed a desire to maintain a good working relationship with their service provider. In exchange for investing in the relationship, the client believes that the organization will be ready to assist them in resolving their difficulties and problems and always act in their best interests. A client's willingness to spend extra to maintain this relationship indicates that the client regards the organization as having monetary worth.

Clients desiring a personal touch need an organization that takes the time to understand their financial, personal, and business circumstances and then offers service and advice under those circumstances. Even though customers are usually ready to pay more for a relationship and the perceived advantages that come with it, every client has a limit to how much they are prepared to spend for a relationship at any one time. If that cost level

is achieved, the customer will terminate the contract and begin a new one with another company.

### 5.3.3 The importance of clear and efficient communication

Several findings show that good communication cannot be overstated in terms of its importance. Customer satisfaction surveys revealed that good communication is the aspect that will have a significant impact on their decision to remain with the organization. It was discovered that continuous feedback, proactive communication about challenges or changes, and fully disclosing and explaining all aspects of the contract are all characteristics of effective communication.

Effective communication is a proactive technique of avoiding customers from reaching the point when contemplating cancelling their contract. It also aids in the development of client relationships, which is critical for successful client retention. (Loots, 2012) Clients are kept informed via effective communication, which minimizes questions and irritation, improving customer satisfaction.

According to the findings, clients believe that face-to-face contact is the most effective method of establishing relationships, but they prefer communicating through telephone and email.

### 5.3.4 The most significant ideas

According to the results, the principles that will impact customer retention are trust, commitment, satisfaction, the quality of the relationship, pricing of the products, and effective communication. Client retention depends on the organization's understanding of the industry,

The new *SalesForce* system coming into effect in 2022 will promote the efficient information technology necessary for customer retention. The ability to examine a client's personal information, history, prior problems, and the client's preferences is provided by information technology systems, which allow the organization to know the client's

position immediately. This offers the chance to provide excellent service and good communication, which are critical in retaining clients and gaining new ones.

- *Promptness, convenience, and openness*

Three principles are critical to a customer retention plan, and these principles are promptness (responsiveness), customer convenience, as well as openness (honesty) (Loots, 2012). These three ideas should be included from the start into every plan, function, activity, or approach the organisation takes.

All customer retention activities inside an organization should be done with urgency and promptness, convenience, and transparency or openness. These ideas should be central to an organization's overall customer retention strategy. Prompt, transparent communication that happens conveniently for the client will help build trust and a sense of commitment.

- *Effective communication, expertise, and efficient service are required to establish relationships.*

The development and growth of concepts like loyalty, contentment, trust, and commitment contribute to the strength and relevance of relationships. When communication, service, and information are delivered promptly, conveniently, and transparently, customers become pleased, loyal, dedicated, and trust the organization. (Loots, 2012)

To develop excellent relationships, effective communication, competent employees, and prompt service are required. If customers want a relationship, loyalty, contentment, trust, and commitment will develop if the organization communicates well, is informed, and offers excellent service. When relationships are not desired, good communication, expertise, and efficient service provide pleasure and comfort, critical for retaining customers who are not interested in developing a relationship. It is tough to earn these customers' loyalty, trust, and commitment, even when excellent communication, expertise, and efficient service are shown in every client interaction. Satisfaction and comfort are critical for customers who are not interested in developing a relationship. (Loots, 2012) This implies that in situations when relationships cannot be formed, the only aspects that will keep these customers and boost revenues are comfort and pleasure.

- *Strategy plan, cross-functional approach, and IT-enabled:*

All of the above ideas must be integrated into a strategic plan executed holistically throughout the organization and backed up by appropriate IT systems. Together with the other components, these elements will contribute to successful relationship management, which will almost definitely result in improved customer retention and, eventually, increased revenues.

When all of the ideas required to manage relationships are integrated with the organization's overall strategy and backed up by reliable IT systems, it improves client retention, eventually contributing to profitability. Salesforce should also contribute positively in this manner.

#### 5.4 Presenting a traditional plan for customer retention strategies

The traditional plan for customer retention is composed of many components but are fundamentally based on research data from Phases I and II. The steps below could be implemented additional to the existing strategy of DEKRA, as their current customer retention strategy has proven effective.

##### 5.4.1 Step 1: Set Customer Service KPIs

By carefully examining Key Performance Indicators (KPI) may ascertain what motivates or dissatisfies clients

The following are the four critical key performance indicators for successful client engagement (17 of the Best Customer Retention Strategies That Work, 2021):

- i.) Response Time: When consumers express interest, response time is a statistic that indicates how soon they are contacted.
- ii). Conversion Rate: This metric indicates the relative reaction when a phone call, short email, or engagement is made.
- iii). Actions per engagement: Result patterns evolve from tracking client responses and communications.

- iv). Communication vitality: The result of the previous communications are evaluated to determine the effects on the relationship.

#### 5.4.2 Step 2: Stay updated on and evaluate churn numbers.

DEKRA should carefully monitor and analyze the number of consumers that churn and the causes behind their churn. If close attention is paid, indicators of a customer's imminent departure should be visible.

Detect leading signs, or "red flags," prior to the loss to limit churn. These indicators indicate when a consumer is going to discontinue use—even before they do.

When clients perceive a decrease in value, they discontinue the use of the service. The objective is to raise consumers' sense of service value just when their use starts to lag (Tolbert, 2021). To detect these "warning" signs, determine essential factors relating to consumer behaviour, including contract trends, product or technical use, and customer service history. Evaluate these indications and take action to prevent consumers from churning.

Start by building a list of all DEKRA customers. Using CRM software, generate a list of all sales done in the previous six months. By comparing these lists, consumers who have not purchased as per their average standard time can be identified.

#### 5.4.3 Step 3: Customer Lifetime Value (CLV)

CLV is a critical key performance indicator that demonstrates the value of customers over time (17 of the Best Customer Retention Strategies That Work, 2021). Specific clients have contributed more value than others, consumer equity. The value on clients enables forecast of revenue and plan for the ongoing working relationships. CLV is also an indicator of how much time and resources to spend on a specific customer. This ties in with the ABCD classification system that DEKRA currently uses.

#### 5.4.4 Step 4: Keep a communication calendar for customers.

Even if consumers do not seek out interaction, staff should communicate on a proactive basis. Consider using a communication calendar to help manage customer interactions and identify upsell and cross-sell possibilities (Bernazzani, 2020). A communication calendar is a visual representation of all client communications, and it notifies when a consumer last communicated with the organization. The customer communication calendar enables proactive customer support that eliminates barriers before consumers are aware they exist. This calendar needs to be made available across all DEKRA departments. A log that can be edited to share when the latest contact was made and the results thereof.

#### 5.4.5 Step 5: Make messages personalized

Personalization has been a critical component of customer relationship management and customer service. A connection is formed between individuals, and CRM sees clients as individuals, not simply a number (17 of the Best Customer Retention Strategies That Work, 2021). Customization's benefits cannot be overstated, as personalization based on purchase history, user preferences, and other pertinent information usually available in CRM software results in a high return on investment. This forms part of the concept of not being seen as a number but as a valued client.

#### 5.4.6 Step 6: Establish expectations with customers

Customer service has evolved beyond responding to queries and complaints; expectations need to be addressed (17 of the Best Customer Retention Strategies That Work, 2021). By having a deep understanding of consumers, DEKRA can recognize their primary objectives and use them as a guide to establish expectations. Establish realistic expectations. If expectations are not achieved, apologize.

#### 5.4.7 Step 7: Establish a feedback channel for customers.

Establish a method for collecting customer feedback and disseminating it across DEKRA. A customer and organisation feedback loop facilitates collecting, analysing, and distributing consumer evaluations and surveys. (Bernazzani, 2020)

Customer feedback may be gathered in a variety of methods. The most popular method is via a survey or through user testing and focus groups. By consistently using these techniques, the DEKRA team should get excellent and pertinent client feedback.

After collecting, evaluate feedback for patterns in consumer behaviour and other areas that might be improved to improve the user experience (Bernazzani, 2020). Then, distribute this data to the teams who will gain the most from it. By collecting and sharing client evaluations, DEKRA may respond to criticism and enhance the customer experience effectively.

#### 5.4.8 Step 9: Resolve customer concerns promptly

Complaints continue to be a critical instrument for a business's development, and it enables the notice of things that may have been missed or likely did not seen before. Effective customer service is highly dependent on the speed with which an issue is addressed.

Customer service staff should be knowledgeable, adaptable, and friendly, with an open-door policy. Complaints should be a top priority, requiring an immediate response. Please do not put off or postpone attending to it, and respond to the inquiry immediately. DEKRA should be capable of resolving concerns received from any source (email, offline, social media, phone calls).

### 5.5 Conclusion

Chapter 5 reviews the key concepts found during the research phase. Chapter 5 also provides a traditional plan for implementing customer retention tactics towards DEKRA based CRM literature and ideas (as discovered via data from clients and organization

management). This traditional plan is additional to the existing plan of DEKRA and expected to bring value to the organization and theoretical bodies of knowledge in terms of successful customer retention.

Chapter 6 will summarize the study's results and provide suggestions based on them. To complete the cycle, the research results will be linked back to the study's research questions. Chapter 6 will also discuss the study's shortcomings and provide suggestions for further research.



## 6 CONCLUSION AND SUGGESTIONS

### 6.1 Introduction

Chapter 6 tries to conclude this study by returning to its overall research goal and objectives established in Chapter 1 and addressing them. This chapter will examine the study's contribution and its shortcomings, and the chapter will conclude with a discussion of future research directions.

### 6.2 Research Summary

As this is a conceptual plan, its relevance, validity, and reliability among respondents have not been established, and its efficacy in terms of customer retention cannot be verified. However, it is recommended that this paradigm be further investigated, debated, and improved in a future study.

To meet the research goals, CRM was studied from a marketing perspective. Throughout Phase I, CRM, public relations, and marketing management literature were analyzed to identify aspects critical to customer retention. The literature was utilized to develop research questions for Phase II of this project, including conducting in-depth interviews and questionnaires. These components were coupled to create a traditional plan for implementing client retention tactics in the NDT market for DEKRA. All study goals were met, and the following sections describe the findings:

#### 6.2.1 Research Question 1: *How does Customer Relationship Management influence customer retention?*

Marketing and communication management literature were analyzed to ascertain their views on customer retention. In Chapters 1 and 2, the essential components of CRM were identified from a marketing- and communication management standpoint. Chapters 1 and 2 are included in Phase I of this study and meet research question 1, '*How does Customer Relationship Management influence customer retention?*', convincingly.

6.2.2. Research Question 2: *What does the commissioner's current customer retention strategy entail, and is it effective?*

Phase II included an in-depth interview with DEKRA management to assess their approach towards customer retention and the applicability of the components proposed by the literature. Phase II-Also included in-depth data gathered from questionnaires with customers of DEKRA, mainly to evaluate their stance on the current retention strategy of DEKRA.

Chapter 4 explores and summarizes the findings from Phase II, thus fulfilling study question 2, '*What does the commissioner's current customer retention strategy entail, and is it effective?*'

6.2.3. Research Question 3: *How can DEKRA's clients be better retained for long-term transactions?*

Study question 3, '*How can DEKRA's clients be better retained for long-term transactions?*', was accomplished by integrating essential components of the marketing and communication management disciplines important to customer retention with data discovered via in-depth interviews. All of these components were to create a traditional plan for implementing client retention tactics directed at DEKRA. This research may have specific implications based on the outcomes of the in-depth data and their findings.

The next part discusses recommendations applicable to both the NDT business market and the academic areas of marketing and communication management based on the results of this research.

### 6.3 Practical Implications

This study's goal was to meet the three research objectives. This led to the conceptualization of a traditional plan for DEKRA's NDT industry-specific customer retention tactics. Although this traditional plan has yet to be validated, it may already contribute to marketing and communication management's business and academic areas. The traditional plan helps in a variety of ways to this study:

- The traditional plan for the implementation of client retention strategies is a synthesis of current academic suggestions (from the fields of CRM, public relations, and marketing management) and concepts from the practical side of the NDT industry, thus encompassing all possible approaches to effective client retention.
- This method is contemporary, relevant, and is based on research from three sources: literature, customers, and the organization's management. Thus, this traditional plan for implementing client retention strategies should help the organisation implement and maintain successful client retention initiatives, thus increasing organizational profitability.

#### 6.4 Research limitations

Any research will always have limitations. Regarding this study's shortcomings, the following was noted:

- While judgment sampling is considered most appropriate for this research, it may result in samples that may not correctly reflect the total target population.
- During Phase II-B, the in-depth questionnaire was answered by only five respondents. This was considered appropriate for Phase II-B since it provided a means of validating the ideas and views of the organization management questioned in Phase II. Only five respondents were questioned may affect the quality and trustworthiness of the data gathered from these respondents.
- Due to the current restrictions of the COVID19 health pandemic, in-person interviews were unable to be scheduled, and all data had to be collected via digital platforms. Although the respondents' opinion is likely to remain the same, essential information might be lost through the lack of body language and facial expressions. Non-verbal communication can reveal emotions and different data sets that could have been encouraged to describe or lead the data to discover new concepts and ideas.

- As the language for this thesis, English did pose a challenge for some respondents who mainly communicate in Finnish. A lack of English language skills may have compromised articulation and presentation of ideas.

## 6.5 Suggestions for further research

This study suggested three potential areas of further research:

- To begin, research should be undertaken to validate the suggested traditional plan for customer retention strategies in NDT organizations to progress from simply a traditional plan to a meaningful academic and practical mode. It is recommended that further research be undertaken to build and improve the plan into a mode appropriate for application by DEKRA. Additionally, the model should sustain client retention efforts and constantly adapt to changing internal and external circumstances and customer requirements. Additionally, it is recommended that each idea included in the traditional plan be explored further to offer comprehensive and practical approaches to achieving the objectives of those concepts targeted at customer retention.
- Second, it is recommended that research be undertaken to ascertain any potential obstacles to implementing the proposed traditional plan for client retention initiatives. Internal and external opposition, environmental, political, organizational, and economic obstacles are only some of the barriers that must be recognized to overcome them effectively.
- Third, based on the study's results, gaps were found between what customers consider essential retention efforts and what organizations believe clients consider necessary for retention. Research should be done to determine the causes of these gaps and close them since discrepancies may jeopardize customer retention efforts.

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