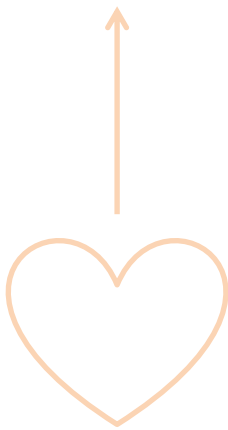


Master Thesis

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blmc



**'Critical Success
Factors of Customer
Relationship
Management in a
Service-Oriented
Business'**

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Summary

In the fast-changing world we are currently living in with new ways of communication, the needs of the customers are changing as well. The influence of the possibilities of Internet either improves or deteriorates the success of a business today. For the business, BLMC, subject to this study the latter is the reality. BLMC is faced with the importance of the value proposition of the services it provides and the way it establishes and maintains the customer relationships. The business offer executive search and interim management procedures, assessments, and business consultancy to its customers. As these services are supplies for other businesses it is difficult to build long-term relations with the customers, since there is only interest when there is a concrete questions or problem for which the service of BLMC are solutions. However, BLMC recognizes the importance of good customer relations as they retain customers and increase share development. It also wants to evaluate the current services to assess the performance. As good quality is of significant importance for service-oriented businesses. Thus, the urgency to change in order to survive is high, the way to do this is unclear to BLMC. Moreover, the economic crisis is having an enormous impact on the market which leads to fewer requests from the customers. Underlying is the vision of BLMC. It wants to be the best among competitors and be the leading business in the industry.

The business has to change, this is necessary both for the internal organization as its approach in external practices. The focus is on improving the management of customer relations and advancing the value proposition of the business. In order to do so this study was designed to determine how to improve the business and assess the current situation so that improvements can be made at BLMC.

The main question for this study is to appoint the critical success factors of managing customer relationships, assess these so that the value proposition of the service-oriented business BLMC can be improved. These improvements will in the end help the business to survive to the difficult period and to live up to the vision it set for itself.

First of all, a literature review was executed to describe the role of customer relationships in a business and determine the critical success factors. For service-oriented businesses the customer is top priority. The role of the customer can be explained by evaluating business models. A business model consists of several components that define the manner by which a business delivers value to the customers, enticing customer to pay for the value provided, and convert those payments into profits. It is also often used as a blueprint of a strategy to be implemented. The components can be divided into four main areas; customers, offering, infrastructure, and financial viability. In this study the business model of BLMC is evaluated on the first three areas. More information was gathered on the management of customer relations. The essence is to have a clear customer-centric strategy, select customer segments to target, focus on the value proposition, select the right channels to reach the customer,

have appropriate supporting systems, and evaluate the performance on managing customer relations. These are the general elements of a customer relationship management model, however for this study critical success factors are determined so that a business can focus and evaluate its performance. The critical success factors identified in literature were found in the external perception of the customers and the internal practices with regard to CRM. Three external factors influence CRM; *customer satisfaction, relationship marketing instruments, service attributes*. Five internal factors determine the operationalization of CRM within a business; *managerial practices, employee's attitude and behavior, customer knowledge, lifetime value, and customer interaction*. Suggested is that customer relationship management can be carried out successfully in case of a match between the external and internal factors. The presence of a match or mismatch was tested during an empirical study.

Secondly, in an empirical study these factors were tested during a quantitative and qualitative study among the customers, interim managers, and employees of BLMC. The questionnaire conducted among the customer and interim managers indicated the importance and performance of BLMC on the external factors. During the interviews with the employees of the business interesting in-sights of the current situation of customer relationship management were revealed. Interpreting and comparing the information on external and internal factors presented a good analysis of the current situation of BLMC.

The results determined which dimensions of the critical success factors match or mismatch so that a concrete advice can be given to BLMC on how to improve their customer relationship management and advance the value proposition. These improvements can be placed in the context of changed business model for BLMC. Mainly the external practices, such as building loyalty, be responsive and adapt to customer needs are essential. The value proposition of the services provided can be improved by advancing the recruitment phase and communication during procedures. Internally, the key activities and resources have to be improved so that they are suitable and facilitating managing customer relationships. These main points of a new business model can be translated into the following roadmap for BLMC:

- 1) In order to facilitate and implement successful customer relationship management and an improved business model a clear customer-oriented strategy has to be established with a long-term perspective on customer relationship management and that is shared with all employees. This strategy can consist of two components; the business strategy that determines the vision, industry and competitive characteristics, and the customer strategy that identifies the segments, customer choice and characteristics.

- 2) In order to facilitate and implement the established strategy an appropriate internal structure is needed. The key resources are essential, as the functioning of IT applications and a database that includes all customer activity determine the effectiveness and efficiency of managing customer relations. A good internal structure will also facilitate the key activities that are critical for advancing value proposition. Clear distribution of responsibilities will help the internal structure and improve the discipline, information sharing, and service-oriented attitude.
- 3) The employees have to be trained and selected on their service-oriented attitude. They have to be loyal, responsive, adaptive, informative and supportive. These are the most important dimensions for the customer of BLMC. If the performance in these dimensions is improved the level of satisfaction will increase.
- 4) All attributes of the service have to be improved, most important are the recruitment phase and communication during a procedure. This requires a high level of flexibility and customization in the situation analysis, interview quality, ways of support and frequency of consultations moments. Furthermore, the service can be improved by focusing on the usability, attractiveness, content and consistency towards the customer.
- 5) Focus with relationship marketing on specific customer segments; expand professionalism in event marketing, establish events for specific customer segments, advance community based customization adapted to specific customer needs.
- 6) Invest time in frequent personal meetings as this drives the customer to engage in a relationship for a longer period. The image of BLMC has to reflect the vision and its place in the industry. Stronger and enduring relationships will change the perception of the customer from supplier to partner.
- 7) Besides the focus on the customer also strong relationships have to be built with the key partners. As BLMC has to be flexible and adaptive to the fast-changing needs of the customers, relying on the key partner is essential. Thus, time and efforts have to be invested in the relationships with the interim managers, pool of candidates, trainers, and psychologists.

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1. Introduction

Today the influence of Internet is visible everywhere, we cannot imagine a life without it. However, the possibilities of Internet reach out to options that were not foreseen and influence businesses to such an extent that for some it resulted in their downfall, and for some it means their existence (Van den Hoff, 2011). A few trends identified in the increasing influence of Internet on customers and businesses are more demanding customers and less trust in businesses. Furthermore, the transparency increased, channels are reversed, and service is becoming more important than products. These changes on the customer-side is dividing businesses, causing boundaries to fade, emphasise the importance on networks and having flexible autonomous employees (Tiggelaar, 1999). The result is that businesses have to change their activities or ways of operating in order to compete in this fact-changing world (Van den Hoff, 2011).

The focus of this study is on service-oriented businesses. The Netherlands can be typified as a service country with 60,5% of the gross national product earned in the service industry (CBS, 2010). Providing service involves more personal contact and the perception of service by customers determines the successfulness of a business, in contrast to those businesses delivering a concrete product to customers. Therefore the management of customer relationships in service-oriented business is of significant importance since value can only be generated through good relationships. Other underlying reasons for value creation are to improve customer retention, loyalty, reduce customer costs, and achieve customer growth (Van Leeuwen, 2010). Finally, the value creation process will result in a win-win situation for the relationship between the customer and the business. According to Cialdini (2007), the accelerating pace and information of modern life requires a different way of understanding and thinking in the society. There are six principles to be realised by businesses with its customers. First, let the people feel indebted with the business by doing something for them or give them a gift so that reciprocity is created. Secondly, be socially proved. Create a sense of commitment and be consistent. Furthermore, being liked by people increases the probability of establishing a good relationship. Also people are sensitive for authority. Finally, providing something scarce is beneficial as the less of your service is available the more valuable it is. Using these principles businesses can influence the decisions made by customers so that valuable relationships can be established (Cialdini, 2007). Probably one of the most effective and cheapest ways to establish and maintain customer relationships is to have your customers as ambassadors of your business. The most value for a business is created through customers, if they favour your service they will share this with their network (Burgers, 2006). This view emphasizes the importance of managing customer relationships in creating value for a business.

1.1. Research context

In this master thesis study the business subject to the practical problem of creating value and managing customer relationships is BLMC. This business focuses on organizations and staffing in the following fields: purchasing, logistics, supply-chain

management, facility management and patient logistics. BLMC provides executive search and assessments, interim/project and change management, and business consultancy. The critical activity of this business has been connecting people with businesses for a long time. However, through the emergence of social options on the Internet it noticed that their traditional service as link between people and business became insufficient, since the person looking for a job could find the business on the Web or vice versa. A recent study presented that 74% of the Dutch Internet users are member of a social network, 61% is active on forums, and 50% is using the Internet for finding a job (Telecompaper, 2010). The business came to the conclusion that it had to provide different services or change their services so that it would still be beneficial for their customers to make use of their services. It realised that creating and providing value is the most important in the relationship with its customers. However, externally and internally it did not establish a clear strategy, to adapt to these current changes, on how to manage their customer relationships so that their service provided will result in a worthy value proposition to the customer of the future. For BLMC two types of customers can be identified; the candidates applying for a vacancy posted by BLMC, and the businesses posting the vacancy at BLMC. These types of customers require different approaches in managing the relationships. BLMC has procedures for short-term, fixed and interim vacancies. However, one mistake in these procedures can have enormous consequences for the relationship with the customers. BLMC will have to put huge efforts in recovering the relationship. BLMC also noticed that often the candidates of today are the customers from a business in the future or vice versa. This also stresses the importance of having satisfying relationships with candidates and businesses. In this study, the focus is set on the customers that have a relation with BLMC on behalf of the business they are working for, and the interim managers which are very important for BLMC to have valuable relationships with as they generate business for BLMC. Another bottleneck can be identified within the organisational structure of BLMC. The organisation is divided in front- and back-office. At the front-office the employees have direct contact with the businesses and take interviews with potential candidates. The back-office is responsible for incoming inquiries by mail and telephone, launching vacancies, registration of applying candidates, scheduling appointments non-procedural bounded activities and administrative tasks. Whereas the front-office has to be flexible, the back-office is focused on structure and operates using manuals. This opposite way of working sometimes results in tensions. These bottlenecks will be taking into account during the empirical study in which the external and internal factors of customer relationship management are analysed at BLMC.

Problem description. In order to change and remain successful, a vision is of significant importance for a business. The vision for BLMC in brief is to be the best in what they do, delivering people and provide advice. They want to operate at a high level and surprise competition and customers for which it is recognised that personal attention, quality and service are the most important concepts in their relationships with customers. An attempt, using these concepts, is made by BLMC by providing assessments and

organising events for the customers, candidates and businesses, in their network. The main question remains; What are exactly the important factors and how can these be incorporated by BLMC so that lifetime valuable customer relationships are generated and managed?

1.2. Background of the practical problem in literature

In order to generate an advice for BLMC, more in-depth information on the background of the practical problem will be reviewed. A brief introduction to the literature on the practical problem will be given here.

The management of customer relationships varies in importance for a business. As the practical problem is valid in a service-oriented business more information on the role of customer relationships in service businesses will be reviewed. Businesses can create a competitive advantage by establishing service-based business models in which they develop relationships with customer, visualize intangible value of their service offerings and being adaptive to customer needs (Kindström, 2010). Literature on business models will provide a better understanding of the main concepts and the role of these relationships inside a business. Osterwalder and Pigneur (2010) identified a direct relationship between the customer relationships and value proposition in a business. In which having a satisfactory customer relationship positively influences the value creation process. The inputs and outputs of a business define the service it delivers in a relationship. The input is the knowledge, and the output is the intangible and customized service (Maister, 1993). In order to become successful in delivering high quality service several internal and external factors are important. Implementing these factors of managing customer relationships is critical for the success of a business (Grönroos, 2007). The success is dependent on the value proposition of a business since that is the unique way a business is profitable (Osterwalder, Pigneur, Tucci, 2005). The basis of every business is the value creation process as stated in the literature on business strategies and business models (Osterwalder, et.al. 2005; Morris, Schindehutte, Allen, 2003; Teece, 2010). Thus, the management of customer relationship involves external participation and internal practices so that the value proposition of a business can be improved.

Gap in literature. The background of literature on managing customer relationships and creating value showed that there is a link between customer relationships and value proposition (Osterwalder and Pigneur, 2010). However, not identified are the critical success factors of managing customer relationships that provide and create value for both the business and the customer. Therefore, this study will focus on determining and assessing external and internal success factors of customer relationship management so that critical factors can be linked with business value proposition and explained by literature.

1.3. Research questions

The main research question for this study, following the above described information, is:

Which critical success factors of managing customer relations have to be improved in order to advance the value proposition of the service-oriented business BLMC?

The following sub-questions will be used as a guideline throughout the literature review and the empirical study, so that at the end of this study the main research question can be answered:

- a) How is the role of customer relationships in a business described in literature?
- b) What are the critical success factors, described in literature, in managing customer relationships and improving the value proposition?
- c) What are critical success factors, evaluated by customers of BLMC, in managing customer relationships?
- d) How is the customer relationship management perceived by the employees of BLMC?

1.4. Expected theoretical and practical contributions

This study will contribute to theory and in practice in several ways. First, the gap identified in literature will be partially filled with the model build in this study. The empirical results gathered will provide a basis for service-oriented businesses to manage customer relationships. The external and internal critical success factors identified will provide grounded theory for the value creation process. Secondly, some practical contributions of this study are the use of critical success factors for managing customer relationships. Businesses will be able to improve their value proposition by using the external and internal factors as a checklist for analysing strong and weak points of their customer relationship management.

1.5. Structure

In this chapter the topic of the study was discussed. In the second chapter literature will be reviewed on customer relationship management, critical success factors (CSFs), and business value proposition. The gathered in-depth information will be summarised in a model representing the critical success factors of customer relationship management. Furthermore, empirical study will be conducted to measure the influence on internal and external CSFs on the value of relationships between customers and BLMC. The third chapter will begin with a description of the research methodology. In the fourth chapter the results of the empirical study will be analysed and compared to the literature found. In the final chapter conclusions will be drawn, limitations of the study will be discussed, suggestions for further research will be given, and practical implications with recommendations for the management of customer relationships of BLMC are presented.

2. Literature review

In order to formulate an answer to the research questions a literature review is of significant importance to gather in-depth information on the topic so that a better understanding of the problem will be achieved. The literature review is the basis for a study and will contribute to the formulation of answer to the proposed research question (Cooper and Schindler, 2008). First, the methodology to conduct a literature review will be explained. Furthermore, the main concepts of the research question with its sub-questions will be investigated. Finally, a model will be drawn to present an overview of the relations between the concepts and expectations regarding the research problem.

2.1. Literature review methodology

In order to find relevant books and articles concerning the research problem a systematic literature review was conducted. Using a broad range of sources resulted in the sufficient literature to explain the main concepts of this study. The following databases were used:

- Business Source Premier
- Web of Science
- Google Scholar

With the purpose of finding relevant literature for this study key words were used based on preliminary readings and logical thinking. As the research context and problem description was described the main concepts are *customer relationship management, business models, critical success factors, and value proposition*. Using these as a guideline a list of the key words that are related to the main concepts was drawn. The key words used are presented below. In the first phase a number of 130 articles were found based on the key words. Grounded on the relevance in title and abstract the articles were filtered. In the second phase another selection took place by using other criteria so that the most relevant articles would remain for further review. The articles could only be used when they were peer-reviewed or received at least 50 citations. After these selection phases, 61 articles appeared to be relevant to take into account for further review.

Key words:

- ✓ Business models
- ✓ Customer relationships
- ✓ Customer satisfaction
- ✓ Determinants/drivers
- ✓ Relationship drivers
- ✓ Commitment
- ✓ Value proposition

2.2. Role of customer relationships

Customer relationships are central in this study. In order to understand the role of customer relationships the relation with a business will be explained first. Furthermore, the way customer relationships can be managed will be discussed using several models and classifications. Finally, the focus will be drawn to a service-oriented approach in managing customer relationships.

The role of customer relationships in a business can be evaluated using business models. According to Osterwalder and Pigneur (2010) a business model is a conceptual tool that contains a set of elements and their relationships, and allows expressing a business's logic of earning money. It is a description of the value a business offers to one or several segments of customers and the architecture of the firm and its network of partners for creating, marketing and delivering this value and relationship capital, in order to generate profitable and sustainable revenue streams. The business model can be used as a guideline for a business to build a strategy upon (Osterwalder et.al., 2005). Several studies were carried out concerning the components of a business model. The most frequently cited components are; value offering, economic model, customer interface/relationship, partner network/roles, internal infrastructure, connected activities, target markets (Morris et.al., 2003). The essence of a business model is defining the manner by which the business delivers value to customers, entices customers to pay for value, and convert those payments into profits (Teece, 2010). The components are the tools to achieve this, as these together achieve more than the sum of its parts (Morris et.al., 2003) Also Osterwalder and Pigneur (2010) emphasized that the use of business models is to provide a solution for creating and capturing value of intangible assets. The business model is a blueprint of a strategy to be implemented through organizational processes, structures and systems (Osterwalder and Pigneur, 2010). The business model used here consists of nine components covering four main areas of a business; customers, offering, infrastructure and financial viability (Osterwalder and Pigneur, 2010). As can be seen in the illustration below the place of customer relationships is represented on the right, between value proposition and customer segments. In order to understand its relation to the other components in its area the four components of customers will be explained briefly. Firstly, the value proposition creates value for a customer segment by providing newness, performance, customization, design, brand, price, accessibility, usability and convenience. Secondly, the customer segments represent the area the business is active in. Furthermore, the channels are used to communicate with its customer segments in order to deliver the value proposition. Finally, customer relationships specify what type of relationship each of the customer segments expects to establish or maintain with the business. These expectations can be, among others, the demand for personal assistance, self-service, automated services, communities, or co-creation (Osterwalder and Pigneur, 2010).

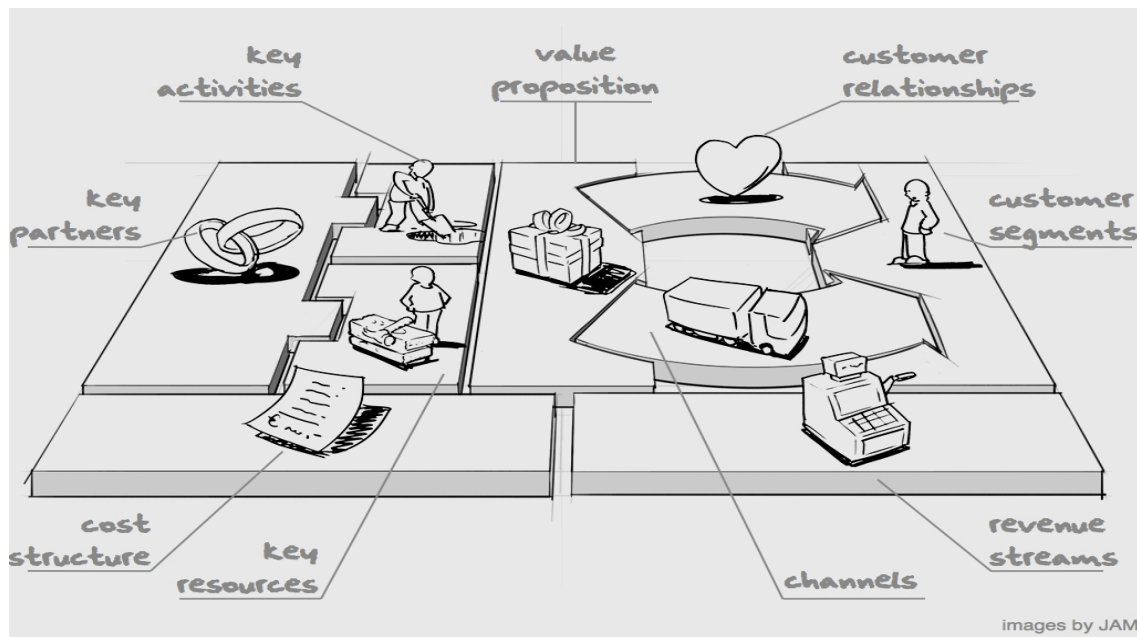


Figure 1: Business model framework. Source: Osterwalder and Pigneur (2010)

The establishment and maintenance of customer relationships have in common the demand for service. According to Kindström (2010) companies seek competitive advantage by establishing service-based business models in which they develop relationships with customers, visualize intangible value of their service offerings and to advance a dynamic service offering portfolio that is adaptive to changing customer needs. The role of customer relationships is to focus on proactivity, continuity, and capturing specific customer needs. Kindström (2010) stated that it becomes increasingly important to build, enhance and retain relationships by increasing customer interaction, improve customer sensing and information gathering so that strong relationships can be build.

Generally, investigating customer relationships requires a customer-centric approach. The customer is in the focus point of attention for a business (Reinartz, Krafft, Hoyer, 2004). During the implementation of a customer relationship approach in management there are several aspects a business has to consider. First of all, a business should build and manage on-going customer relationships. Secondly, relationships evolve in stages from the pre-relationship stage, through exploratory and developing stages, to desirably a stable relationship (Ford, Gadde, Hakansson, Lundgren, Snehota, Turnbull, Wilson, 2003). Furthermore, businesses should interact with its customers and manage the relationship at each stage. Finally, the distribution of relationship value is heterogeneous, which means that they will never be the same and the business has to differentiate in managing relationships. Therefore, a different approach might be required across relationships. Customer relationships management is deeply rooted in relationship marketing (Kennedy, Kelleher, Quigley, 2006). There is mutual interdependence and cooperation between the business and customers in order to facilitate mutual creation of value. Customer relationships are therefore more than an

exchange relation with money as the basis (Grönroos, 2007). Using the definition of Payne and Frow (2005) CRM can be defined as the following:

Customer relationship management (CRM) is a strategic approach that is concerned with improving shareholder value through development of appropriate relationships with critical customers and customer segments so that profitable and long-term relationships can be built.

The use of CRM can result in a wide range of benefits for a business such as; value enhancement, improved effectiveness, innovation, and service improvement. Potential goals for CRM are to increase customer retention and loyalty, achieve higher customer profitability, create value for the customer, customize products and services, have lower process, and provide higher quality products and services (Kim, Suh, Hwang., 2003). There are several frameworks established illustrating CRM approaches that can be used as a guideline for a business to build strong customer relationships. As the overall goal of CRM is to create value (Winer, 2001), the CRM value chain can be considered when implementing CRM. This model distinguished between primary stages and supporting conditions in managing customer relationships (Buttle, 2000). In the primary stages a customer portfolio analyses can be made, customer intimacy is established, a network and value proposition is developed, and the relationship is managed. Supporting conditions which turn these customer relationships into value are culture and leadership, procurement processes, human resource management processes, IT management processes and an organisational design. According to Winer (2001) there are seven basic steps in managing customer relationships. First of all, the establishment of a database that includes all customer activity such as transactions, customer contacts, descriptive information and marketing response. Secondly, analyse the database to define customer segments. Thirdly, decision about which customer to target can be made. In the next step, the selected customers can be targeted using a variety of marketing tools. In the fifth step relationship programs are established such as loyalty programs, customization, community building, reward programs, and customer service programs. Another step that has to be considered throughout the whole CRM process is the privacy issues of the customers. Finally, metrics have to be implemented and evaluation has to be performed in order to measure the success of the CRM process. A simplification of this process is made by Grönroos (2007) who identifies three tactical elements for CRM; seek direct contact with the customers, build a database, and develop a customer-centric service system. He also identified a few benefits for the customer to interact in a relationship namely; confidence, social benefits, and special treatment. Besides the CRM process goals and benefits also a difference can be made in the type of relationships. Relationships can either be transactional in which the customer is looking for solutions to their needs at an acceptable price and no interaction is appreciated, or active relationships where customers look for opportunities to interact with the service provider in order to get additional value a lack of contact would make them disappointed, and passive relationships exists in which the customer is looking for knowledge that they could contact the service provider if they wanted to these customer

do seldom respond to invitations to interact (Grönroos, 2007). Another way of classifying customer segments is using the following categories; active, inactive, prospects, suspects, and the rest of the world. This classification is part of an extended customer marketing method (Curry, Wurtz, Thys, Zijlstra, 1998). In this method customer relationships are managed in a cyclical process of data recording, analyse, planning and realising so that customers value can be improved and enlarged; retain customers that are at their top of expenditures; maintain customers of which turnover is temporarily decreased; reactivate inactive customers; recruit new customers; and identify qualitative prospects from a pool of suspects. A business can use this method to map the current situation of customers, establish and execute a directed marketing approach (Curry, 1998). A few processes and classifications that can be used to manage customer relationships are described above. However, the most complete model is developed by Payne and Frow (2005). This model is built upon the relationships between five processes. The starting point of a business is the strategy development which has to be business and customer focused. This influences the value creation and information management process directly. As the strategy has to fit with activities of the organisation so that the optimal result can be achieved. This will determine the multichannel integration which is the practical implementation of customer relationship management. The sales force, direct marketing, electronic commerce and other activities will facilitate the establishment and maintenance of customer relationships of an organisation. It is assumed that when these processes are optimal incorporated in a business positive shareholder results will be achieved and performance can be monitored (Payne and Frow, 2005). For this study the factors influencing the value creation process are the most relevant and will be described in detail in the last part of this chapter.

Service-oriented business. As for this study the focus is on service-oriented businesses, the most important aspects of service management will be briefly discussed. The model of Kindström (2010) mentioned above, described a service-based business model in which a business wants to understand the intangible value of their service offerings. Also Kim et.al. (2003) highlighted that a goal of managing customer relationships is to improve service towards the customer. There are several ways to reach those goals. An appropriate approach to begin with is to incorporate a service-oriented approach. The essence of this approach is that services are produced and consumed simultaneously and that the customer participates as a co-producer (Grönroos, 2007). The goal of service management is to achieve a high perceived service quality. As excellent service pays off twice. Furthermore, in service-oriented business the organisational structure is different from others, such as manufacturing businesses. In a service-oriented business the customers are the top priority. The responsibility for these customers and operational decisions moved from management to employees involved in the service encounters. These changes in responsibilities result in flatter businesses and fewer intermediate levels. This change in structure requires a change in strategic thinking (Grönroos, 2007). The strategy is also dependent on the type of service a business

delivers. According to Maister (1993) this can be either procedural, brain or grey hair. The essence of procedural service is efficiency. The solution or approach is known, that is why this kind of service can be delegated to the less experienced employees of the firm. The brain services rely on expertise, because it requires much creativity. The last kind of service is the grey hair service, which relies on experience, because of the uniqueness of the problem. The inputs and outputs of a business define the service it delivers. The input is the knowledge and the output is the intangible and customized service (Maister, 1993). In order to become successful in delivering high quality service several internal activities are required; training, leadership and management support, internal communication and dialogue, make use of internal effects of external communication, involve the employees in planning, rewards the employees for successful performance, and develop supportive technologies and systems (Grönroos, 2007).

2.3. Business value proposition

As identified in the beginning of this study interesting is the value creation process in relation to the management of customer relationships. The critical success factors explained in the next chapter are expected to improve this value creation process. Value proposition was briefly introduced in the business models explaining the role of customer relationships in a business. In this chapter the concept of value proposition will be linked to customer relationships in more detail. In this study the value proposition of a business illustrates its place in the market and what it offers so that customers are interested to build a relationship with this business.

The challenge for service-based business is to develop the ability to create value with intangible service offerings through customer relationships and to adapt to changing customer needs (Kindström, 2010). In these types of businesses products offering is not the core but providing new service offerings are. According to Chesbrough (2007), value proposition can be defined as:

The offering that is presented to the customer stating the value created.

The critical elements of value proposition are that the contribution of the service is clearly articulated and visualized, customer interaction is close, and the service is dynamic and adaptive to customer needs. A sufficient value proposition makes service tangible for customers. Furthermore, communicating the value created is necessary and achieving excellent understanding of customer operations and business is required. Finally, the most important goal of value proposition is to reach all potential customers (Kindström, 2010). Another explanation of value proposition is provided by Osterwalder et.al. (2005), that identified value proposition as the value created for customers by providing newness, performance, customization, design, brand, price, accessibility, usability and convenience. In their business model, value proposition is closely related to customer relationships and affected by internal activities, resources and partners (Osterwalder and Pigneur, 2010). The research of business models as foundation for

business strategies clearly proved that value proposition is at the basis of every business (Osterwalder et.al, 2005; Morris et.al, 2003; Teece, 2010).

However, there are several ways how businesses perceive their value proposition in customer relationships. A few will be discussed here. First of all, some businesses identify their value proposition as all benefits that the relationship provides to the targeted customers. Others assess their value proposition as the point of difference that it delivers over other value offerings of alternative businesses for a customer. However, the most optimal perspective is to review the value proposition with resonating focus in which the most important elements for a customer are prioritized so that a superior value offering can be done (Anderson, Narus, Rossum, 2006). Secondly, value propositions must be distinctive, measurable and sustainable (Anderson et.al, 2006). Finally, Maglio and Spohrer (2008) emphasize that value in knowledge intensive service businesses is created through customer participation and input. The co-creation of value by customers and businesses will improve the level of service delivered.

Besides the different perspectives on value proposition, strategies are developed that can be used as a guideline in the value creation process. A market orientation is required in which the business is continuously learning about its customers so that superior value can be delivered. A business can conduct market experiments, learn from others that have insight in customer needs and technologies to satisfy those needs, or learn from experience so that improvements can be made (Slater and Narver, 1996) Furthermore, a commitment to innovation is needed as in the fast-changing branch of service businesses competitors quickly imitate. Another central theme in value proposition is to maximize effectiveness of value creation activities. A business can achieve optimal effectiveness by establishing new product development processes, customer order fulfilment processes, and a market sensing process (Slater, 1997).

2.4. Critical success factors of managing customer relationships and business value proposition

For the aim of this study external and internal critical success factors are identified to find out how customer relationships can be managed so that a match with business value proposition can be established and optimised. The external factors are the drivers for customers to engage in a relationship with the business. The internal factors are the practices inside the business concerning managing customer relationships (Arantola, 2002).

2.4.1. External critical success factors

Customer satisfaction. The level of customer satisfaction is dependent on broad range of dimensions. The most important determinants of business value propositions will be discussed. Customer satisfaction itself is said to influence the upgrade decision of a customer (Bolton, Lemon, Verhoef, 2008). Also Kim et.al. (2003) relates customer satisfaction to increased value as it creates the feeling that a service meets customers' expectations and can lead to lifetime customers. The level of customer satisfaction can

be dependent on the perceived brand image, service level, assurance, reliability, empathy, responsiveness, and tangibles (Kim et.al, 2003). Furthermore, the applications used to manage customer relationships can influence customer satisfaction as it can help a business to customize offerings, improve its reliability, and efficiency (Mithas, Krishnan, Fornell, 2005). According to Grönroos (1990) a good customer base is at start for achieving customer satisfaction.

To make customer satisfaction more specific three factors are chosen to explain customer satisfaction in relation to business value; *trust, commitment and loyalty*. These relational resources are the primary drivers of business performance as they lead to superior corporate performance and increased shareholder value (Luo, Griffith, Liu, Shi, 2004). A good overall customer satisfaction will influence the trust and commitment of a customer towards a business (Garbarino and Johnson, 1999). Furthermore, customer satisfaction is positively related to customer loyalty. Customer loyalty can be achieved at three levels; financial, social and structural (Van Leeuwen, 2010). Increased customer loyalty can influence usage levels, secure future revenues and minimize the risk of customer deviation (Mithas, 2005). Loyalty programs can be implemented to build and sustain loyal customer relationships (Winer, 2001). Loyalty programs also provide economic incentives that positively affect the customer retention and customer share development (Verhoef, 2003). These effects make relationships stronger and increase customer satisfaction about the business' offerings. In the research of Arantola (2002) it was found that the outcome of customer satisfaction can result in increased customer trust and commitment. Trust can be conceptualized as the perception of a customer about the persons or offerings of the business such as; empathy, politeness, customization, competence, and reliability (Coulter and Coulter, 2002). Commitment is defined by Liljander and Strandvik (1995) as the parties' intentions to act and their attitude towards interacting with each other. A high relationship value will affect commitment positively.

Since good customer relationships are the most valuable asset of a business and customers have a choice in businesses, the *quality and value of customer service* has to be top priority for a business (Winer, 2001). The so-called 'moments of truths' (Grönroos, 2007) or the 'touch points' are the encounters of customer service and can result in repeat transactions in the relationship (Winer, 2001). According to Winer (2001) there are two ways to enhance customer service. First of all, reactive service has to be delivered so that when there is a problem with a customer the business knows how to solve it. This demand for service leads to a service recovery procedure (Grönroos, 2007). Secondly, there is the demand for proactive services. Employees are trained to reach out and anticipate customers' needs on forehand (Winer, 2001). Customer relationships can be managed by providing efficient and effective customer service since these increases the value of service for the customer (Richard and Jones, 2008). Furthermore, the value of the service can be assessed by its usability, attractiveness, content and consistency (Kim et.al, 2003). The customers' perception of quality and value of the service has a positive influence on customer retention (Bolton et.al, 2008). The expectations of

customers regarding service quality are influenced by *positive word of mouth, personal needs, experiences form the past and external communication* (Zeithaml, Parasuraman, Berry, 1988). The experience of customers is a source to be managed carefully as it critical for creating value. Unique experiences create and strengthen customer relationships (Van Leeuwen, 2010). Important for this study is the perception of service by customers delivered by the business. When the service is perceived as valuable the *reputation and credibility* of the business will improve and result improved business value (Grönroos, 2007).

For all above mentioned dimensions of customer satisfaction the importance-performance theory can be incorporated. This theory is designed to indicate the differences between the perceived importance and the experienced performance of a business (Hemmasi, Strong, Taylor, 1994). Four quadrants are the core of the importance-performance theory, a business can use this theory to interpret their performance and the fit with the importance of their customers. An illustration of the importance-performance theory is displayed below. The first quadrant indicates that both importance and performance are low which is not concerning as it has 'low priority' to the customers. The second quadrant refers to a 'possible overkill, the performance exceeded the perceived importance of customers. Dimensions in this quadrant are performed high on by a business but is not regarded as important for the customers. A business has to make sure that it brings these dimensions in balance with the other dimensions as it has to focus on performing high on the dimensions most important to the customers. In the third quadrant, the level of importance is equal to the level of performance which means that a business is satisfying the interests of the customers. The final quadrant is the most important to a business as this indicates where it has to concentrate and improve in performance.

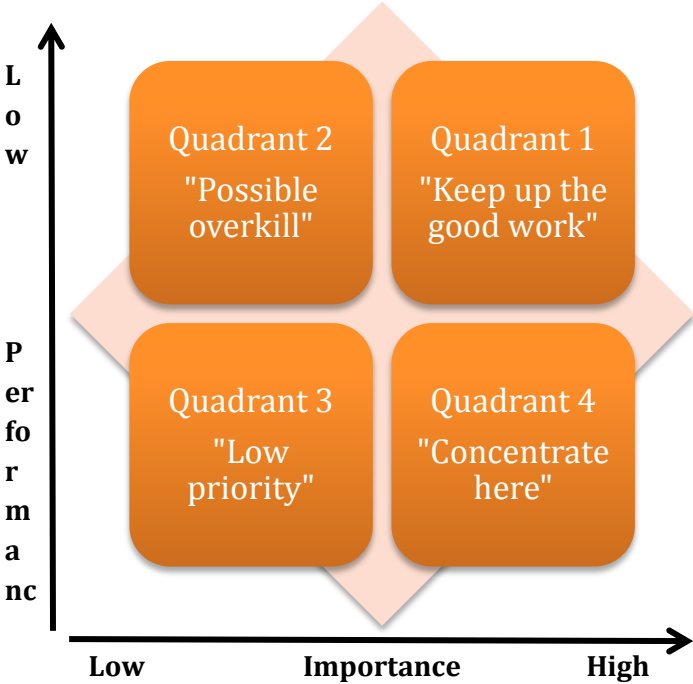


Figure 3: Importance-Performance Matrix

Relationship marketing instruments. Businesses can use a variety of relationship marketing instruments to manage customer relationships. First of all, a business can use (virtual) *communities* as mentioned above. The purpose of these communities is to build a network of customers for exchanging product-related information and to create relationships between the customer and the business. Communities can be established using social media, crowdsourcing, co-creation, viral marketing, and user-generated content (Van Leeuwen, 2010). The relationships build in communities are more personal than the traditional way of communicating with customers (Winer, 2001). Communities have several benefits for the business as well as for customers. For the business establishing communities increase trust and results in positive word-of-mouth (Abdul-Rahman and Hailes, 2000). The customer benefits from participating in communities as gives a sense of belonging in which they can align and share their experiences (Wenger, 2009). It was found that businesses using virtual communities will be better in fostering relationships with their customers and are likely to be more successful than those who do not have communities (Ridings, Gefen, Arinze, 2002). Secondly, businesses can focus on the *customization* of service. This entails one-to-one marketing regarding the creation of products and services for individual customers. The idea is that customers participate in the production by sharing their preferences instead of only taking the service once it's ready for consumption (Winer, 2001). There are several ways to customize the service, besides a personal, one-to-one approach, such as; behavioural targeting, location based service, product configuration, community based customization (Van Leeuwen, 2010). Therefore the level of customization is the ability of the service representative, the business, to vary service offerings in terms of specific service attributes to suit specific individual customers' needs (Coulter and Coulter, 2002). A high level of customization is positively related with generating value for the customer in maintaining relationships. Generally, there are two effects of customization on managing customer relationships. First, customization results in better customer perception regarding utility, quality, price and convenience of the service. This is particularly relevant in the initiation and maintenance stage of the relationship. Secondly, a result of customization is that the service recovery will be more personalised and results in improved performance (Richard and Jones, 2008). Finally, customer relationships can be managed by providing *events, learning projects, and artefacts*. . These are tools to provide and create valuable information in a relationship for the customer as well as for the business, to create a 'win-win' situation (Wenger, 2009). In general, relationship marketing instruments drive the customer to engage in a relationship with the business because it provides recognition, a sense of reciprocity and status, confidence, and monetary benefits (Atantola, 2002).

Service attributes. Besides the dimensions of customer satisfaction and relationship marketing instruments, the specific attributes of a certain service are influencing the external side of managing customer relations as well. These are attributes that are fixed and distinctive in the process of a service (Grönroos, 1993). The customer can evaluate these factors based on their experience. The process can be improved or optimised

internally and will directly influence the value of a service (Parasuraman and Zeithaml, 1985). The specific process is dependent on the type of service a business provides. In this study the critical elements in the process of the provided service are; application, recruitment, selection, communication, and aftercare. The business has to perform optimal on these elements so that the customer will appreciate and is likely to return for the delivered service.

2.4.2. Internal critical success factors

Managerial practices. There are a variety of factors that can be labelled managerial practices as these are established at the management level of a business and have a significant influence on the value creation process (Patterson, West, Lawtorm, Nickell, 1997). A successful implementation of customer relationship management requires *senior management commitment and leadership*. It is a complex process and requires top management to act as a champion to drive the business in preferred direction (Kennedy et.al, 2006). Furthermore, *clear strategic planning* with a long-term perspective has to be embedded in customer relationship management. Finally, the establishment of a *coordinated programme of organisational processes using appropriate technology applications* is required (Rigby and Ledingham, 2004). Other factors that influence the customer perspective of service offering are the *professionalism and skills* present in a business. It is important that customers realize that the business with its employees, operational systems, and physical resources have the skills to deliver service in a professional way (Grönroos, 2007).

Employee attitude and behaviour. The employee attitude directly influences the value proposition of a business. As a good attitude delivers better quality and representation for the business (Patterson et.al, 1997). Also Grönroos (2007) argues that customers feel and appreciate that the service employees are concerned about them and interested in solving their problems in a friendly and spontaneous way. Patterson et.al. (1997) determined that two measures of employee attitude are the level of *job satisfaction and organisational commitment*. Furthermore, *employee's acceptance* is critical in implementing a successful customer relationship management. The employee has to create value with a customer through the communication and behaviour towards them (Eid, 2007). In order to have the satisfaction, commitment and acceptance of the employees they have to *feel supported* by management (Chen and Popovich, 2003) and they have to be *trained* to manage their customer relationships (Eid, 2007). Finally, not the surroundings affecting the successfulness of employees in creating value in relationships, but the specific characteristics of employees. They have to be knowledgeable, skilful, and motivated to understand customers. Only those employees are able gain customers' trust and respect which are the basis of a valuable relationship (Lindgreen, Palmer, Vanhamme, Wouters, 2006).

Customer knowledge. Having knowledge about your customers helps to identify the needs of the customer in the relationship with the business. If a business is able to encounter customer requirements and expectations, loyalty can be achieved which indirectly leads to improved business value (Kim et.al, 2003). Tools for a business to achieve this are *service customization, provide additional information, and quality enhancement*. Furthermore, customer knowledge can only be sufficiently when a *good database with customer information* is the basis. A good database facilitates organizational learning and enables business to analyse customer behaviour. Customer knowledge also provides the business with better *understanding of data management issues* related to initiating, maintaining, and terminating customer relationship. This is beneficial as it gives the business a competitive advantage in customizing offerings and responding to customer needs (Mithas et.al, 2005). Also gaining customer insight by analysing the behaviour of customers and creating ambassadors will enable the business to influence its customers (Van Leeuwen, 2010). Customer knowledge improves the ability to innovate and learn from customers so that value offerings can be effectively adapted with customer needs (Kim et.al, 2003).

Lifetime value. For a business it is important to achieve lifetime relationships with its customers so that lifetime value is generated. The way customer relationships can be managed so that customer value can be generated and improved is by targeting profitable customers, integrate offerings across channels, improve sales force efficiency and effectiveness, improve pricing, improve customer service, and individualize marketing messages (Richard and Jones, 2008). Customer value covers tangible and intangible benefits. According to Kim et.al. (2003), customer value can be achieved by providing value adding activities such as virtual communities, loyalty programs and attractive bundling of different services. For lifetime value precise specification of inputs is required and the concentration of profits among customers has to be analysed (Mulhern, 1999). Long-term relationships are valuable assets for businesses, it also emphasises the importance of maintaining existing customers (Grönroos, 2007). The value of a lifetime relationship is related to the *strength and length of a relationship* (Liljander and Strandvik,, 1995). Furthermore, lifetime value is sometimes called customer equity as it is the total of the discounted lifetime values of all its customers (Jones, Richards, Halstead, Fu, 2009). This determines the current and future profitability of customers. Achieving customer equity is important for maximizing long-term business performance (Vogel, Evanschitzky, Ramaseshan, 2008). The drivers of customer equity are *value, brand and relationship equity*. This is perceived and assessed by the customers of a business. Some concrete examples how to achieve customer equity are; providing customized service offerings, free informal consultancy services, introduction of formal consulting services (Jones, 2009).

Customer interaction. Besides the above mentioned demand for customer knowledge, also the way of customer interaction is of significant importance for managing customer relationships and achieving high business value (Kim et.al, 2003). Before interacting the business has to identify customer groups to target, as a different approach might be required for different groups. These customer segments can be based on value, expectations, needs, and willingness of a customer to establish a relationship with the business (Van Leeuwen, 2010). Customer interaction became more crucial with the introduction of informational technology. Nowadays businesses are able to build relationships with customers in the online world. They are able to respond directly to customer requests and to provide customers with *highly interactive, customised experience*. Internet has increased the ability of businesses to establish, maintain and sustain long-term relationships (Winer, 2001). These online activities complement the offline activities of *personal interaction* by salespeople and customer service representatives. Winer (2001) also mentioned that customer interaction depends on the type of service provided and can be improved by increased *customer contact and event marketing*. Another example is to appoint a chief customer officer who only focuses on customer interactions (Winer, 2001). Customer interaction will improve the internal business (Kim et.al, 2003). Also Arantola (2002) assessed that the internal effects of customer interaction will lead to higher volume and customer share, reduced interest in the competition, and decreased price-sensitivity. There are several ways to achieve effective customer interaction in relationships. Stone, Woodcock and Wilson (1996) identified four activities that can be implemented by a business. First of all, continuous *contact with staff*. Secondly, *outbound contact management* by mail, telephone, and sales visits. Furthermore, an appropriate *physical service environment*. Fourthly, the *transaction* aspect with the customer. Arantola (2002) also identified some activities improving customer interaction; identify and know your customers, execute effective marketing communication, and improve the service process. Besides the classic channels also new communication sources can be implemented to improve customer interaction such as; establishing a *service centre, internal virtual communities and events* (Kim et.al 2003).

2.5. Model

In this paragraph an illustration will be given to display the relation between the main concepts, factors and dimensions identified in the literature review. Furthermore, the relation between the external and internal critical success factors and their influence on the business value proposition will be discussed. Finally, a summary is drawn to conclude the literature review.

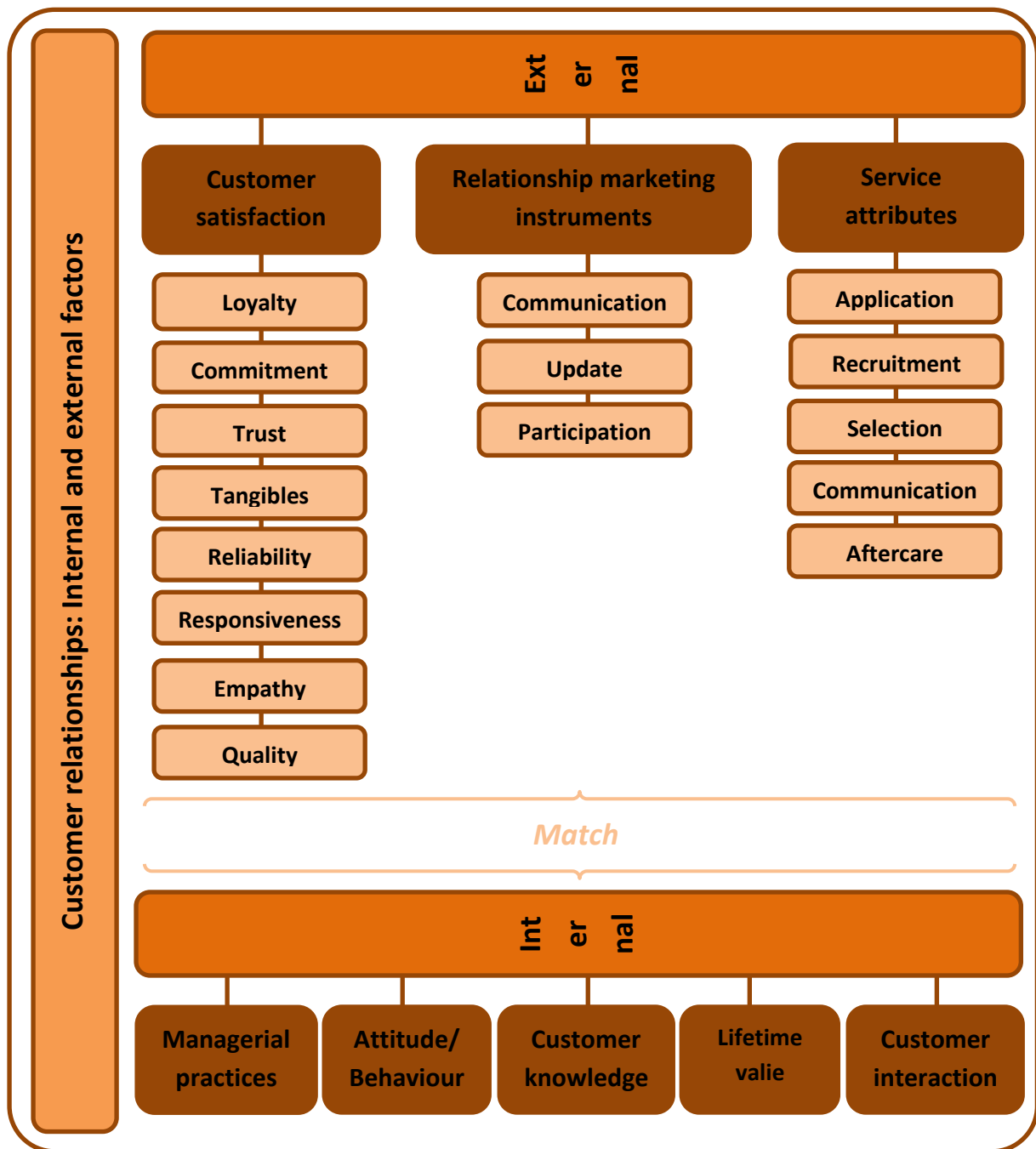


Figure 4: Illustration of the main concepts and factors of this study

The literature has presented an in-depth understanding of the critical success factors of customer relationships. The model illustrates that there is a relationship between the external and internal factors. In a business the external perceptions of customers are influenced by the internal practices that in turn create the value of a relationship. A fit between external and internal factors suggests that a good value proposition is achieved. A mismatch will deteriorate the relationship. Interpretations on the relationships between external and internal factors found in literature will be briefly discussed here. Firstly, managerial practices are the commitment, leadership and attitude of

management to guide the business in a customer-oriented direction. The managerial practices of a service business have to be supporting in serving and providing quality towards their customers so that customer satisfaction is achieved and the perceived service quality is high. Secondly, the attitude and behaviour of the employees also have to be customer-oriented. The customer has to be treated in the best way so that the customer feels comfortable and rewarded by the employee. In this way the customer becomes satisfied and values the service. For these first two factors the other way around is also true. A dissatisfied customer will influence management and the employee's attitude and behaviour as these perhaps do not respond to this customer whereas dissatisfied customers have to be valued as well otherwise this may generate negative publicity for the business. The third relationship is established between the knowledge of customers by a business and the perceived service quality. If a business invests efforts in getting to know the customer and recognising returning customers they will be able to provide customised service to that customer. This will positively influence the perceived service quality by a customer. Furthermore, when a business focuses on creating lifetime value with a customer, efforts such as community programs or more personal contact will be appreciated by a customer. The customer will perceive a higher service quality. Finally, the way a business maintains and establishes contact with its customers will influence the relationship. For example, if a customer does value a telephone call from the business than this is positively related to the customer interaction. This also works the other way around when a customer can demand a different way of maintaining or establishing a relationship which the business does not know off. By testing the current situation a comparison on the external and internal factors can be made and strong and weak points can be identified.

Summary. In this model the main concepts are the customer relationship management and the business value proposition. There are three external and five internal factors of managing customer relationships identified in literature. In this study it is expected that there is a positive relationship between the main concepts, so that having the right set of external and internal factors in the customer relationship management will result in a higher business value proposition in the relationship between the customer and the business. The critical success factors of managing customer relationships are service-oriented. The service business will create more value by managing its customer relationships on the above discussed CSFs.

3. Methods

In this chapter the research methodology will be explained. Furthermore, the data collection techniques for testing the internal and external factors are described. Finally, the process of analysing the results will be explained.

3.1 Research methodology

For this study triangulation is used to increase the perceived quality (Cooper and Schindler, 2008). This means that a quantitative study is combined with a qualitative study. In this study this is of interest as the results of a quantitative study on the external factors will present results about the perceptions of the customers which than can be followed by a qualitative study to find reasons internally for these perceptions. For example, if the quantitative study shows that customers are not satisfied about the way they are treated by employees this can be discussed in the qualitative study so that reasons and points for improvements can be brought in from internally. Quantitative studies attempts precise measurement of behaviour, knowledge, opinions or attitudes about certain factors. Qualitative studies are interpretative and seek to describe, decode, and translate data to achieve an in-depth understanding of a situation (Cooper and Schindler, 2008). In this study a questionnaire will be used to measure the perceptions of customers on the external factors. Followed by semi-structured interviews within the business, subject to this study. The data collection techniques and procedures used and carried out are explained below.

3.2. Quantitative study

In this study a questionnaire was conducted to test the perceptions of customers about BLMC on the external factors of customer relationship management by identified in literature. There are several types of questionnaires that can be conducted; self-administered, telephone or in a personal interview (Cooper and Schindler, 2008). For this study the self-administered questionnaire was the most suitable as it is perceived as more anonymous, low cost, and allows access to a great number of respondents.

3.2.1. Procedure and respondents

The questionnaire was distributed among the customers of BLMC using online services to reach the respondents instead of a mailed questionnaire or inviting people to a central location to conduct the questionnaire. The sample consisted of the potential clients and actual customers from the past. This group of 590 respondents was asked to participate in this study. Furthermore, the interim managers were asked to participate as they are also influenced by the external factors of customer relationships. Therefore, the representative sample for this study consists of 605 respondents. In the questionnaire the respondents were asked to identify themselves as either a (potential) client or interim manager so that the right set of questions appeared and differentiation in analysis was possible. The total duration of the questionnaire was seventeen days, the respondents received a reminder after fourteen days and a message was placed in a LinkedIn group with relations of BLMC. In total 46 out of 605 respondents completed

the questionnaire, representing a response rate of 7.1 percent. Of the 46 respondents, 31 (67.4 percent) were customers and 15 (32.6 percent) were interim manager of BLMC. Table 1 and 2 show the characteristics of the respondents. According to table 1, the majority of the total sample was male (80.4 percent). Furthermore, most of the respondents had contact with BLMC for more than 2 years, only 19.2 percent was familiar with BLMC shorter than 1 year.

Table 1
General characteristics of respondents

		Number	Percent
Type			
	Customer	31	67,4
	Interim manager	15	32,6
Gender			
	Male	37	80,4
	Female	9	19,6
Tenure			
	< 6 months	5	10,9
	< 1 year	4	8,7
	< 2 year	14	30,4
	< 5 year	10	21,7
	Longer than 5 year	13	28,3

As table 2 shows there are a few differences between the two types of respondents in this study. There were significant more females among the customers compared to only one among the interim managers. Furthermore, the interim managers were on average longer in contact with BLMC compared to the customers. The influence of these differences per type and also in gender will be evaluated during the analysis per external factor of customer relationship management.

Table 2
Characteristics of respondents per type

		(Potential) Customer		Interim Manager	
		Number	Percent	Number	Percent
Gender					
	Male	23	74.2	14	93.3
	Female	8	25.8	1	6.7
Tenure					
	< 6 months	4	12.9	1	6.7
	< 1 year	2	6.5	2	13.3
	< 2 year	13	41.9	1	6.7
	< 5 year	7	22.6	3	20.0
	Longer than 5 year	5	16.1	8	53.3

3.2.2. Measurement per factors

In the questionnaire the respondents were asked to rate their level of satisfaction, perception about the quality, the performance of the service provided by BLMC, and their preferences of applications and technologies that BLMC can use for maintaining and reaching them in the relationship. For the items of customer satisfaction the importance-performance method was incorporated to differentiate between the degree of importance and the actual perceived performance of the 'soft' items of the service of BLMC. As mentioned above the questionnaires were distributed among the potential customers, the customers that used the services of BLMC, and the interim managers of BLMC. As this study was operationalized in the Netherlands all items were translated from English to Dutch and back-translated from Dutch to English, to make sure the meaning of the original items was still valid.

Below the measurements and examples of the items used for the main factors are explained.

Customer satisfaction. For the concept customer satisfaction 15 items were included. Each item had to be answered twice with degree of importance and their actual experience. The following table gives an overview of the dimensions of customer satisfactions, the number of items, and the source of which the items are adapted. For all questions of customer satisfaction the five-point Likert scale was used. Ranging from '1' meaning not important/bad experienced to '5' meaning very important/good experienced. These concepts were measured on an individual level with α 0.05.

Table 3

Overview of the dimensions, number of items, and source of customer satisfaction

Dimension	Number of items	Source
Overall satisfaction	4	Verhoef (2003)
Loyalty	3	Verhoef (2003)
Commitment	4	Beatens (2008)
Trust	3	Coulter and Coulter (2002)
Tangibles	3	SERVQUAL model; Parasuraman, Zeithaml, and Berry (1985)
Reliability	3	
Responsiveness	2	
Empathy	3	
Quality of service	3	Richard and Jones (2008)

Relationship marketing instruments. The second external factor, the relationship marketing instruments, of customer relationship management was measured using trade-off questions based on propositions of Derksen (2008). The respondents were asked to give their preference between two options that BLMC could use in establishing and maintaining relationships with their customers. First, the respondents were asked to choose between ways of communication about their need of BLMC, such as 'online/offline' or telephone/e-mail. Secondly, they were asked to choose between several applications to receive updates of BLMC, such as LinkedIn/mail or

Newsletter/Website. Finally, the respondents could give their preference on which way they would like to become actively involved in the relationship with BLMC, such as event/workshop or event/LinkedIn. Afterwards the preferences could be ranked to evaluate the best way for BLMC to communicate in relationships with customers.

Service attributes. In order to analyse the actual process of a type of service provided by BLMC a number of items with specific characteristics of the service were included, the service attributes. Existing business documents with information about the process and the input of the direction of the business was used to design questions for the clients about Executive Search and Interim Management. Furthermore, a set of questions was designed for the interim managers to access the method and phases of an interim management procedure. The process of both types of service, Executive Search and Interim Management, can be divided into the following critical elements; application, recruitment, selection, communication, and aftercare. A total of 20 items for Executive Search, 12 items for Interim Management, and 6 for the interim managers were included. Examples of the questions asked about service attributes were: 'BLMC designs clear and complete job profiles', 'BLMC provides a good recruitment advice', 'I am satisfied about the quality of the presented candidates', 'There are sufficient number of consultation moments with BLMC to discuss the progress of the assignment'. The items about service attributes could be answered with the five-point Likert scale with '1' meaning disagree/not satisfied and '5' meaning agree/satisfied. This variable was measured at an individual level with α 0.05.

Control variables. In order to help the interpretation of statistically significant relationships control variables were included in the questionnaire (Cooper and Schindler, 2008). Gender and customer tenure are known to be associated with customer relationships and value proposition. Gender affects the perception of service quality. Men are generally more aggressive and autonomous than women they are exploratory. Accordingly, there is a difference in their behaviour towards service perceptions. Therefore, it is of significant importance that the business understands the influence of gender so that it can improve service quality performance by differentiating their approach towards male or female customers. This different approach also affects the value proposition of a business (Lin, Chiu, Hsieh, 2007). For customer tenure it is important to test as it was found that it influences loyalty and satisfaction towards a business. Thus, a business has to treat customers with a long tenure more carefully as they are more willing to buy the service and likely to return to the business (Reinartz and Kumar, 2003). Other control variables were included using the input of the supervisor of the business subject to this study. First, the type of relation with the business was asked. Furthermore, the type of service used, whether it was a paid service, and the successfulness of the business in that service was asked. These control variables could be useful to categorize the group of respondents in the analysis.

An overview of all items used in the quantitative study can be found in the Appendix A.

3.2.3. Data analysis

After the data collection, several steps were taken to analyse the data. First of all, a general analysis was done to check for errors, missing values and outliers in the dataset. Secondly, the response rate could be calculated and the distribution of type, gender and tenure among the respondents was interpreted. A factor analysis was conducted after checking the reliability, using Cronbach alpha, and correlations of the dataset. The factor analysis was used to check the weights of the external critical success factors. Further analysis was done per external factor of customer relationship management identified in this study. To analyse the level of customer satisfaction a paired-sample t-test was conducted to test for significant differences between the perceived importance and experienced performance on various elements of customer satisfaction. Furthermore, using the means of importance and performance, graphs for an importance-performance analysis were designed. This results in a distribution of the factors among four quadrants. The second external factor, relationship marketing instruments, was analysed using the mean scores per item. The result showed the preferences based on the power of the majority. The analysis of the last external factor, service attributes, was divided in the type of service. The types were compared and a one-way analysis of variance (ANOVA) showed the influence of customer tenure on the perceptions of customers, and whether significant differences exist in the type of interim management assignment. Furthermore, the means were compared and analysed on their score being below or above 3. Finally, additional data will be presented retrieved from the explanations given by the respondents in the questionnaire and from the conversations held with a few customer of BLMC.

3.3. Qualitative study

The second part of the operationalization of this study is executed after the collection and analysis of the quantitative data. Following the preliminary results an insight is generated about the perceptions of the customers of BLMC. Successes and failures in the management of customer relationships by BLMC can be interpreted and discussed in semi-structured interviews. This type of interview is a conversations based on a set of topics to be discussed in-depth. With this type of interviewing the questions and answers are not predetermined but the topics to be discusses are (Babbie,, 2007). Semi-structured interviews are suitable for this study as they allow the respondent to speak freely about their ideas, perceptions and experienced. The topic list used for the interviews is partly based on the information gathered in the questionnaires with customers of BLMC.

3.3.1. Procedure and respondents

The semi-structured interviews were held among the employees of BLMC. These could be divided in three parts; back-office and front-office employees of BLMC. The back-office consisted of two persons supplemented by flex employees. Two employees were asked to participate in this study. The front-office is represented by four persons including the owner of the business. Interviews were held with all of them, except the

owner as he was involved in drawing the questionnaire and during the whole process of this study. Therefore, the total number of respondents was 5. The semi-structured interviews were conducted in a period of one week during individual face-to-face meetings of approximately one hour with the researcher. A topic list was prepared to guide the interview. This list consisted of the internal factors of customer relationship management and its relation with value proposition identified in the literature review. Furthermore, a topic based on the information on successes and failures of the management of customer relationships perceived by customers of BLMC was discussed in the interview. All interviews were audio taped and threatened anonymously by labelling the respondents with numbers.

An overview of the topics discussed in the interviews can be found in the Appendix B. Notes made during the interviews are collected in Appendix C.

3.3.2. Data analysis

In order to analyse the interviews conducted summaries were processed using the audio recordings and written notes of the interviews. The summaries have the same format, using the topic list used during the interviews, so that the results are comparable. The different perspectives will represent the current situation of the internal factors of customer relationship management of BLMC. The respondents were asked to tell their perception on the management practices, attitude and behaviour, customer knowledge, life-time value, and customer interaction. Also, they were asked to think of improvements on each of these factors. Finally, their general view on what is important for customer relationship management of BLMC was verified. A comparison of the different views of the respondents and the differences between back- and front-office is presented in the next chapter.

4. Results

In this chapter the results of the study on the external and internal factors will be presented. A statistical analysis on the data of the questionnaires filled in by customers and interim managers of BLMC will present their perception on the external factors of customer relationship management. The results of these perceptions were taken into account in the internal analysis during interviews with the employees of BLMC. The interpretations of these interviews will be discussed in the second part of this chapter. The results of the external and internal analysis will be linked and conclusions will be drawn in the next chapter.

4.1. Analysis of the external critical factors at BLMC

First of all, the collected data was analyzed for the strength and reliability among the variables. In order to test the reliability of the concepts the Cronbach alpha value is verified. In the following table the values are presented for the concepts customer satisfaction and service attributes. The values are above .80 which indicates good internal consistency reliability.

Table 4
Reliability of the concepts customer satisfaction and service attributes

Concept	Cronbach alpha
<i>Customer satisfaction</i>	.94
Importance	.92
Performance	.94
<i>Service attributes</i>	.97
Customers	.97
Interim manager	.91

The correlation coefficients indicate the strength and direction between the dimensions of customer satisfaction and service attributes. The dimensions of relationship marketing instruments were not taken into account as only the preferences were tested, this will be discussed later.

Table 5
Correlation coefficients between the dimensions of customer satisfaction

Dimension	1	2	3	4	5	6	7	8	9
1. Overall satisfaction	-	.568*	.510*	.649*	.420*	.509*	.623*	.607*	.628*
2. Loyalty		-	.837*	.384*	.632*	.275	.108	.368*	.327
3. Commitment			-	.483*	.680*	.442*	.323	.542*	.454*
4. Trust				-	.511*	.698*	.671*	.632*	.646*
5. Tangibles					-	.173	.340	.316	.320
6. Reliability						-	.645*	.653*	.622*
7. Responsiveness							-	.665*	.702*
8. Empathy								-	.762*
9. Service Quality									-

* $p > 0.05$

As table 5 shows for customer satisfaction the majority had a significance of below .05 which means for this small sample that they can be trusted. Furthermore, it can be seen that all relations are positive and mainly above .50 which indicate a strong correlation. Also for the dimensions of service attributes correlations coefficients are explored. In table 6 the results as displayed, among the dimensions of service attributes strong positive relations are found.

Table 6
Correlation coefficients between the dimensions of service attributes

Dimension	1	2	3	4	5
1. Application	-	.729*	.698*	.789*	.549*
2. Recruitment		-	.835*	.675*	.557*
3. Selection			-	.515*	.349
4. Communication				-	.890*
5. Aftercare					-

* $p > 0.05$

In the next paragraphs further analyses will be conducted separately for the main concepts of this study.

Customer satisfaction. In order to illustrate the scores of the level of satisfaction of the customer of BLMC the mean values can be evaluated. The respondents were asked to rate the items of the 9 dimensions on a scale from 1 to 5. For these dimension a score of 1 means not important and bad experienced, up to a score of 5 meaning very importance and good experienced. In the following diagram is shown that the creation of trust was perceived the highest by the customers. All other dimensions were given a score between 3 and 4.

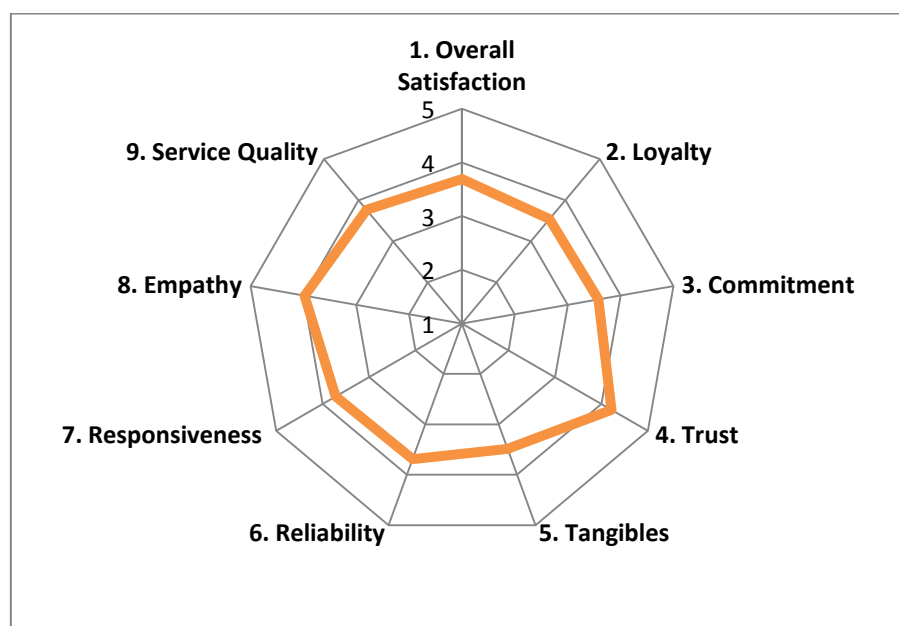


Figure 5: *Distribution of the mean scores of customer satisfaction*

In the questionnaire the level of importance and performance of customer satisfaction was asked. This provides the opportunity to test for significant differences. A paired sample t-tests was performed to identify whether any significant difference existed between the importance and experienced customer satisfaction. The paired-samples t-test indicated that there is a significant difference between the importance and the experienced customer satisfaction ($t=2,54, p=0.02$). A decrease in the mean of 0.21 shows that the actual experience did not meet the level of importance. The importance-performance analysis will present how the separate elements of customer satisfaction scored in detail.

In a two-way between-groups analysis of variance the influence of customer tenure and gender on customer satisfaction was tested. There was no statically significant effect on the perceived importance of customer satisfaction $F(2, 28) =1.037, p=.37$, as this was larger than .05. However, in the experienced performance of customer satisfaction there was a statically significant interaction effect, less or equal to .05, between tenure and gender, $F(2,28)= 3.841, p=.03$. The experienced customer satisfaction of females decreased the longer the tenure, opposite for males where a longer tenure resulted in a higher experienced performance of BLMC. In figure 6 these differences are illustrated.

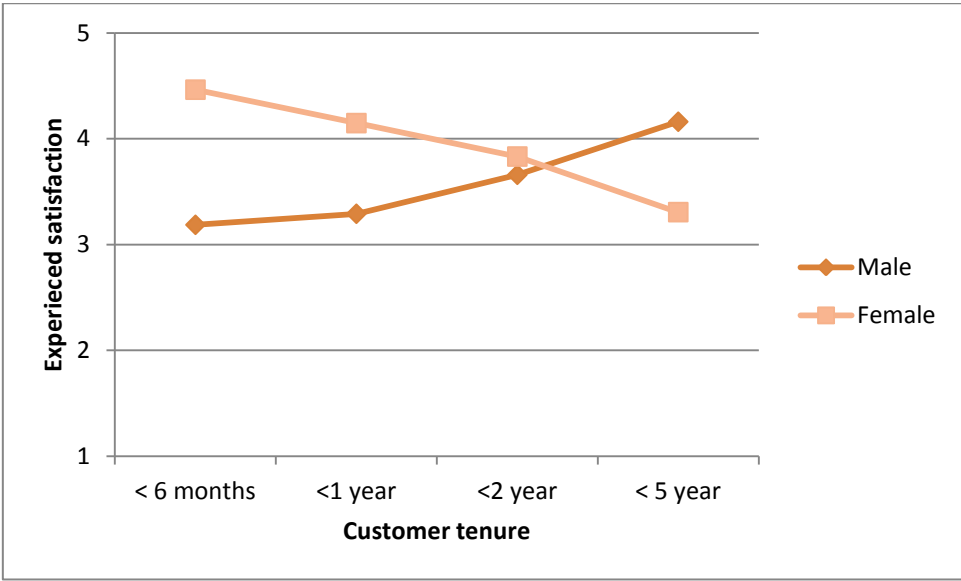


Figure 6: Differences in level of satisfaction between gender and customer tenure

To access the specific difference in perceived importance and actual experienced an importance-performance analysis was conducted. This was done separately for the customers and the interim managers. In the appendix Table 9 and 10 show the mean scores of the nine concepts of customer satisfaction for customers and interim managers. The mean scores were then transferred to a graph presentation. In the graphs in figure 7 and 8 the mean scores of the concepts of customer satisfaction are presented. The original scale used was from 1 to 5, however because of the score all being above 3 the importance-performance analysis is performed on a scale from 3 to 5 to highlight the

distribution of the dimensions. The X-axis represents the performance scores of the concepts. The Y-axis represents the perceived importance of the concepts of customer satisfactions for, respectively, the customer and interim manager. This results in the four quadrants as introduced in the third chapter (Hemmasi et.al, 1994).

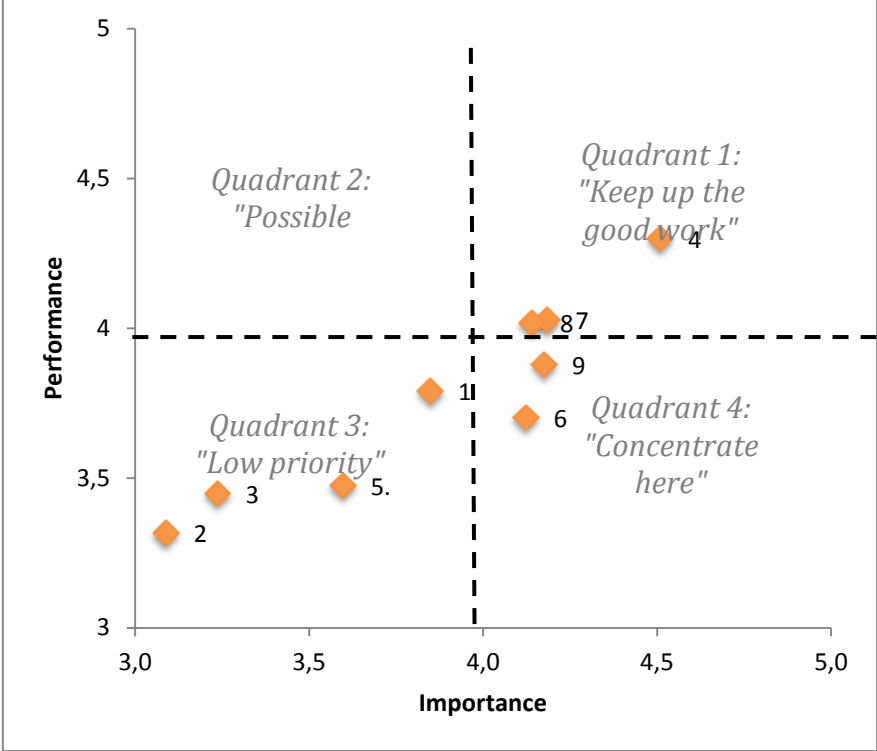


Figure 7: Importance-Performance grid (potential) customers

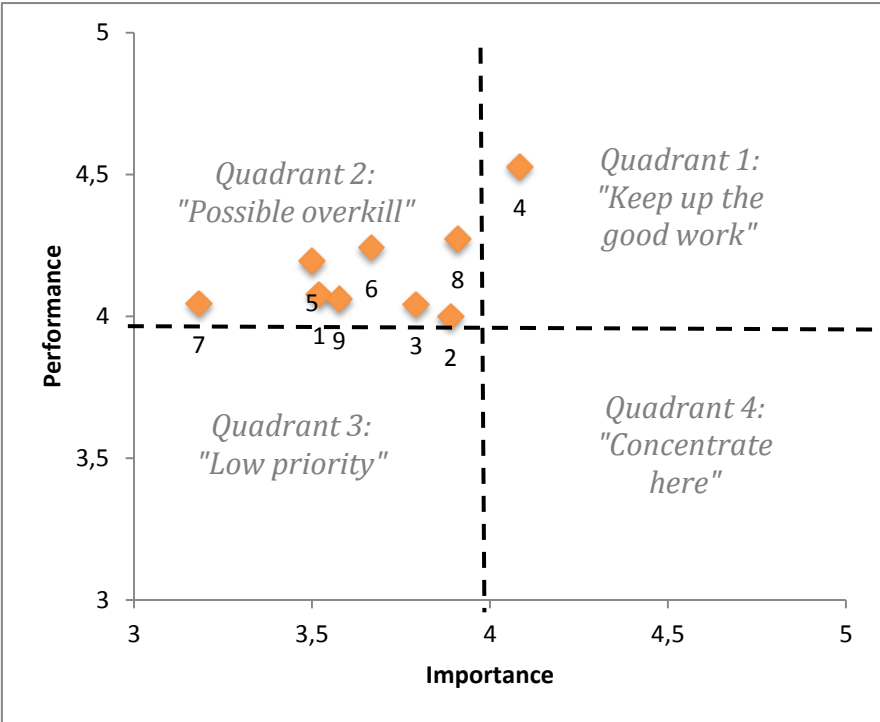


Figure 8: Importance-Performance grid interim managers

The numbers in the graphs represent the dimensions of customer satisfaction; (1) overall satisfaction, (2) loyalty, (3) commitment, (4) trust, (5) tangibles, (6) reliability, (7) responsiveness, (8) empathy, (9) service quality. As revealed in figures 7 and 8, the perceptions of (potential) customers and interim managers are rather different. Below the outcome will be briefly discussed

Customers. In the first quadrant “keep up the good work” three dimensions of customer satisfaction can be found. Although responsiveness (7) and empathy (8) of them are on the border and has to be kept in mind by BLMC in their management of customer relations. Only the dimension trust scores high, thus it can be said that the customers have trust in BLMC. In the second quadrant “possible overkill” none of the dimensions was found. This means that there are no dimensions that are of low importance for the customers but the actual performance was high. The third quadrant covers “low priority” for the customers. The dimensions in this quadrant did not score excellent but sufficient in relation with the level of importance perceived by the customers. Therefore, loyalty, commitment and the tangible elements of BLMC do not require extra attention in the management of customer relationships. The items of overall satisfaction are also in the third quadrant, this means BLMC should remain their level of personal attention, explanation of procedures, expertise, and the handling of complaints. Finally, the last and most important quadrant displays the factors on which BLMC has to concentrate in their management of customer relations. First, the reliability of the service of BLMC is in this quadrant. BLMC can improve their level of service by meeting the expectations of customers in delivering the right service at the agreed moment. Secondly, the service quality requires attention. The service has to be improved on their quality and its proportion with the price. If this will be improved the service will also become more valuable for the customer so that the overall service quality will increase.

Interim managers. The dispersion of the perception of interim managers is significant different. Also for the interim managers trust is most important and BLMC performed high on this factor. The level of commitment is on the border of a “possible overkill” and of “low priority” for interim managers. Together with the rest of the dimensions that are in the quadrant of a “possible overkill” it can be said that BLMC can remain the level of performance or even a bit less as the performance meets or even exceed the perceived performance at this moment.

Relationship marketing instruments. The dimensions of relationship marketing instruments indicate the preferences of the respondents in communication with BLMC. First of all, the preferences for the general communication, such as planning meeting and asking questions, were tested using trade-off questions. The respondents were asked to choose between two different instruments. In the trade-off between telephone and mail no strong preference appeared ($M=3.00$), however a personal conversations is preferred above both telephone and mail ($1=telephone$; $5=personal\ meeting$, $M=3.70$. $1=personal\ meeting$; $5=mail$, $M=2.57$). This indicates that the customer appreciate personal meeting of BLMC in some situations, of course this is not always achievable in that case the

majority (51.5 percent) prefers communication via mail. Furthermore, mail contact (1=mail; 5=social media, $M=1.93$), and one-on-one meeting (1=social media; 5=one-on-one, $M=4.27$) are both favored over communication through social media. In a final trade-off between a personal account manager and no specific contact-person, 61.5 percent chooses for a personal account manager (1=account manager; 5=no preference, $M=2.80$). Secondly, the respondents were asked to choose an instrument for receiving updates about BLMC. Currently, the main instrument used is newsletters. The results showed that the majority prefers newsletters over updates on the business website or social media. Thus, the most effective instrument to use remains sending newsletters. Finally, trade-off questions were asked about the way customer would prefer to become actively engaged with BLMC. A small majority favors workshops over general events. However, workshops and events are both preferred over online discussions. Generally it can be seen from the results that the customers of BLMC are not in favor of social media activities, as in all trade-offs this item scored the lowest.

Service attributes. In order to test the 'hard side' of the service of BLMC, service attributes dimensions were added in this study. Based on procedures customers or interim managers carried out with BLMC, the level of satisfaction about five elements (application, recruitment, selection, communication, and aftercare) of a procedure was tested. The customers and interim managers received a different set of questions and will therefore be separately analyzed.

Customers. First of all, the customers were asked if the procedure carried out by BLMC was completed successfully. This question was answered negatively by only one customer. Furthermore, the customers of BLMC were asked to rate their level of satisfaction about the type of service they had experience with, either or both an executive search or interim management procedure. In the appendix the mean scores of executive search and interim management procedures based on the experiences of the customers can be found in table 11. In the figures below the distribution of the mean scores are illustrated on a scale from 1 to 5. For both types of services, executive search and interim management, the mean scores are above three and therefore generally no negative perceptions are present about the way BLMC conducts procedures at customers. However, significant differences can be identified between executive search and interim management. On average the interim management service is perceived better than executive search. Especially the way of recruitment and selection scored $>.5$ compared to the same elements during an executive search procedure.

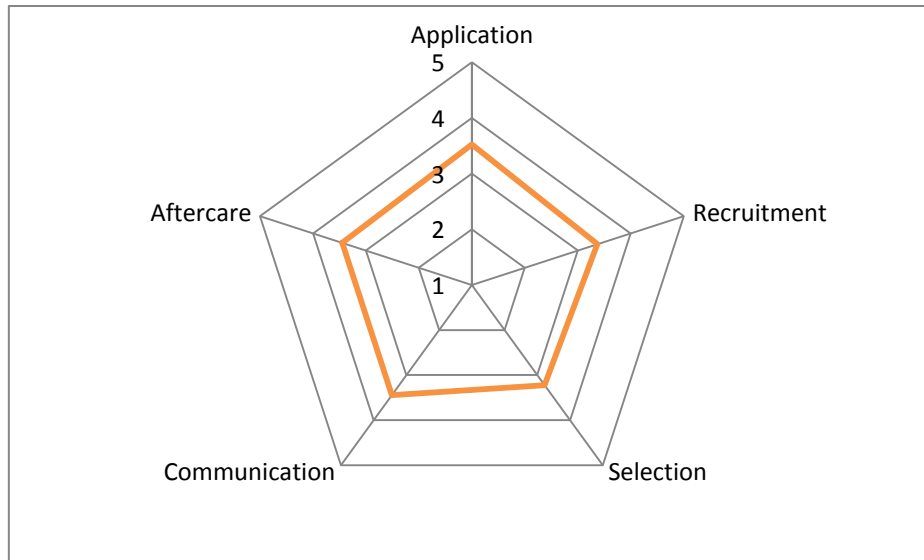


Figure 9: Perception of customers on executive search procedures

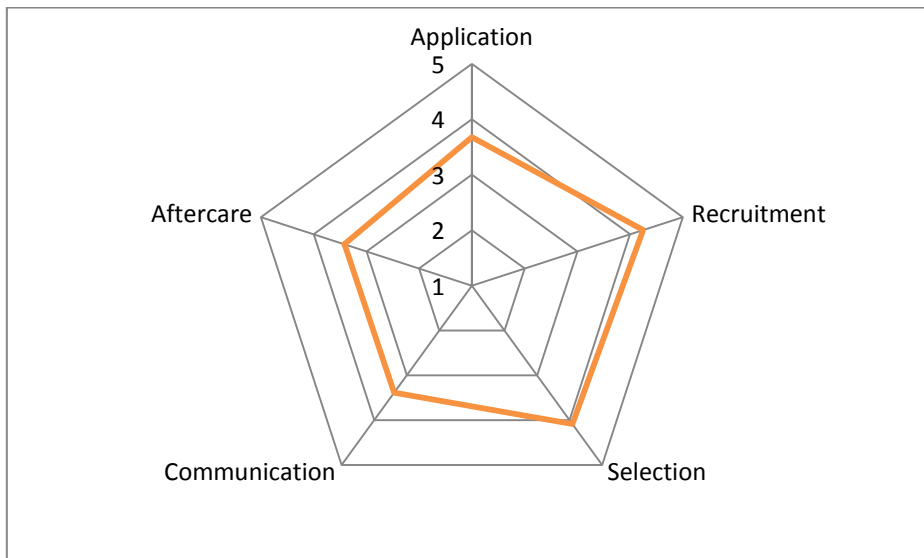


Figure 10: Perception of customers on interim management procedures

A one-way analysis of variance (ANOVA) was conducted to test the influence of tenure on the perceptions of customer on the procedures. However with none of the significant values being below $<.05$, no significant differences are present. In the problem description at the business it was clear that a gap existed between front- and back-office, therefore a test specifically on the communication was conducted. Comparing the means of the items of communication in an executive search procedure will show the differences in communication with front- and back-office. The satisfaction about the communication with back-office is scored .22 higher than communication with the front-office. In order to analyze differences in perceptions of the type of interim management procedure another ANOVA test was conducted. However, this test showed that there are no significant differences among the perceptions of the customers, as the significance value was $>.05$. The performance of expert, middle and senior level of interim managers is perceived on the same line during an interim management procedure.

Interim managers. The interim manager were also asked to rate their level of satisfaction about the procedure they were involved with. As the mean scale used was between 1=disagree to 5=agree, all items below 3 are perceived as insufficient by the interim managers. The items about the information about the interim assignment, planning, involvement of BLMC during execution, and the aftercare scored on the upper level of 2, respectively 2.64, 2.64, 2.71, and 2.43. However, the satisfaction of the interim manager about the support of BLMC during the assignment scored below 2 (M=1.79).

Factor analysis. In order to assess the critical success factors of customer relationship management a confirmatory factor analysis was conducted for the two main concepts of customer satisfaction and service attributes. The third concept, relationship marketing instruments, was left out as trade-off questions were asked to measure the preferences of customers, for this no reduction is possible. The factor analysis was based on the principal component analysis with varimax rotation, eigenvalue greater than .7 and factor loadings exceeding .3. Firstly, the suitability of the data for a factor analysis was assessed. The Kaiser-Meyer-Olkin (KMO) has to be at least .6 and the Barlett's test of sphericity should have a significant value of less than .05. For the first construct, customer satisfaction, the dimensions measuring performance were used instead of those indicating the importance of the dimensions according to the customer of BLMC. The importance of the dimensions measures the preferences and is therefore not relevant to assess the current situation of customer relationship management of BLMC. The dimensions of service attributes used are the mean scores of both types of procedures, executive search and interim management. The data for this factor analysis proved to be suitable fulfilling the following four requirements: 1) The KMO value was .786 for customer satisfaction, and .681 for service attributes which are both above .6 and therefore appropriate; 2) The significance level of the Barlett's sphericity test was for both concepts zero suggesting a sufficient correlation to factor analysis; 3) Also the correlations were checked which with the majority being greater than .3 indicating strong inter-correlations among the dimensions; 4) Lastly, the high number of communalities, ranging from .61 to .87, suggested that the variance of the original values were fairly explained by the common factors. Secondly, the dimensions satisfying above mentioned requirements were extracted. The residual dimensions represent the interrelations among the set of data and indicate the relevance of being a critical success factors for this study. The result of the factor analysis with the factor loadings, eigenvalue, variance, and communalities are presented in the table below.

In the second phase of the factor analysis a factor structure with relatively high loadings on the dimensions was produced. None of the dimensions were extracted during the analysis. However, the dimensions of customer satisfaction were loaded on two components meaning that dimensions that cluster in one component explain a different aspect of customer satisfaction as those on the other component. The first cluster exists of the dimensions responsiveness, service quality, reliability, empathy and trust. In the second cluster loyalty, commitment and tangibles are taken together. A reason for these

dimensions to cluster is their effect in a relationship. For the first set of dimensions it is important to be present in a single transaction between the customer and the business. These are directly influencing the satisfaction about the service. The second set of dimensions cluster together because they are only valid for long-term relationships, in which multiple transactions take place. These are also influencing the reputation and the inner feeling of the customer towards the business. The dimensions trust scores the lowest on the first component and is therefore not fixed for a single transaction but might also influence the long-term perception in a relationship. From here onwards the first components will be named *short-term orientation* and the second is typified as *long-term orientation*, which indicate the effect of the dimensions in a relationship. The dimensions of service attributes are loaded on one component.

Table 7
Factor Analysis: relevance of the external CSF's for BLMC

Constructs/Dimensions	Factor loading		Eigen value	%	Communalities
	Component 1	Component 2			
Customer satisfaction (n=46)			6.2	77.3	
<i>Responsiveness</i>	.878				.775
<i>Service Quality</i>	.840				.757
<i>Reliability</i>	.836				.718
<i>Empathy</i>	.821				.753
<i>Trust</i>	.777				.732
<i>Loyalty</i>		.923			.864
<i>Commitment</i>		.878			.874
<i>Tangibles</i>		.823			.714
Service Attributes (n=46)			4.5	73.0	
<i>Communication</i>	.909				.826
<i>Recruitment</i>	.891				.794
<i>Application</i>	.888				.798
<i>Selection</i>	.794				.631
<i>Aftercare</i>	.782				.611

% = cumulative variance explained

The results of the factor analysis indicate the distribution of the dimensions and their relevance for explaining customer satisfaction and service attributes in this study. In the following paragraph a regression analysis will be performed to determine the most critical success factors using the dimensions that proved their relevance in the factor analysis.

Regression analysis. In order to identify the critical success factors of customer relationship management a standard regression analysis was conducted. In this analysis it is questioned which of the dimensions of customer satisfaction and service attributes predict best the level overall customer satisfaction. However a small sample was used in this study, total number of respondents 46, less attention is paid to the level of significance of the dimensions. Most important are the size and direction of the coefficients. In the table below the results are presented.

Table 8
Regression Analysis

Model	Adjuster R²	Dimensions	St. Coefficients (beta)	Sig.
1 Perceived importance	.197	<i>Loyalty</i>	.543	.211
		<i>Commitment</i>	-.309	.423
		<i>Trust</i>	-.132	.613
		<i>Tangibles</i>	.230	.427
		<i>Reliability</i>	.458	.178
		<i>Responsiveness</i>	-.246	.411
		<i>Empathy</i>	-.004	.990
		<i>Service Quality</i>	.031	.906
2 Experienced performance	.610	<i>Loyalty</i>	.805	.003
		<i>Commitment</i>	-.344	.213
		<i>Trust</i>	.239	.272
		<i>Tangibles</i>	-.185	.396
		<i>Reliability</i>	-.141	.500
		<i>Responsiveness</i>	.530	.019
		<i>Empathy</i>	.087	.679
		<i>Service Quality</i>	.074	.719
3 Service attributes	.966	<i>Application</i>	-1.002	.000
		<i>Recruitment</i>	.120	.331
		<i>Selection</i>	-.108	.342
		<i>Communication</i>	1.782	.000
		<i>Aftercare</i>	-.238	.136
4 Short- term	.428	<i>Trust</i>	.348	.128
		<i>Reliability</i>	-.094	.67
		<i>Responsiveness</i>	.206	.364
		<i>Empathy</i>	.167	.488
		<i>Service Quality</i>	.190	.44
5 Long- term	.255	<i>Loyalty</i>	.452	.132
		<i>Commitment</i>	.075	.809
		<i>Tangibles</i>	.083	.706

In total five models of regressions were performed;

- 1) Between overall satisfaction and the perceived importance dimensions of customer satisfaction,
- 2) Between overall satisfaction and the experienced performance dimensions of customer satisfaction,
- 3) Between overall satisfaction and the dimensions of service attributes,
- 4) Between overall satisfaction and the dimensions of short-term orientation,
- 5) Between overall satisfaction and the dimensions of long-term orientation.

Table 8 presents the Adjusted R^2 value, instead of the R^2 which is appropriate for larger samples, the standardized beta coefficients and significance of the dimensions. The larger the beta coefficient the stronger this dimensions makes a unique contribution to explaining overall satisfaction. The significance value is in large samples relevant to predict statistically significant contribution but in this case we will not use the threshold of .05 as the sample was small and therefore we can suggest that the largest positive beta coefficients are the most critical despite of the significant value.

In the first model the perceived importance of customer satisfaction is explained by only 19.7 percent of the total variance, which is rather low. The dimensions loyalty, reliability and tangibles have the largest positive coefficients, respectively .543, .458, and .230. Service quality scores very low (.031) in this model and is therefore not a critical factors in the importance of customer satisfaction in a relationship. Remarkable are the negative coefficients produced for the other dimensions, which suggest being the opposite of critical success factors and decreasing the level of customer satisfaction when present in the relationship. For example, the less commitment shown by BLMC the more satisfied the customer and interim manager. A reason for this can be that the customer is not interested in those dimensions which can be linked to the type of business BLMC is. BLMC is seen as a temporary agency or supplier by the customer and therefore only of interest when they are in need of the service of BLMC.

In the second model the experienced performance was placed in regression with explaining the overall satisfaction of the customers. The total variance explained by this model was 61 percent, which is sufficient. In this model the dimensions loyalty, responsiveness and trust have the largest positive coefficients of respectively .805, .530, and .239. Empathy and service quality score both low (.087 and .074) and are therefore not of interest and critical for the success of customer relationship management. As in the first model a remarkable negative effect can be found in the other dimensions. Although these differ from the perceived performance. In both the importance and performance the loyalty is determined as a critical success factor for the CRM of BLMC. Furthermore, in both models commitment present the largest negative coefficient indicating that in both situations, importance and performance, it is either not interesting or decreasing the level of satisfaction in the relationship. The level of trust, tangible, reliability, and responsiveness show contrary results. Whereas tangibles and

reliability are important, they are currently negatively influencing the performance of customer relationship management, and are therefore important to improve the performance. While trust and responsiveness are not interesting in the importance of customer satisfaction, they are currently positively influencing the performance of CRM. Thus, less attention can be paid to these as they are not perceived important.

The third model is the dimensions of service attributes explained by 96.6 percent of the total variance. This percentage is rather high and presents an over fit with the model, therefore these results have to be perceived in that context as they are exaggerated. The communication and recruitment phase (1.782 and .120) are the most critical factors for customer relationship management. While the other dimensions negatively influence the perceptions of service attributes, and are therefore not perceived interesting to the customer. This model is very much disproportionate distributed as the range coefficient scores range from -1.002 to 1.782. The reason of this unbalanced situation can be found in the amount of effort BLMC is investing in each dimension of the service attributes. The negative scores indicate that the current performance on these dimensions, such as aftercare and selection, decrease the level of satisfaction created in the relationship with BLMC.

In model 4 the dimensions that cluster as short-term orientation in the factor analysis are placed in regression with overall satisfaction. The total variance is explained by 42.8 percent with this model. Here, trust and responsiveness (.348 and .206) show the largest positive coefficients and are therefore the most critical in the short-term orientation in managing customer relationships. A small negative effect is found in the reliability and is important not to emphasize this in the relationship with customers.

The last model uses the dimensions of long-term orientation from the factor analysis. In this regression loyalty (.452) is the most critical in managing long-term relationships and creating customer satisfaction. However, this model is explaining only 25.5 percent of the total variance of overall satisfaction.

Additional data from explanations and conversations. Besides the closed questions in the questionnaire, the respondents could also provide additional information and explanation for their rating. Furthermore, three in-depth conversations were conducted as some respondents indicated that they would appreciate this. A summary of relevant information gathered through this way will be given here. First of all, it was mentioned by three respondents that the longer the contact with BLMC the better the communication and understanding. Furthermore, the business was classified as serious, professional and respectable. It was also mentioned five times in the remarks that the expertise about a branch BLMC is active in can be improved so that more in-depth information of a branch is known by the employees of business, and the back-office and the administration were perceived as sloppy by two of them. The majority of the respondents also stated that it appreciates the activities that BLMC establishes and organizes, such as the training institute Bcademy offered to interim managers.

Moreover, during conversations it was clear that the performance differs between either an executive search or interim management procedure. In both cases the interim management procedure was executed superior over executive search.

4.2. Interpretation of the internal critical factors at BLMC

In this paragraph the perceptions of the employees of BLMC on the internal factors of customer relationship management will be interpreted. The summaries of each interview can be found in appendix D.

Managerial practices. First of all, the style of leadership is seen as open and inspiring. However, control and a directing way of managing are missing. Honesty and informality is appreciated by the employees. The management is seen as professional and committed according to the employees. Furthermore, the overall vision of the business is clear to all interviewees. However, the strategy is not. Especially in the current period, where the business is influenced by the economic crisis, the employees notice that the business is searching and the direction is unclear. The priority is that the business can cover its costs, the way to do this is not an established plan valid for the long-term. The current strategy can be typified as dynamic and seeking to find the right fit with adapting to the changing needs of their customers. According to one of the interviewees the strategy has to be lean and adaptive, although the internal structure is too chaotic and not facilitating a lean style at this moment.

“We need a clear strategy and internal structure facilitating optimal customer contact”.

This interpretation of the internal structure was shared by the majority of the interviewees. The internal structure can be improved in terms of contact moments, meetings, and control. There has to be a balance in freedom, room for own initiative, control at operations level and clear distribution of responsibilities.

Attitude and behavior. Overall, the employees of BLMC are satisfied with their work. Their attitude is motivated and committed. The management of BLMC has an ambition to be the best and leading business in the industry. The employees share this and are driven to work for BLMC. However, the current situation is influencing this feeling as they feel insecure about the future of their own position and the business. In terms of supervision they value the ‘sparring’ meetings with the director of the business about their personal development and their work. The director of the business acts as a mentor or coach for all employees. In the past there was a sufficient amount of resources for training and other activities focused on personal growth. The employees do understand that this is not achievable in the current situation but regret that this is at the expense of expertise the business can expose. The employees are used to have freedom and being heard by management when they have ideas, this indicates that input from bottom-up exists and appreciated. In terms of the physical working environment three of the interviewees would appreciate more professionalism at the office while the rest is

content with the current situation. All employees agree that the IT facilities are insufficient.

“The software we are working with is too slow and unreliable, the result is that I am less productive as I want to be”.

Furthermore, restrictions in the system (e.g. necessary admission to certain files or application which that is not given) cause frustrations for the employees. This negatively influences the behavior and productivity of the employees. The communication is said to be improved over the last year, the back- and front-office mainly communicate face-to-face and only the basic facts are documented. All employees agree that more information of consistent basis has to be documented and strict rules have to be established how files should be saved. In the ideal situation there is an online working environment that facilitates saving and working in documents which are accessible to everyone from every location. This would also positively influence ‘the new way of working’ that is preferred by management. However, this is only possible when the responsibilities are clear for everyone and management has confidence in the employees so that the freedom of flexible working is possible and little control is needed. Currently, discipline for this way of working is not yet at that level, first more control and internal structure is needed.

Customer knowledge. Generally, the employees estimate that they have a sufficient amount of knowledge about their customers. The majority of the employees are younger than 30 years which results in less expertise about the market and industries BLMC is active in compared to the older aged employees in the management. They realize the importance of having knowledge about the trends in the market, organisations and characteristics of the customer. The front-office uses online information to keep up-to-date however they feel that they lack in knowledge about the specific needs of the customers.

“It is hard to recognize and adapt to what the customer exactly wants, often they say one thing but mean something different. They expect us to understand them”.

The difference between back- and front-office is clearly noticeable in terms of customer knowledge. The back-office employees only have the knowledge about a customer read from paper and online while the front-office employees often have face-to-face contact which provides extra information about the contact person. This is communicated to a certain extent with back-office but can be improved as it does not happen consistently. Others also feel that sharing information about customers is not possible because of the difference in the level of intelligence and understanding between back- and front-office. Both sides have a feeling of not always being understood. Furthermore, the system is not facilitating the level of customer knowledge, it is unorganized and there is no structure about what to capture about customers. Also, the difference between types of customers

is observed by the interviewees, as some customers like to have an intense relation, regular meetings and keep BLMC up-to-date about their developments while others only require this amount of contact during a concrete procedure.

Lifetime value. According to the employees the business does not have many customer relations that are continuous and intense over a longer period. The front-office employees have more contact with the customers, back-office therefore finds it their responsibility to have frequent meetings and provide lifetime value for the customers. Front-office makes phone calls every now and then, but not structurally and it is also perceived difficult to seek contact without a concrete message. This is also not appreciated by all customers. The employees find it difficult to estimate what the needs and preferences of the customer are. Furthermore, the customer relations are perceived as very personal and hard to transfer to another person within the business.

“BLMC is perceived as supplier by the majority of our customers, this constrains the building of lifetime value. When they have no concrete need, they do not feel bounded to BLMC”.

It was also mentioned by front-office that customers in a relationship during and after an interim procedure feel a stronger attachment to BLMC compared to those of executive search. In reply to whether there are ideas of how to improve the creation of lifetime value, one of the interviewees suggested customer profiles. Based on these profiles with detailed information about the organizations the effort put into the relations can be estimated. In this way a target group of customers can be selected. No concrete solution was proposed to improve the relationships in between procedures with those not visiting customer events. In the interview with one of the management member the importance of strong lifetime relations with the interim managers was mentioned. The interim managers do not have many obligations towards BLMC, they have to feel that they are very important for BLMC. In order to keep up the level of customer knowledge and creation of lifetime value the expertise and conducting research is prioritized by front-office and management. This is the added value of an agency such as BLMC. At last, also the contact with candidates is important as they are potential customers. So knowing them and creating lifetime value can start during the first contact with candidates. This should not be underestimated.

Customer interaction. As mentioned above there is no clear structure for the frequency and ways of communicating with customers. Furthermore, the discipline is insufficient and differs per employee.

“In my opinion, we need one person responsible, with an appropriate level of education, for the interaction. That person understands the way our customers want to be reached”.

Also, the restriction in time was mentioned, especially for the back-office, which negatively influences the interaction with customers. Mailings are perceived as ineffective and only a way of popping up in the customers' inbox and not for spreading a good message. Face-to-face is supposed to be the best way of interacting with customers, however only in case of a concrete purpose of the meeting. One of the interviewees proposed that the combination of the customer receiving a newsletter, visiting an event followed by a conversation either by phone or in person is the best way to interact. In addition with the above proposed customer profiles the preferred way of interaction could be interpreted and adapted. Improvements can be made in further developing, customizing and professionalizing the interactions and events with customers.

Overall factors of customer relationship management. Besides the internal factors perceived critical for managing customer relations the interviewees were also asked to share their ideas about the current CRM of BLMC. This represents the weaknesses and priorities of managing customer relations. According to the respondents the most important factors for customers of BLMC are regular personal contact moments, deliver quality, being understood, deliver good results, and professionalism in communication. A nice comparison was made by one of the front-office respondents who compared customer relations with a friendship.

“Customer relations are as a friendship, a good friend also expects frequent contact on a personal level, customers want this personal attention as well. They have to feel special and valued by you.”

When the results of the questionnaire were briefly shared with the interviewees they all were unsatisfied about the scores of about a three, on a scale of one to five, on the majority of external factors. It was mentioned that for a business as BLMC, a supplier, a minimum average score of four is needed in order to stand out and being perceived valuable by a customer. Furthermore, the employees indicated the importance of money for a business which influences the time invest in customer relations. For a small business as BLMC, the dynamics and unsecure amount of business affects the operations quickly. Therefore, the employees find it hard to see managing customer relations as a priority in busy times while they recognize the importance of it and for the long-term existence of a business. Also, the differentiation in managing customer relations was mentioned as a weakness of BLMC. In the past, it was appropriate and possible to the same approach to many customers, currently the importance on adaptation of business to the needs of customers has increased. BLMC has to adjust to this trend, but that happens slowly according to the employees. Overall, the importance of valuable customer relations is recognized and the employees are open to change their way of working, the main obstacle for them unknowing the specific preferences and needs of the customers.

4.3. Interpretation of the business model of BLMC

In order to improve customer relationship management changes in the business have to be made. Customer relationships should have a significant role in the business model of a business. The lacking of managing customer relationships as part of the business model was the inducement for this study. The main focus is on CRM, however in order to improve this the whole business model of BLMC will be evaluated. The results of the external and internal critical success factors suggest points for improving the internal organization. However, the current situation has to be placed in context as the business has gone through significant transformations and is strongly influenced by the economic crisis. This affects the empirical study conducted and therefore has to be taken into account. As for many businesses the demand has decreased due to the economic crisis in Europe. Because of the linking function of BLMC, between businesses and candidates, they have been hit hard. The services provided by BLMC are seen as supplies on which can be cut. The decrease in procedures and other inquiries have significant consequences for the financial situation of the business. Currently, the internal organization is therefore searching for a new or different direction and approach in their services and also in their internal structure. This unstable situation is influencing the way of operating and the perceptions of the employees currently working at BLMC.

Partly as a result of abovementioned situation, the current business model is one without a clear strategy. The relationships with the key partners are weak as there is less demand, it is difficult to create bonding with the candidates, psychologists and interim managers. Intensive contact is only present in case of a procedure in which these partners are involved. In the key activities, a strategy and structure is lacking and the activities are not focused on managing customer relations, the priority is on making business and earning money. Furthermore, the employees are not satisfied about the IT applications as they impede productivity, also frustrations are present with regard to the database and sharing of information. The value proposition of the business is clear and broad. The business provides a wide range of services and wants to be excellent in all of them, which is a difficult for a small business like BLMC. However, it is calculated that interim management generates the majority of revenues and is therefore the most important. The channels used to serve the customer segments are newsletters, events, and training programs for interim managers. As mentioned earlier, in the current business model less attention is paid to managing customer relations. A structure for frequent contact moments is lacking as well as the discipline to keep up to date. The employees are committed but are used to do it in a certain way, which is no longer sufficient and desired by the customers. At the beginning of this study, customer segments were not clear. However, the business made steps forward to target specific customer groups and customize its services to the specific needs of a segment. Though it is faced with problems to identify the customer needs. In the next paragraph, this evaluation and the results of external and internal factors are combined to give an overview of the critical success factors on which BLMC can improve its customer relationship management.

4.4. Analysis of customer relationship management at BLMC

The results of both the external and internal factors present interesting insights about the current situation of customer relationship management at BLMC. In this paragraph interpretation of these results are made and related to literature. This study started with the role of customer relationships and its relations with the business value proposition in a business model. The business model consists of nine components which can outline the strategy of a business (Osterwalder and Pigneur, 2010). The suggested improvements that will follow from the results of this study will cause a change in the current business model of BLMC. The key partners are identified and the value proposition of BLMC will remain the same, as it provides a wide range of services to its customers, such as executive search, assessments, interim management, and business consultancy. However, as the analysis of the current business model indicated the activities and resources to provide these services will need to change as well as the relationships and channels for customer segments. Only then the business will be able to live up to its vision and survive the economic crisis currently present in Europe.

The quantitative and qualitative results presented the strengths and weaknesses of the performance of BLMC on the critical success factors. The tables below show an overview of the most critical factors according to the empirical study. In table 12 the external factors are represented by the most important dimensions determined by analyses, with the mean scores indicating the performance of BLMC on a scale from one to five. Furthermore, the results of the regression analysis are included. The internal factors, displayed in table 13, are represented by the most critical aspects following the interviews conducted among the employees of BLMC.

Table 12

Overview of the most critical external factors of customer relationship management

External critical factors	Most important dimensions	Mean Scores	Regression
<i>Customer satisfaction</i>	Loyalty (long-term)		.425
	- Importance	3.54	.543
	- Performance	3.60	.805
	Responsiveness (short-term)		.206
	- Importance	4.11	-.246
	- Performance	3.60	.530
	Trust (short-term)		.348
	- Importance	4.52	-.132
	- Performance	4.19	.239
<i>Relationship marketing instruments</i>	Personal contact	3.70	
	Newsletter	3.64	
	Workshops/Events	3.37	
<i>Service attributes</i>	Communication		1.782
	- Executive search	3.44	
	- Interim management	3.39	
	Recruitment		.120
	- Executive search	3.37	
	- Interim management	4.25	

Table 13*Overview of the most critical internal factors of customer relationship management*

Internal critical factors	Most important aspects
<i>Managerial practices</i>	CRM strategy, optimize processes, leadership style
<i>Attitude/behavior</i>	Discipline, productiveness, IT applications, training
<i>Customer knowledge</i>	Internal structure, rules for documentation, identify customer needs, good database
<i>Lifetime value</i>	Supplier, more focus, invest effort in high potential
<i>Customer interaction</i>	Face-to-face, consistency, professionalism, customization

The results of the analysis on the external factors display the strengths and weaknesses perceived by the customers of BLMC. The first external factor, customer satisfaction, was measured using a set of dimensions identified in literature. Analyses indicated a ranking of these dimensions in terms of its relevance for customer satisfaction. According to the regression analysis it can be said that only a few dimensions are critical success factors showing a positive influence on the level of satisfaction in the relationship. Critical for the success in managing customer relationships is loyalty. Furthermore, tangibles and reliability has to be improved as it is of importance but currently negatively influencing the relationship. Less attention can be paid to empathy and the quality of the service as it not interesting or even negatively influencing customer relations. Also, the amount of effort on service attributes has to be distributed differently as currently communication and recruitment are positively influencing CRM and the application phase is perceived extremely negative. A reason for this can be that either too much efforts is invested which results in decreasing the level of satisfaction or it is very unimportant to the customer. Finally, interesting results were found on the separate analyses for short-term and long-term orientation. In short-term relations trust and responsiveness are the most critical factors for success, while in long-term relationships loyalty is determining the success of BLMC in managing customer relationships. Combined with the mean scores and the differences between customer and interim managers it is clear that BLMC is not performing optimal on the critical dimensions of customer satisfaction and improvement is needed in order to increase customer satisfaction. According to the literature review done at the beginning of this study loyalty, commitment and trust are the primary drivers of business performance and lead to increased shareholder value (Luo et.al, 2004). BLMC can focus on loyalty programs to increase loyalty, similar to the way it creates valuable relations with the interim managers through a special platform called Bcademy. These programs can increase customer retention and customer share development (Verhoef, 2003). Also a platform for customers will create additional value and increase loyalty. The responsiveness has to be improved by training the employees. Furthermore, the service quality is a valuable asset in customer relations as this will result in repeat transactions which make the customer also valuable to the business (Winer, 2001). Since, the service quality is critical but poor performed by BLMC it has to be improved. Winer (2001) states that there are two ways to do this. First, improve reactive service by having a service recovery procedure that can be performed when

problems in customer contact arise. Secondly, proactive services can be improved by training employees to reach out and anticipate to customers' needs on forehand. Next to the proposed ways of Winer (2001), also the usability, attractiveness, content and consistency of the customer service has to be of good quality (Kim et.al, 2003).

The second external factor tested in this study is the preferences of relationship marketing instruments, so that communication can be improved which will improve customer relationships. The outcome partially confirms that some instruments are suitable for managing customer relationships, such as newsletters which are valued by the customers and interim managers. Also the events organized by BLMC to bring their relations together and share expertise are highly appreciated. On the other hand, improvements can be made in increasing personal contact as this is the most preferred way of communicating. Although this is the most costly and time-consuming way of maintaining customer relations it will increase the value of the relations. Next to that, not too much effort has to be put in social media activities as among this sample of customers and interim managers this scored the lowest on ways of communicating. In literature, it was also stated that personal contact and bringing customer together to share experiences and create a sense of belonging will create valuable customer relationships (Wenger, 2009). One-on-one, personal, contact with customers can be improved and enhanced by participation of the customer in the procedure, such as sharing their preferences and have frequent meetings (Winer, 2001). In this way BLMC will be able to customize the service to suit to specific individual customers' needs (Coulter and Coulter, 2002).

For the third, and final, external factor of customer relationship management the perceptions about the service attributes was measured. Overall, the performance on the five elements present in a procedure scored not very high. According to the regression analysis, communication and recruitment are the most importance determinants of the level of satisfaction about the service delivered by BLMC. There was a significant difference between the two main types of procedures of BLMC. In general, interim management was perceived better than the executive search procedure, especially on recruitment and selection. A reason for this is the approach taken, with executive search recruitment and selection is based on a large group of possible candidates which are not known personally by BLMC, whereas for interim management procedures BLMC works with a pool of interim managers that are known and have long-term relationships with the business. This makes it easier to recruit and select the right candidate for a procedure and therefore the performance will be higher. Thus, in order to improve the scores of executive search the same approach can be taken by making groups of candidates which you get to know better. Besides the perceptions of customers, also the interim managers were asked to rate the performance of BLMC on the five elements of a procedure of which they are part of. Remarkably the interim managers were, in general, negative about the service attributes with scores of below three. So contrary to the high scores on the dimensions of customer satisfaction, improvements are to be made on the 'hard side' in the relationships with interim managers, such as support, aftercare and

planning in an interim management procedure. Improving the process of a service will directly influence the value in the relation perceived by the customer and interim manager (Parasuraman and Zeithaml, 1985).

The results of the interviews taken revealed information about the perceptions of the employees about the current management of customer relationships of BLMC. First of all, it is clear that the management practices can be improved by changing the leadership style to more directive and controlling. The strategy was not clear and set for the long-term, while the vision is shared and strong. A CRM strategy has to be established that consists of integrating and optimizing five essential processes; strategy developments, value creation, multichannel integration, performance assessments, and information management. According to Payne and Frow (2005), a situation where these processes are optimal incorporated in a business positive shareholder results will be achieved. Thus, more satisfaction among the customers and employees will be realized when establishing a strategy based on these processes. Besides the strategy also an internal structure is lacking as it is perceived chaotic and not facilitating managing customer relationships. Nevertheless, management is seen as professional and committed. According to literature, management commitment and leadership is required to implement and conduct successfully customer relationship management. The management has to think and act as a champion and drive the business (Kennedy et.al, 2006). At BLMC the motivation is strong to be the champion but improvements have to be made in leadership and establishing a clear strategy so that management can bring the employees to the level of championship. However, the current situation of an economic crisis in the country which is influencing BLMC has to be kept in mind as this impedes establishing a clear long-term strategy. Positive is the professionalism and expertise in management as this also influences the customer perspective on the service quality (Grönroos, 2007).

Secondly, the attitude and behavior of the employees will have influence on the service quality and therefore on the customer relation (Patterson et.al, 1997). Overall, the employees are satisfied and committed. Improvements can be made in training them and provide a structure for managing customer relationship, as the employees indicated that this is missing. Furthermore, frustrations were expressed about the technology applications and facilities. This results in low productivity and ignorance of the system that should facilitate managing customer relations (Rigby and Ledingham, 2004).

The perceptions about, customer knowledge, were diverse. The front-office employees had the feeling that they know their customers very well while the back-office employees mentioned that not having face-to-face meeting with the customers made it difficult to really know the customer this only partially occurs orally by sharing the experiences with the front-office. However, all employees indicated the difficulty of identifying the needs of the customer in the relationship. Improving customer knowledge starts with identifying customers' needs, to create empathy and loyalty, so that a business can encounter customer expectations (Kim et.al, 2003). Besides, a good

database with information about the customer is essential. At BLMC this is lacking as customer information is mainly shared orally and not in the database.

Fourthly, the focus on lifetime value is lacking as not many relationships are intense and strong over a long period. This was also proposed during the external analysis, as BLMC is seen as a supplier many customers and the business itself do not always see the point in having frequent contact when there is no concrete message or question. However, the customers did mention that the longer the contact with BLMC, the better the business understood their needs. Thus for improving customer knowledge and the performance at the external side lifetime value is very important. One of the employees mentioned that analyzing the customers so that efforts can be invested in high potential and important customers. This is also confirmed by literature, precise specification of inputs and concentration of profits among customers should be analyzed so that activities for achieving lifetime value can be guided (Mulhern, 1999).

The last internal factor to be interpreted is the way of customer interaction. Although the employees thought that they were not interacting the right way, external analysis results were not that disappointing. For example the appreciation of newsletters was not expected by the employees of BLMC. All employees agreed that the frequency and personality in communication with the customers has to be improved. Furthermore, the importance of face-to-face contact was recognized as well as improvements that have to be made in customization and professionalizing in interactions and events. This is also suggested by Winer (2001) as ways to improve customer interaction. He also mentioned appointing one person responsible for the interactions, this was also an idea existent by the employees as shifting relations and no clear responsibilities causes problems in maintaining customer relations.

The above described situation presents the matches and mismatches of the customer relationship management at BLMC. The model that was designed based on the literature review suggests that both sides, external and internal, have to function optimally and match in order to establish and maintain valuable customer relationships.

5. Discussion and Conclusion

In this final chapter the key findings will be summarized, limitations and suggestions for further research will be given, and advice for the business subject to this study is presented by providing a roadmap with practical implications.

5.1. Key findings

The purpose of this study was to determine the critical success factors of customer relationship management in literature and apply this in an empirical study to identify the CSF's for BLMC. Therefore the following research question was formulated:

Which critical success factors of managing customer relationship have to be improved in order to advance the value proposition of the service-oriented business BLMC?

In order to give an answer to the question raised a literature review was conducted on the role of customer relations in a business and the critical factors that determine the success of the relationships. The business central in this study was BLMC, a business providing executive search, assessments, interim manager and business consultancy to its customers. In order to advance value proposition of these services managing customer relationships is essential. The role of customer relationship in a business varies however for a service-oriented business the customer is top priority. Based on business models, the relation between a good value proposition and customers is explained by selecting customer segments, and choose appropriate channels to reach the customer. Besides that the internal key activities, resources and partners are very important for operating successfully on the external elements. The critical success factors derived from literature are also split in external and internal factors. As both the internal organization and the customers influence the CRM of a business. The external factors identified are; *customer satisfaction, relationship marketing instruments, and service attributes*. These factors are experienced by the customers of a business. The internal factors are; *managerial practices, employees attitude and behavior, customer knowledge, lifetime value, and customer interaction*. These factors can be managed internally in a business in order to be able to manage customer relationships.

For each factor a set of dimensions was identified and tested during a quantitative study among the customers and interim managers, and qualitatively by conducting interviews among the employees of BLMC. The results showed that on most of the dimensions improvements have to be made in customer relationship management by BLMC. The external factors, customer satisfaction and performance on the service attributes, received average scores by the customers and interim managers. Since the vision of BLMC is to be the best, which is also necessary to be successful in the industry it is operating in and in the consequences of the current economic crisis, these scores are not sufficient to survive.

Following these empirical results suggestions for improvement can be provided for BLMC. So that, the purpose of this study and the goal of the business to improve customer relations and advance business value proposition can be achieved. Improvements can be made on building loyalty and improve responsiveness towards customers so that the level of customer satisfaction will increase. Also the recruitment phase and communication during a procedure requires attention as these dimensions are the most important determinants of the external factors. In their relationship marketing instruments the focus has to be on one-to-one marketing, personal meetings, and events as these are appreciated and beneficial for valuable customer relations. Furthermore, the internal practices have to become more service-oriented as customer relationship management did not play an importance role at BLMC. The fact that it has to be improved is recognized, management and employees are open and committed to change. The management itself has to establish a clear long-term strategy which is known and shared by the employees. Also, more control is needed and the technical applications have to be improved. The employees have to develop discipline in their focus on customers, share knowledge within the business, and acquire a service-oriented attitude. Moreover, rules in documentation and an internal structure has to be implemented in order facilitate the management of customer relations. These improvements are further discusses in the practical implications at the end of this chapter.

5.2. Limitations

Despite the interesting insights this study presented about customer relationship management, also some limitations can be acknowledged. Limitations can be mainly found in the methodology with regard to data collection procedure in the quantitative study. Furthermore, the reliability and credibility of the qualitative study will be discussed.

In the empirical study both a quantitative and qualitative study was conducted. For the first study a questionnaire was developed and distributed among the customers and interim managers of BLMC. The questionnaire was open for seventeen days, however during this period it was clear that many respondents start the questionnaire but did not complete it. Reasons for this can be that it took them too long or they did not find the questions relevant. Unfortunately, it was also mentioned that the program did not work properly, as it occasionally showed an error after a few questions that impeded the respondents to continue. This is a risk of using self-administrated questionnaires.

For the qualitative study the reliability and credibility can be questioned. Although, a topic list was designed to guide the semi-structured interviews it is hardly impossible to repeat this study and check whether the results are reliable. With regard to the topics discussed, such as about managerial practices, it is imaginable that the interviewees gave socially-desirable answers. Especially, in the current situation of the business in which for many employees it was unclear if they could stay with the business. The

credibility of the study is influenced because of the interpretations made by the researcher. These interpretations can be 'subjective' as the researcher is affected by prior understanding and experienced as the business. These possibilities can result in a bias in the study and have to be taken into account.

Furthermore, limitations exist in the generalization of this study. Although, in-depth information was gathered about customer relationship management and critical success factors were identified, the concrete findings of this in the empirical study cannot be generalized to other businesses.

5.3. Future research

As these results are not generalizable further research on the critical success factors of CRM is needed. It is clear that customer relations are very important for service-oriented businesses. Also, several models with regard to the implementation of CRM exist. However, the model designed in this study can be used to assess the performance of CRM of a business and indicate improvements on either the external or internal factors. Further research is required to test the critical success factors in a different context.

Furthermore, in this study the focus was on external and internal critical success factors of CRM however during the analysis also a difference between short-term and long-term orientation in customer relationships was presented. In further studies these features of managing customer relationships can be investigated. The critical factors identified in this study can be further tested on their relevance in short-term and long-term relations. Also the remarkable negative effects found in the regression analysis oblige further investigation. As in this study it was interpreted as those factors not being of interest or decreasing customer satisfaction, more research can confirm that this is the case. However, it is important to conduct those investigations among the same type of businesses, as it might be linked to the function of temporary agencies that are perceived as supplier for customers.

This study proved the usefulness of business models to assess the performance of a business. As CRM was the main focus, models for managing customer relationships were evaluated. Though, they were not used as a guideline in this study. Those models focus mainly in the internal organization and lack an in-depth analysis of the external environment determining the successfulness of CRM.

Finally, the link between critical success factors of CRM and value proposition requires additional research. This study showed that there is a link, and that customer relations influence the value proposition of a business and vice versa, however more information is required to explain this relation.

5.4. Practical implications

The expected practical implications were the identification of critical success factors that businesses could use as a checklist for analyzing strong and weak points of their customer relationship management and improving their value proposition. The business subject to this study was BLMC. In this final paragraph improvements for the CRM of the business are provided with regard to advancing the value proposition. As presented in the key findings three external and five internal factors are identified. During the empirical study the performance of BLMC was assessed and conclusions were drawn.

In order to advance the value proposition, the service provided to customers and interim managers, a new business model has to be implemented. The current business model of BLMC is not appropriate for managing customer relations and advancing value proposition. Also because of the current economic crisis the demand decreases and the costs have to decrease a well in order to survive. The practical implications are therefore placed in a new business model to illustrate in which parts certain improvements have to be made.

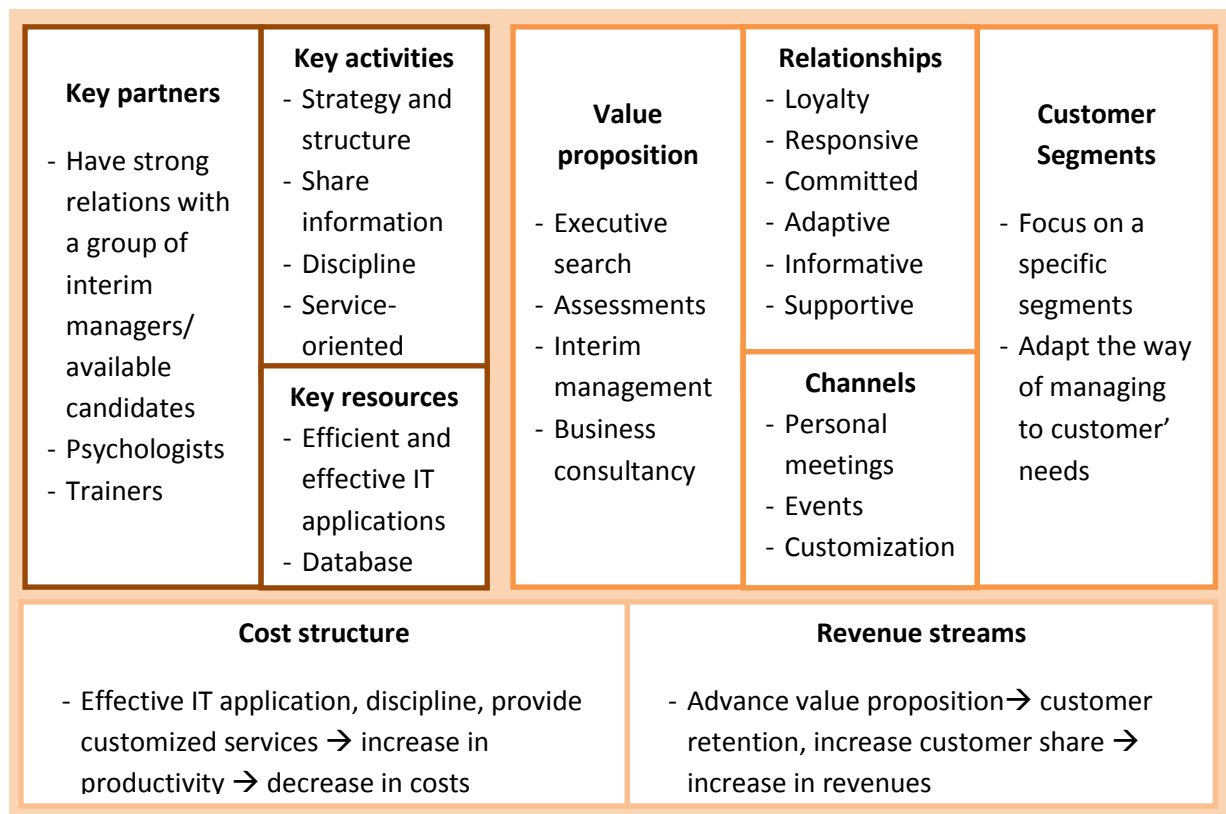


Figure 11: Improvements in the business model of BLMC

As can be seen in the figure above important focus points are suggested for the key activities, resources and partners as well as for the relationships, channels and segments. If these changes are implemented the value proposition, cost structure and revenue streams will positively be influenced and BLMC will be able to live-up to its vision; to be the best. A roadmap is given below with concrete advice how BLMC can implement the changes in their business model;

Roadmap

- 1) In order to facilitate and implement the above proposed business model a clear customer-oriented strategy has to be established with a long-term perspective on customer relationship management and that is shared with all employees. This strategy can consist of two components; the business strategy that determines the vision, industry and competitive characteristics, and the customer strategy that identifies the segments, customer choice and characteristics.
- 2) In order to facilitate and implement the established strategy an appropriate internal structure is needed. The key resources are essential, as the functioning of IT applications and a database that includes all customer activity determine the effectiveness and efficiency of managing customer relations. A good internal structure will also facilitate the key activities that are critical for advancing value proposition. Clear distribution of responsibilities will help the internal structure and improve the discipline, information sharing, and service-oriented attitude.
- 3) The employees have to be trained and selected on their service-oriented attitude. They have to be loyal, responsive, adaptive, informative and supportive. These are the most important dimensions for the customer of BLMC. If the performance in these dimensions is improved the level of satisfaction will increase.
- 4) All attributes of the service have to be improved, most important are the recruitment phase and communication during a procedure. This requires a high level of flexibility and customization in the situation analysis, interview quality, ways of support and frequency of consultations moments. Furthermore, the service can be improved by focusing on the usability, attractiveness, content and consistency towards the customer.
- 5) Focus with relationship marketing on specific customer segments; expand professionalism in event marketing, establish events for specific customer segments, advance community based customization adapted to specific customer needs.
- 6) Invest time in frequent personal meetings as this drives the customer to engage in a relationship for a longer period. The image of BLMC has to reflect the vision and its place in the industry. Stronger and enduring relationships will change the perception of the customer from supplier to partner.
- 7) Besides the focus on the customer also strong relationships have to be built with the key partners. As BLMC has to be flexible and adaptive to the fast-changing needs of the customers, relying on the key partner is essential. Thus, time and efforts have to be invested in the relationships with the interim managers, pool of candidates, trainers, and psychologists.

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Appendix A – Questionnaire items

Concepts	Dimension	Item (English)	Item (translated to Dutch)	Author/ Source
<i>Customer satisfaction</i>	<i>Overall satisfaction</i>	I am satisfied about the personal attention of BLMC.	Ik ben tevreden over de persoonlijke aandacht van BLMC.	Verhoef (2003)
		I am satisfied about the willingness of BLMC to explain procedures.	Ik ben tevreden over de bereidwilligheid van BLMC om procedures uit te leggen.	
		I am satisfied about the responding by BLMC to explain procedures.	Ik ben tevreden over de reactie van BLMC wanneer ik een klacht heb.	
		I am satisfied about the expertise of the personnel of BLMC.	Ik ben tevreden over de expertise van de medewerkers van BLMC.	
	<i>Loyalty</i>	I am a loyal customer to BLMC.	Ik ben een loyale klant van BLMC	
		I feel a strong attachment to BLMC.	Ik voel mij sterk betrokken bij BLMC	
		I want to remain a customer of BLMC	Ik wil graag klant blijven van BLMC	
	<i>Commitment</i>	I am committed to my relationship with BLMC because I like being associated with them.	Ik ben toegewijd aan mijn relatie met BLMC omdat ik graag met hen wordt geassocieerd.	Beatens (2008)
		I would like to develop a long term relationship with BLMC	Ik zou graag een langdurige relatie opbouwen met BLMC	
		Say positive things about BLMC to other people.	Ik ben positief over BLMC naar anderen	
		Encourage friends and relatives to do business with BLMC	Ik moedig vrienden/bekenden aan om zaken te doen met BLMC	
	<i>Trust</i>	The employees of BLMC are trustworthy.	De medewerkers van BLMC zijn betrouwbaar.	Coulter and Coulter (2002)
		The employees of BLMC are honest.	De medewerkers van BLMC zijn eerlijk.	

		The employees of BLMC treat me with respect.	De medewerkers van BLMC behandelen mij met respect.	
	<i>Tangibles</i>	BLMC has a clear and complete website	BLMC heeft een duidelijke en volledige website.	Based on SERVQUAL dimensions Parasuraman, Zeithaml, and Berry (1985)
		BLMC makes sufficient use of tools/equipment to provide the service	BLMC maakt gebruik van passende tools om de service te leveren.	
		The business name, BLMC, has a good reputation in the market.	De bedrijfsnaam, BLMC, heeft een goede reputatie in de markt.	
	<i>Reliability</i>	The firm performs the service right first time.	BLMC levert de juiste service in één keer.	
		BLMC is accurate in billing.	BLMC is nauwkeurig in factureren.	
		BLMC performs the service at the designated time.	BLMC levert de service op de afgesproken tijd.	
	<i>Responsiveness</i>	BLMC is calling back quickly.	BLMC belt snel terug	
		BLMC is giving prompt service.	BLMC levert snelle service	
	<i>Empathy</i>	BLMC makes effort to learn the customers' specific requirements.	BLMC investeert tijd om mijn specifieke behoeftes te leren/en te begrijpen.	
		BLMC recognises regular customers	BLMC herkent vaste klanten.	
		The employees of BLMC have a good attitude.	De medewerkers van BLMC hebben een goede houding	
	<i>Quality of service</i>	The service BLMC delivers is valuable	De service die BLMC levert is waardevol	Richard and Jones (2008)
		The service BLMC delivers is of good quality	De service die BLMC levert is van goede kwaliteit	
		The service BLMC delivers is proportional to the price	De service die BLMC levert staat in verhouding met de prijs	

RMI	<i>Communication</i>	Maak een duidelijke keuze tussen de volgende mogelijkheden: <ul style="list-style-type: none"> - Telephone - Mail - Personal conversation - Social Media - Online discussion on LinkedIn - 1-on-1 - Accountmanager 		Author's own design based on Derksen (2008)
	<i>Updates</i>	Maak een duidelijke keuze tussen de volgende mogelijkheden: <ul style="list-style-type: none"> - Social Media - Website - Newsletter 		
	<i>Participation</i>	Maak een duidelijke keuze tussen de volgende mogelijkheden: <ul style="list-style-type: none"> - Event - Workshops - Online discussions on social media 		
Service attributes	<i>Application</i>	I am satisfied about the information in the offer/confirmation	Ik ben tevreden over de informatie in de opdrachtbevestiging	Business documents and input director of BLMC
		I am satisfied about the quality of the interview	Ik ben tevreden over de kwaliteit van het intakegesprek	
		I am satisfied about the information with regard to the time schedule	Ik ben tevreden over de informatie m.b.t. de tijdsplanning	
		BLMC is flexible	BLMC is flexibel	
		BLMC is able to make a good analysis of the situation	BLMC is in staat een goede situatieanalyse te maken	
	<i>Recruitment</i>	BLMC takes the culture of our organisation into account	BLMC houdt rekening met de cultuur van onze organisatie	
		BLMC designs clear and complete job profiles	BLMC maakt duidelijke en volledige functieprofielen	
		BLMC provides a good recruitment advice	BLMC geeft een goed wervingsadvies	
		I am satisfied about the execution of the recruitment advice	Ik ben tevreden over de uitvoering van het wervingsadvies	
		I am satisfied about the recruitment results	Ik ben tevreden over de resultaten van het werven	
		BLMC makes use of appropriate selection techniques	BLMC maakt gebruik van geschikte selectietechnieken	

		I am satisfied about the communication with the recruiters during the selection procedure	Ik ben tevreden over de communicatie met de recruiters tijdens een selectieprocedure		
	<i>Selection</i>	I am satisfied about the information I receive during the selection procedure	Ik ben tevreden over de informatie die ik ontvang tijdens een selectieprocedure		
		I would like to have receive an extensive report	Ik heb graag inzage in een uitgebreide rapportage		
		I am closely involved with the procedure	Ik ben graag nauw betrokken bij de procedures		
		I am satisfied about the number of presented candidates	Ik ben tevreden over het aantal gepresenteerde kandidaten		
		I am satisfied about the quality of the presented candidates	Ik ben tevreden over de kwaliteit van de gepresenteerde kandidaten		
		<i>Aftercare</i>	I am satisfied about the guarantee (half a year) of BLMC	Ik ben tevreden over de garantieregeling (half jaar) van BLMC	
	I am satisfied about the aftercare of BLMC after the end of a procedure		Ik ben tevreden over de nazorg van BLMC na afloop van een procedure		
	<i>Communication</i>	The interim manager are well prepared/informed by BLMC about the assignment	De interim managers worden goed voorbereid/ingelicht door BLMC over de opdracht		
		The continuous support by the consultants of BLMC during the execution of the assignment by the interim manager is creating added value for the service	De continue begeleiding door de consultants van BLMC tijdens de uitvoering van de opdracht voegen een meerwaarde toe aan de dienst		
		There are sufficient number of consultation moments with BLMC to discuss the progress of the assignment	Er vinden voldoende spar- en overlegmomenten met BLMC plaats over de voortgang van de opdracht		
	Control variables	Gender: man/women			Based on literature
		Customer tenure			
Type of relation: (potential) client, interim manager			Input director of BLMC		
Experience with type of service: executive search, interim management					
Made use of paid services					
Successfulness of the procedure					

Appendix B – Topic List

Respondent number: 1/2/3/4/5/6/7

Gender: man/woman

Employee tenure:

Date:

Points of attention:

- Ask if they allow to record the interviews
- Set time
- Be neutral
- Ask for examples
- Summarize answers

Introduction:

Briefly discuss the most important factors of CRM for BLMC.

Topic 1 Managerial practices

- Leiderschap(stijl)
- Betrokkenheid van management
- Professionaliteit en vaardigheden van management
- Strategie

Topic 2 Attitude and behavior

- Tevredenheid over werk bij BLMC
- Werkomgeving
- Ruimte voor persoonlijke ontwikkeling
- Communicatie
- Training

Topic 3 Customer knowledge

- Hoeveel weet u van de klanten van BLMC
- Delen van informatie
- Moeite doen om klant te leren kennen
- Geschiktheid van het klantensysteem/software

Topic 4 Lifetime value

- Extra activiteiten die waarde toevoegen voor de klant
- Lengte en sterkte van relaties
- 'Gratis' advies
- Maatwerk
- Service en ondersteuning

Topic 5 Customer interaction

- Frequentie van contact met klanten
- Online en offline activiteiten
- Persoonlijke interactie
- Bedrijfbezoek
- Tijds aspect m.b.t. service/klantencontact

Topic 6 Success & weaknesses

- Discuss the main results of the analysis on the external factors and ask for a reply/explanation for these results.

Closure

- Korte evaluatie; wat vond u van het interview?
- Bedanken voor medewerking
- De interviews zullen niet volledig uitgeschreven worden, enkele citaten kunnen worden verwerkt in het eindrapport.
- Eindrapport zal aan het eind van de stage gepresenteerd worden.

Appendix C – Tables

Table 9

Mean ratings of importance and performance perceived by customers

Factor	Importance		Performance	
	Mean*	Std. Dev.	Mean*	Std. Dev.
1. Overall Satisfaction	3.8478	.68564	3.7899	.57946
2. Loyalty	3.0877	.89472	3.3158	.81251
3. Commitment	3.2368	.93717	3.4474	.75268
4. Trust	4.5088	.44953	4.2982	.49559
5. Tangibles	3.5965	.80568	3.4737	.69669
6. Reliability	4.1228	.55789	3.7018	.71054
7. Responsiveness	4.1842	.55804	4.0263	.63407
8. Empathy	4.1404	.59125	4.0175	.53833
9. Service Quality	4.1754	.58128	3.8772	.57960

*Mean scale: 1 least important to 5 most importance

*Mean scale: 1 bad experience to 5 good experience

Table 10

Mean ratings of importance and performance perceived by interim managers

Factor	Importance		Performance	
	Mean*	Std. Dev.	Mean*	Std. Dev.
1. Overall Satisfaction	4.0769	,44936	3,5192	,76690
2. Loyalty	4,0000	1,18918	3,8889	,97787
3. Commitment	4,0417	1,00472	3,7917	1,04899
4. Trust	4,5278	,50168	4,0833	,57075
5. Tangibles	4,1944	,55883	3,5000	,90453
6. Reliability	4,2424	,61628	3,6667	,73030
7. Responsiveness	4,0455	,78913	3,1818	,92932
8. Empathy	4,2727	,59289	3,9091	,71633
9. Service Quality	4,0606	,59289	3,5758	,79009

*Mean scale: 1 least important to 5 most importance

*Mean scale: 1 bad experience to 5 good experience

Table 11

Mean ratings of customers on Executive Search and Interim Management

	Executive Search		Interim Management		Comparison
	Mean	St. Dev.	Mean	St. Dev.	Difference
Application	3.5238	1.38136	3.6806	.79283	.1568
Recruitment	3.3704	1.44765	4.2500	.50000	.5460
Selection	3.2222	1.48137	4.0833	.79296	1.7221
Communication	3.4444	1.36931	3.3889	1.25395	.0555
Aftercare	3.4444	1.52980	3.4167	1.70338	.0277

Mean scale: 1 disagree to 5 agree

Appendix D – Interview summaries

Respondent: 1

Gender: Men

Employee tenure: 3 years

Function: Front-office

Date: 4-06-2012

1. Managerial practices

- Satisfied for the current situation, however more control/directing leadership is possible
- More structure in way of managing; contact moments, control, meetings
- Strategy is very much dependent on the trend/market. Currently market is not stable and therefore our strategy is not completely clear
- Vision is very clear.

2. Attitude and behavior

- Working environment can be optimised, more professional/chique concerning the materials, stage setting and software
- IT system is very slow
- Documentation is a mess, there should be 'rules' how and where to save business documents. This should be online and accessible for everyone
- Very satisfied about the opportunities and dynamics of BLMC, this contributes to my personal development.
- Would appreciate more training/education options since the business is about selling expertise and that should have a theoretical foundation this is very hard without updating your own knowledge continuously. However, since BLMC is a small business it is very hard to have resources for training.

3. Customer knowledge

- Young, having expertise in/about the market takes years of experience. It is very important to know the market, the trends and the characteristics of the customers. It is very important to read the news about the industry we are active in.
- Be prepared on a first visit; LinkedIn, business profile etc.
- Difficult to recognize/know the needs of the customer, as this is continuously changing
- A monitoring tool for scanning trend would be very useful
- Market research is very important. BLMC is known as a leader in the market and therefore can set trends.
- I have the basic knowledge about the customer of my branch.

4. Lifetime value

- None of the relations I have with customers have a length of more than 3 years.
- No special activities to provide more value for the customers when he/she is longer in contact with BLMC
- Phone calls are done every now and then (not structurally), finds it difficult to contact a relations without a specific message

- Contacts cannot be transferred to another person in the business, is very personal.

5. Customer interaction

- Very much depending on the contact person what is appreciated (call or no call)
- Visits without purpose is mostly not valued, people are busy
- The discipline in interaction is very dependent on the type of person. Depends on the attitude of a person. The right kind of person with appropriate level of education should be responsible for interaction

Important factors for CRM of BLMC according to the respondent:

- Personal contact
- Show interest in the other persons private life: eg. Birth of a child, birthday, sickness etc.
- Structural contact
- Fast replying in general
- Compared customer relationships with friendship: cannot transfer a friend of you to someone completely different as they might not have the same click and cannot get along, not communicating in 5 month with your friend is not friendship same goes for customer relations.

Current Problems/Analysis/Strengths of the internal factors

- Enough time, freedom,
- Unpredictable, money is priority, small business
- Different approach in communicating with candidates and clients, candidates are sometimes forgotten

Respondent: 2
Gender: Women
Employee tenure: 3 years
Function: Back-office
Date: 5-06-2012

1. Managerial practices

- Style of leadership is different within management, if the expectations of one are met than the other might not be satisfied. Not a good balance between hard and soft style.
- Honesty and open attitude of management is very important
- Management is committed, vision is very clear.
- Clear division between back- and front-office
- Too much emotions influencing the way of managing (mostly in negative way, when something has failed or the like). Reactions are sometimes too quickly based on emotions/feelings instead of rational
- Strategy is very dynamic and leading, however employees have to be adaptive in order to be able to work with it.
- The business evaluates the market very well, is a trendsetter and makes use of opportunities

2. Attitude and behavior

- Motivate and driven, however the urge to perform can negatively influence this attitude with much impact and fast pace.
- Working environment could be more professional, more stage setting like plants and colors to give it more atmosphere. Although there is freedom to change your working place the feeling is that it is at your own expense and that is a threshold.
- The technical facilities cause frustrations as the system is slow, or sometimes not properly working and unreliable. Also the restrictions the system has (eg. Plug-in usb or cd-rom, not being able to access certain locations) negative influence on the attitude
- Enough possibilities for personal developments. Michel (director) has a mentor/coach role in this. Preferences in what to develop are heard and opportunities are given. Time is the only restriction
- My function consists of many tasks and sometimes I have the feeling that it is not possible to be absent and I don't have the time to finish/round off all tasks. Others ask the person they have the most confidence in that it will have a good result.

3. Customer knowledge

- I know 70 percent of what the front-office knows of our customers. I miss the face-to-face part.
- Sharing of information only happens orally, not everything is documented. Only the main points are written down.
- System is very unwieldy and not user-friendly.
- As back-office employee I do not physically visit the companies which makes it difficult to know certain information like culture.
- Face-to-face every now-and-then is very important in a relation with a customer

- Back-office often seen as secretary which makes it hard to present yourself at customer events and other contact moments.

4. Lifetime value

- Hard to point out why some relationship break up. It is often very intense for a period of time and then suddenly it stops.
- Back-office is not that visible in a relationship and therefore hard to work on lifetime value.
- Not many activities are conducted as business to give added value for the customer, only events.
- Our business is often seen as a medium, once we have no use for the customer they do not feel bound to BLMC. This differs per branch, in some branches we are seen as 'just' suppliers.
- Customer goes often for the easiest way to get what they want (eg. They want an interim manager and another business is more visible with that interim manager than we are they go very easily to that other business although we can do the same for them and have done that before).
- Length and strength of a relationship is hard to estimate. Often customers of interim management procedures feel stronger attachment than those of the executive search procedure. These relationships are often better.

5. Customer interaction

- Time is a problem for back-office this negatively influences the interaction with customers.
- Offline is better than online. Mailings are not that effective besides the ones for confirmations of meetings etc.
- Business visits/face-to-face meetings are very important for customers, however sometimes also here the time is a restriction.

Important factors for CRM of BLMC according to the respondent:

- The customers have to get the feeling that they are very important
- Full-service, all elements should be perfect
- Know the expectations of the customers
- Similar treatment for all customers.

Current Problems/Analysis/Strengths of the internal factors

- Difference in treatment; companies and candidates
- Expectations differ between label: FacilityJob, LogistiekJob and BLMC
- Specific demand of customer is not clear

Respondent: 3
Gender: Man
Employee tenure: 6 years
Function: Management/Front-office
Date: 5-06-2012

1. Managerial practices

- Does not manage many persons directly, only supporting the interim managers. Through Bcademy this became more intense, before there was no relation with the interim manager although they are part of BLMC, as towards the customer they work in the name of BLMC.
- Sees the back-office as support function
- Management should be lean and the system/software has to facilitate this style.
- Back-office and trainees have developed with the management, own initiative and ideas are heard. Management has to find a balance between let the back-office and trainees working independent but be confident that it happens correctly so a little more control wouldn't hurt.
- Currently it is a playground, little control, too much confidence that it will go well.
- My preferred management style is being committed, let my employees know what my expectations are and they have to be able to work this out independently.
- More control is needed on the operations-level of the business
- Strategy: provide value to the customer. As part of the management he has influence on the strategy but in the end has the perspective of also being an employee and not the boss. Sparring moments with Michel are very important and useful.

2. Attitude and behavior

- International ambition, ambition to let BLMC grow, especially in interim management procedures.
- Financial attitude, comes from the background of working at a multinational
- 'The new way of working', work anywhere you can and meet once a week. However it will be more difficult to have control it will save on overhead costs.
- More flexibility; in hours, working place, and attitude
- Way of working has to be more tight, treat employees as professionals, right person on the right place (IQ) than this is possible.

3. Customer knowledge

- Sharing information is very difficult. Gap in level of intelligence. Has the feeling back-office does not understand what he does.
- Know much about our customers. However relations differ per person and per type of business (small/large). Have to adapt to this, as you have to know which person to reach/have contact with to get something done.
- Lost in the system, as everybody. Too many files and still too much as to happen manual (e.g. invoices). The system should be more automatic and for all business documents an online/intelligent platform is needed. A start is made using sharepoint, this has to be optimised and finished so that everyone can use it. This will also support the flexibility in working. Has to be a standard process with rules,

now everyone is finding their own way and does something different, no structure.

4. Lifetime value

- Worked for a multinational before BLMC, big gap. Multinational it is very much about the figures and reaching targets, short-term focus, within BLMC much more freedom. In a multinational the customers are chosen based on a spreadsheet with information about their potential of being a good target, this could be done within BLMC as well. Choose the customers which provide the best 'perspective' in terms of business and based on that decide how much effort to put in that relation.
- There are a few strong and continuous relations, however when there is no concrete question for our services there is very little contact. What we want is that those relations know that if they need someone they immediately think of us, as a person or as name of the business.
- Better to target a select group and invest effort in that.
- Lifetime value with interim managers also very important. They are independent and do not have many obligations towards us however the relation has to be that strong that they want to work for our agency and not for another.
- Agency has the advantage of exposing/having expert knowledge, interim managers on their own do not have that image for large companies. Therefore focus on gaining knowledge and doing research is very important for BLMC.

5. Customer interaction

- Due to the current situation (economic/financial crisis) we have to change our way of working. More focus on smaller projects, try to have long term relationships. Larger volume.
- Get to know the customer, draw customer profiles with their preferences/characteristics so that the way of interacting can be adapted. Have a better perception about the customer.
- Customize even more as done at this moment.

Important factors for CRM of BLMC according to the respondent:

- Face-to-face contact moments, and a call every now and then
- Structure in contact, regularly
- Go on a ride with the customer, follow their developments, up-to-date about their situation
- Do not show too much of a commercial attitude.

Current Problems/Analysis/Strengths of the internal factors

- Too little control, internal organization has become a playground.
- Flexibility is lacking
- More personal relationships and contact moments with customers

Respondent: 4
Gender: Women
Employee tenure: 2,5 years
Function: Front-office
Date: 07-06-2012

1. Managerial practices

- The vision is very clear and shared. Freedom and space for own initiative and input.
- Due to the current situation (crisis) more restriction. Less freedom. Therefore current management style/strategy and vision is unclear/changing.
- Strategy: first high quality and long/extensive procedures, now more quick and dirty, faster and demand for different service. Hard to respond and adapt to that.

2. Attitude and behavior

- Was very satisfied, however the current situation is influencing this. The insecurity makes it difficult to work optimal. Continuous change of what direction to go at this moment. Before I could focus on my job and tasks.
- The working environment is fine. In Hoevelaken (the other location) it is often busy and noisy, although it should work as flex workplaces it is not optimal.
- Sufficient space for personal growth,. Training in the first year, currently no possibilities for that. Each half a year a meeting with Michel about the direction I want to go and what I would like to do. In those meetings I get the time and space to present my own input, switch fast and undertake it myself.

3. Customer knowledge

- I invest time in getting to know my customers. There is a difference between knowing the organization or the persons in the organization. Check the websites for information about the organization and check LinkedIn for information about the persons. However the last thing is very difficult and has to grow.
- System is not sufficient and facilitating to report customer information. However there is also the human factor. The culture is not focused on capture information in written format. Is also partly due to the personality of the persons working at BLMC and at this type of business.
- I would be very handy to have at least the basic contact moments and content of that contact documented but than the discipline has to change.
- Most of the information is shared orally and not on paper. Face-to-face does work 'the best' to remember it but is very much short-term focused.
- In this business the stories behind the procedures are very important and therefore only documentation of the status/facts in the list of procedures is not sufficient.

4. Lifetime value

- Many customers relations are built in cooperation with management. So it is the combination of existing relations and my own relations. However when there is no clear demand at the organization it is very difficult to keep in touch. Only the relations that also visit the events are interested in continuous contact others do not have the time and interest in that.

- Find it very difficult to make phone calls to keep up to date with the organization without a concrete question. So there should be time blocked for that but for me personally that is not preferred. Do understand the value of it but not sure about the approach to create these long-term relationships.
- BLMC is a supplier and therefore often organisations are not interested in intensive contact. However focusing on the candidates and grow with them into and with an organization will be very beneficial. So more focus on the candidates that can become customers.
- Some organisations let us know what they prefer but often they do not share that much with us. Differentiating is very important, adapt to the customers preferences, eg. Many contact moments, inspection and participate in the procedure. Some organization appreciate own initiative (like introducing ideal/high potential customers=headhunting) other don't. We have to feel what the preferences are.

5. Customer interaction

- In my view the newsletter is useful to repeat/advertise your name as it shows every month in the inbox of our potential customers however knowing the number of respondents that actually open the newsletter we can say that the content is not that much influencing/important.
- The events are very important and the customers interested in contact with us show up. Gives us time to talk with them. They often do not have time for a business visit but following such talks on events often a phone call follows.
- Ideal situation is that they see the newsletters coming by, they visit an event and after that we have a conversation either by phone or face-to-face. But that is only for the customers that have interest in that for the others which do not visit an event the contact moments are less frequent and fade.
- I do have enough time to interact with customer but find it hard to find a structure for myself.

Important factors for CRM of BLMC according to the respondent:

- The final result is what we will be settled on. So that is the minimum we have to do good. The process during a procedure also has to be of high quality, so communication, reports and updates have to be perfect and fit with the preferences of the customer.
- There is a difference in type of customers, some require more service than others.
- The business has to know the situation of the businesses we are working with. We have to be able to switch and adapt quickly.

Current Problems/Analysis/Strengths of the internal factors

- The differentiation and adaptation to the customer has to be improved. Currently too much is done from a standard process.

Respondent: 5
Gender: Women
Employee tenure: 1 years
Function: Back-office
Date: 07-06-2012

1. Managerial practices

- Not much hierarchic relations with management. Direct and hard communication but also on an informal basis. This is appreciated, like interest in personal life.
- Two of the three members of management are seen as leaders, some sort of distance that makes them credible managers.
- Strategy is not clear, especially not in the way of operating. Causes are the switching of trainees, not clear distribution of responsibilities and control at work. Result is that not everything is finished and done in the same way.
- Moreover, the documentation and internal organization is chaotic no clear structure.
- However, toward clients this does not show. I think the customers only see the professionalism and formal organization.
- Commitment of management is good.

2. Attitude and behavior

- Right person at the right spot. Personal feeling is that when you take the chances you get you gain trust and responsibilities and that results in a challenge.
- Internal coaching is very good, enough possibilities to learn and develop.
- Working environment is fine, nothing is missing.
- Communication improved over the year I am working at BLMC. Especially within the back-office. Procedures are communicated, but mostly only the status and facts.

3. Customer knowledge

- IT system is too slow this negatively influences the productivity. It is both Switch and Otys that are not working optimal.
- Before there was more time to go with front-office to a customer or to events this improves the knowledge about the customers at the back-office.
- Combination with customers for back-office mostly through mail and phone, combining this with face-to-face would give more value for both parties.
- Sharing of knowledge can be proved in written format. Not only oral but also documentation in online system. This would help to have clear what is possible and preferred by which customer and what is not done. Only front-office knows that as they have direct contact with the customers.
- Database is not optimal, which makes the insight into customer difficult and messy. Too much inconsistency, have to be set rules.

4. Lifetime value

- This is mainly the task of front-office employees. They can keep up-to-date with the customers by visiting/phoning them.
- Not much effort is taken to provide extra activities to create value for the customers besides the customer events at which only a selection of the customers

is present, the others are sort of left out in creating lifetime value as nobody knows what to do.

5. Customer interaction

- Customer events are good initiatives of BLMC and are appreciated by customers. Newsletter is sometimes too much.
- Phone calls are only to be made by the persons that have had most frequently and recently contact.
- Back-office has to be alert on not spamming the customers (eg. sent too many mails).
- Customer interaction differs per customer.
- Interaction should be at all times very professional.

Important factors for CRM of BLMC according to the respondent:

- Professionalism
- Only the necessary amount of mailings should be sent
- Be clear in communication
- Transfer of critical information about customers

Current Problems/Analysis/Strengths of the internal factors

- Internally not enough sharing of information and a bit chaotic way of working.