

**Customer Relationship Management (CRM)
and the Financial Performance
of Small and Medium
Enterprises in Dynamic Environment:
An Investigation
in Vietnamese Tourism Industry**

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Doctoral Thesis Summary

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Investigation in Vietnamese Tourism Industry**

**Řízení vztahů se zákazníky a finanční výkonnost malých a
středních firem v dynamickém prostředí: výzkum v oblasti
cestovního ruchu ve Vietnamu**

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ABSTRACT

The main objective of this dissertation is to provide a comprehensive framework for Customer Relationship Management (CRM) implementation for Small and Medium Enterprises (SMEs) in order to dramatically and sustainability improve SMEs' financial performance. For achieving this objective, the dissertation work also attempted to address the two current noticeable CRM-related research gaps. The first one is about the full mechanisms through which CRM can improve firm's financial performance. The second one concerns about the integration of change-mechanism into CRM for dealing with fast-paced changes in the current dynamic business environment.

For developing the framework, theories and frameworks from organizational economics, strategic management and marketing literatures are reconciled to form the unifying framework of sources of performance differentials as the theoretical background. Then, another three rounds of investigations are conducted for defining the successful factors for the successful CRM implementation and testing their impacts to SMEs' performance. The first qualitative investigation using in-depth interviews with 41 managers in SMEs in Vietnamese tourism industry have provided profound information for defining the unique characteristics for each factor in the proposed framework. Especially, the Customer Agility concept from operational management field is integrated into the framework for the first time in order to provide a brand new and more comprehensive approach toward CRM implementation in SMEs. Then the framework is tested on data collected from a survey of 111 SMEs in tourism industry in Vietnam using Partial Least Square Structural Equation Modeling (PLS-SEM). As the last attempt, the findings from previous two rounds of investigations are reflected and justified in the case study research in two chosen tourism SMEs.

The results provide evidences that the interrelationships between CRM antecedents, CRM processes and components of Customer Agility such as Dynamic capabilities (DC), specific business processes are supported. Moreover, through the mediating roles of Dynamic capabilities (DC) and specific business processes, the mechanisms of how CRM processes can influence the Customer value and Financial performance are explored. Taking into account, the specific conditions for each factor to be effective in CRM implementation framework are also defined. Through analysis of qualitative and quantitative data about CRM antecedents, it is found that the first step in implementing CRM program in SMEs is much more related to the strategic factors of human and management systems than to the investment in technology. Moreover, the feedback loops design for continuous learning in the performance measurement systems in SMEs can really boot CRM impacts on SMEs'

financial performance.

Based on these findings, number of recommendations are suggested which might have important implications for CRM implementation in the practices, especially for managers in SMEs in pursuing the sustainable competitive advantages and benefits for their owners.

ABSTRAKT

Hlavním cílem této disertační práce je návrh komplexního rámce pro implementaci řízení vztahů se zákazníky (CRM) v malých a středních podnicích (SMEs) s cílem výrazně a udržitelně zlepšit jejich finanční výkonnost. Téma je zvoleno na základě faktu, že z předchozích dostupných výzkumů zaměřených na tuto problematiku doposud nevyplývá obecný konsensus, a dále v důsledku rostoucího naléhavého zájmu o tuto problematiku v praxi. K dosažení vytyčeného cíle se tato disertační práce zaměřuje na řešení dvou v současnosti zjevných mezer v oblasti výzkumu CRM. První z nich se týká uceleného mechanismu, prostřednictvím kterého CRM napomůže zlepšit finanční výkonnost firmy. Druhá se pak týká integrace mechanismu změn do CRM pro řešení rychlých změn v současném dynamickém podnikatelském prostředí.

K návrhu rámce jsou využity literární zdroje snoubící teoretický rámec z ekonomiky organizací, strategického managementu a marketingu, které slouží jako teoretická základna a sjednocující rámec. Po vytvoření teoretické základny následují tři kola šetření k definování faktorů úspěchu pro úspěšnou implementaci CRM a testování dopadu na výkonnost malých a středních podniků. První kvalitativní šetření pomocí hloubkových rozhovorů se 41 manažery v malých a středních podnicích ve vietnamském turistickém průmyslu poskytlo pro definování jedinečných charakteristik pro každý faktor v navrhovaném rámci podstatné informace. Zejména pak koncept zákaznické agilnosti z oblasti operačního managementu je integrován do rámce poprvé, a poskytuje tak zcela nový a komplexnější přístup k implementaci CRM v malých a středních podnicích. Dále je navrhovaný rámec testován na základě údajů shromážděných z průzkumu 111 malých a středních podniků z odvětví cestovního ruchu ve Vietnamu, s využitím modelování pomocí strukturálních rovnic metodou parciálních nejmenších čtverců (PLS-SEM). V rámci posledního šetření jsou závěry předchozích dvou kol šetření reflektovány a odůvodněny výzkumem případových studií u dvou vybraných malých a středních podniků z odvětví cestovního ruchu.

Výsledky šetření prokazují, že existují vzájemné vztahy mezi CRM antecedenty, CRM procesy a mezi komponentami zákaznické agility jako jsou dynamické schopnosti (DC) či specifické obchodní procesy. Navíc, prostřednictvím

zprostředkujících rolí DC a specifických obchodních procesů, je zkoumán mechanismus - jak mohou procesy CRM ovlivnit hodnotu pro zákazníka a finanční výkonnost. Rovněž jsou definovány a uvažovány specifické podmínky pro každý faktor tak, aby byl faktor efektivní v implementačním rámci CRM. Analýzou kvalitativních a kvantitativních dat o CRM antecedentech bylo zjištěno, že první krok při zavádění programu CRM v malých a středních podnicích je mnohem více spjat se strategickými faktory lidských a řídicích systémů než s investicemi do technologií. Navíc bylo zjištěno, že návrh zpětné vazby pro průběžné učení v systémech měření výkonnosti v malých a středních podnicích může skutečně zvýšit dopady využití CRM na finanční výkonnost malých a středních podniků.

Na základě zmíněných zjištění jsou navržena doporučení, které by mohly mít významné důsledky pro implementaci CRM v praxi, zejména pro manažery v malých a středních podnicích při prosazování udržitelných konkurenčních výhod a přínosů pro jejich vlastníky.

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INTRODUCTION

Demographic shifts, rapid urbanization and the scarcity of resources are among the megatrends which affect the world business environment in the recent decades. Recently, globalization and technology have created the major increases in trade and financial flows. More importantly, the massive level of interconnectivity created by the new information and communication technologies has forced the organizations to rethink about number of issues. First, the level of transparency has rapidly increased making the competition between firms in all industries intensive than ever. Customers and related stakeholders have more information and channels to actively choose what, where, how and with whom they would like to make the purchase or return after the first purchases. Thus, the trend of increasing transparency and connectivity makes the power of bargain from customers stronger than ever. As a result, companies nowadays are less rely on or exploit the monopoly-like competitive advantages such as economic of scales or networking powers to dominate their competitors. Instead, the competitive advantages for differentiating with competitors sustainably and profitably are the priority and the driving factor for successes in most of the firms. Specifically, the customer orientation and customer-related strategies and practices have risen to become one of the most in-demand competitive advantages.

Second, affecting by the relentless innovation of new technologies in all areas of production and social life, the business environment is becoming very unpredictable and the life cycle of products and services becoming extremely short. In addition, the fragile and uncertain economic cycles, politics, societies make the both short and long future more often unforeseeable. Thus, it is imperative that companies nowadays need to develop the change management practices for dealing with the rapid and disruptive changes in business environment beside their ordinary business activities.

Taking into account these two major challenges, this dissertation's topic has been selected as "Customer Relationship Management (CRM) and the Performance of Small and Medium Enterprises (SMEs) in Dynamic Environment: An Investigation in Vietnamese Tourism Industry". Taking the context of Vietnamese tourism industry as the exemplary case for emerging markets, this dissertation attempted to develop a framework for CRM implementation in SMEs which can help firms to proactively and profitably exploit their customer relationships as the competitive advantages for surviving and thriving in the rapid changing environment at the present and in the future. Moreover, this dissertation also attempted to provide empirical evidences and academic research on these major challenges in SMEs context where the academic research on these topics is still not profound enough.

By focusing on the unique characteristics of SMEs, this dissertation work described the current state of research topic with cited literatures, derived the research questions and objectives and addressed them by exploiting both qualitative and quantitative research designs. The data collected were analyzed with justification and references for providing empirical evidences on new comprehensive CRM implementation framework. This dissertation also highlighted the importance of developing specialized resources and capabilities within an organization which governed the evolutions of ordinary capabilities or business processes. These specialized capabilities are imperative and are embedded into the new comprehensive CRM implementation framework proposed by this research for ultimately improving SMEs’ financial performance.

1. CURRENT STATE OF SUBJECT AREA

1.1. Theories about performance differentials

For many decades, the question of how one firm can superiorly outperform the others, has been attracted many scholars and academic disciplines. In this section, the theories in different fields which are related to strategic management were reviewed. Based on this critical literature a review, a theoretical framework was suggested to be the preliminary groundwork for the investigations in further parts of this dissertation.

1.1.1. Organizational economics

Organizational economics theories are the theory of applied economics to study the transactions within a firm and also the relationship of a firm with other organizations. Organizational economics theories consist of six blocks of theories which are: the transaction cost theory, the agency theory, the industrial organization theory (I/O), the Schumpeterian view, the Chicago school and the resource-based view (RBV). The last four theories focus on answering such questions as “why do firm exits?” and “why do they take on the forms that they do?” which are our interests in this dissertation. They each release one of the assumptions of neoclassical model of perfect competition to explain differential performance (Bain, 1954; Peteraf, 1993; Stigler, 1986; Schumpeter, 1943). Table 2.1 summarized the views of theories of the firm in organizational economics literature.

Table 2.1 Organization economics theories of the firm.

| School of thought | Source of performance differentials | Main theoretical concept | Role of management |
|--------------------------|--|---------------------------------|---------------------------|
| | | | |

| | | | |
|-------------------------------|---|-----------------------------------|--|
| Industrial Organization (I/O) | Differentiation and positioning power in the market | Structure-Conduct-Performance | To differentiate by controlling inputs or restraining outputs. |
| Chicago | Efficiency | Information as valuable knowledge | To seek efficiencies in production or distribution |
| Schumpeter | Innovation | Adaptation | To actively seek for new concepts of products/services |
| RBV | Internal resources | VRIN assets | To develop VRIN assets |

Source: Own research

1.1.2. Strategic management theories

Strategic management deals with tasks of formulating and implementing strategic objectives and goals of an organization. It guides manager to take managerial actions to achieve organizational goals and objectives considering internal resources and external competitive landscape. In strategic management, the positioning school (Porter, 1980) and the competence-based school (Wernerfelt, 1995) are the two which concentrate on the content of strategy which help to explain the performance differentials between firms. However, they have contrast views about how to build competitive advantage. The positioning school which represent by the five-force model (Porter, 1989) take the outside –in view and provide manager an analysis framework of business competitive environment to strategically position firm so they can achieve abnormal return. In contrast, the competence-based take the inside-out view and direct their analysis to the valuable resources, hard-to-imitate knowledge to gain the competitive advantage (Sanchez & Heene, 1997). According to competence-based view, managers should stretch their strategy beyond the current situation in the business environment by becoming “rule breakers” rather than “rule takers” (Prahalad & Hamel, 1994).

1.1.3. Marketing literatures

Marketing literatures are also based on organizational economics concepts to attempt to explain the competitive advantages. Like in any discipline, different marketing scholars have different explanations on sources of performance differentials. Table 2.2 summarized the views of theories of firm in marketing literature for explaining source of performance differentials.

Table 2.2 Marketing theories of the firm.

| School of thought | Source of performance differentials | Underlying theory | Role of management |
|--------------------------|--|-----------------------------|---|
| Alderson (1965) | Differential advantages | I/O Schumpeter | To identify and fulfill differential functions. |
| Day and Wensley (1988) | Superior skills and resources Positional advantages | RBV Porter's positioning | To collect and analyze the feedbacks from both customers and competitors. |
| Dickson (1992) | Evolving and self-improvements to adapt with new markets | Chicago Schumpeter | To move from one short-term equilibrium to another one. |
| Hunt and Morgan (1995) | Combined resources within a firm | RBV | To identify and develop the key resources to achieve the strategic fit with the market. |

Source: Own research

1.1.4. The unifying framework for performance differentials

This dissertation inherited the advancements in the organizational economics theories, the strategic management theories and the marketing theories in explaining the differential performance between firms. Based on these theories, a unifying framework was proposed for developing competitive advantages for a firm. Using this unifying framework as the background, we define the full mechanism of success factors an organization should develop so it can achieve the competitive advantage which lead to the superior economic returns as presented in Figure 2.1.

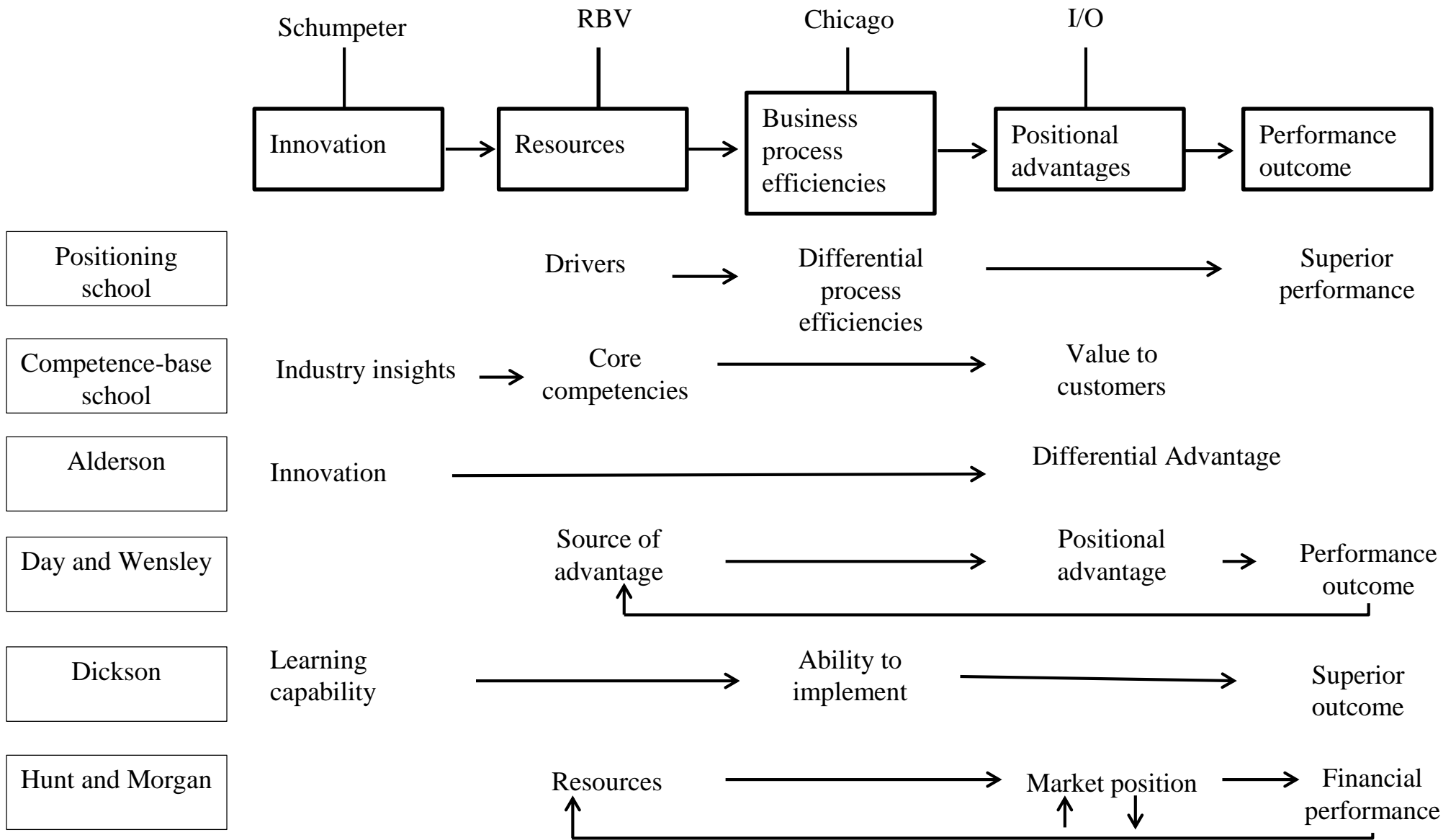


Figure 2.1: Unifying framework of sources of performance differential. Source: Adapted from Stoelhorst and Raaij (2004)

1.2. CRM processes as main resources of performance differentials

In this section, the main resources in the unifying framework of sources of performance differentials which are simultaneously defined as specific CRM processes in the comprehensive CRM implementation framework are articulated and reviewed.

1.2.1. CRM processes

Although definition and benefit of CRM among researchers has been convergent over the year toward one consensus concept, the specific CRM processes in implementation has still been varied widely over different researches. We can extract from the literatures, three distinct approaches about designing CRM processes. First, some researchers define CRM processes as mainly the application of the new technology in managing customer relationship (Chang, Park & Chaiy, 2010). Especially, there are rising interests in the e-CRM which use the Internet as the platform for the delivery of CRM function on the web (Feinberg & Kadam, 2002; Harrigan, Ramsey & Ibbotson, 2012). Second, some researchers define CRM processes as the strategic management system (Payne and Frow 2005; Ernst, Hoyer, Krafft & Krieger, 2011). In this approach, the main tasks are to define which is the key customers or customers segments and allocate the appropriate level of resources to these customers (Ryals, 2005). Another main area in this approach is about customer information management and exploitation. The advancement of technologies are employed to conduct the analytical tasks such as data warehouse and data mining to support the management decisions with customer behavior patterns (Elmuti, Jia & Gray, 2009; Ernst, Hoyer, Krafft & Krieger, 2011; Minami & Dawson, 2008). Finally, the third approach about CRM processes emphasizes the context-dependent characteristics of any CRM implementation program and also consists of other two previous approaches (Reinartz, Krafft & Hoyer, 2004; Kim & Kim, 2009; Reimann, Schilke & Thomas, 2010).

1.2.2. CRM in SMEs

SMEs encounter distinctive opportunities and threats than large corporations. The specific inadequacy of SMEs can be defined as lack of resources, competences, and impact (Carson, Cromie, McGowan & Hill, 1995). In general, it can suffer from the strategic customer-related problems such as not having the cross-functional teams for customer orientation implementation. It can also suffer from the tactical problems like not having sufficient knowledge management system (Doole, Grimes, & Demack, 2006; O'Dwyer, Gilmore, & Carson, 2009). Another deficiency of SMEs is about their limited financial resources which can easily suppress their growth. SMEs constantly find it

difficult to access appropriate source of funding (Deakins & Freel, 2003). Moreover, SMEs have lower technical expertise (i.e. financial analysis, product development, customer service), poorer management (i.e. information and data management, resources planning) and marketing skills than those of larger corporations (Doole, Grimes, & Demack, 2006; Zhang, Sarker, & McCullough, 2008). Specifically, marketing function is not the main focus and developed in SMEs as in large companies. On the other hand, being small can also bring some advantages to SMEs. The first advantage is the loyalty of employees which mitigate the lack of knowledge management system in SMEs. Second, SMEs also enjoy the natural closeness of their customer relationship which supports the CRM implementation (Hills, Hultman & Miles, 2008). Finally, by being small, SMEs can move very quickly and be very flexible to the changes in the market (Kocak & Abimbola, 2009; O'Dwyer, Gilmore, & Carson, 2009).

With these strengths and weakness, SMEs have tendency of carrying out CRM through personal networking, especially the personal relationship of top managers (Ritchie & Brindley, 2005). In particular, one of the most important strengths of SMEs is draw from their close relationship with customers, where they can easily manage and adapt to match with customer changes (Harrigan, Ramsey, & Ibbotson, 2011). Therefore, the direct interaction or face-to-face relationships with customers are really essential in the success of SMEs. In other words, SMEs devoted most of their resources for CRM program by using traditional CRM activities such as direct visits to customers at special events, regularly contacting by salesman or promotion and loyalty program.

1.3. Business process efficiencies - Customer Agility processes – Change-mechanism in CRM implementation framework

This section contributed to the literature review by discussing the change management in CRM implementation framework. This component has emerged as one of the new and prevalent approaches for managing the CRM program, especially in dynamic business environment.

1.3.1. Customer Agility as a change management approach

As proposed by the unifying framework of sources of performance differentials mentioned as the background for the new comprehensive CRM implementation framework, the business process efficiencies element play a mediating role between the firm's core resources and competences and the firm's value to customers and shareholders. Put differently, they are the mechanisms that transfer the firm's inputs and resources into specific outputs (products or services) which then deliver the promised value propositions to customers. It is the sources of abnormal returns suggested by Chicago school. However, this

element is also the gap in most of the theories explaining competitive advantage when most of them did not focus on and skip the specific business processes step in explaining the performance differentials (Stoelhorst & Raaij, 2004). In this dissertation, it is posited that this stage of creating performance differentials is also where the change-mechanism can be embedded into the new comprehensive CRM implementation framework. More specifically, Customer Agility concept was suggested to be the approach for managing changes in the new CRM implementation framework.

Agility was initially a concept emerged from manufacturing scholars and practices. Initially, it was thought that manufacturing flexibility can be achieved by implementing the automation system or more innovative manufacturing system such as lean manufacturing (i.e. reducing setup times and costs). Then it is expected that the new lean manufacturing system will lead to the greater responsiveness of firms to changes in the market regarding product mix and volume (Christopher, 2000). However, it was soon realized that this route to manufacturing flexibility can lead to the paradox where a firm can be very effective in their manufacturing systems, yet inventory of finished products can be as high as 2 month of sales, but customers still have to wait for extended long time to get the exact products they want. Therefore, lean manufacturing can be the element of agility in manufacturing but it cannot enable firm to meet the precise need of customer in the real time.

Customer Agility concept is developed by adopting the Agility concept in manufacturing management. It is defined as the organizational capability which enables firms to sense and respond to “customer-based opportunities for innovation and competitive action” (Roberts & Grover, 2012 b). Following this definition, Customer Agility first needs to be embedded in set of organizational routines and processes. Second, it consists of two dimensions which are “sensing capability” and “responding capability” (Roberts & Grover, 2012 a, b). In this dissertation, we approached Customer Agility as the organizational orientation which is necessary for transferring the effects of CRM processes into actions and activities. In this approach, we adopted the approach Customer Agility in previous research and extended (Roberts & Grover, 2012 a, b) by arguing that Customer Agility as a change management approach need to compromise both change- related strategic capabilities and ordinary capabilities to really achieve the ability to rapidly respond to hyper-changing customer preferences. In particular, the popular convention about Customer Agility’s dimensions is extended and specified as presented in Figure 2.2. The sensing capabilities should not only serve as the search function but need to be upgraded into the capabilities to make firms ready for any changes in the market – the dynamic capabilities. In addition, the responding capability is linked with the two most important operating capabilities which directly related to change – the

marketing capabilities and new product development capabilities. Therefore, dynamic capabilities and specific operating business processes were considered as the dimensions for Customer Agility in this dissertation.

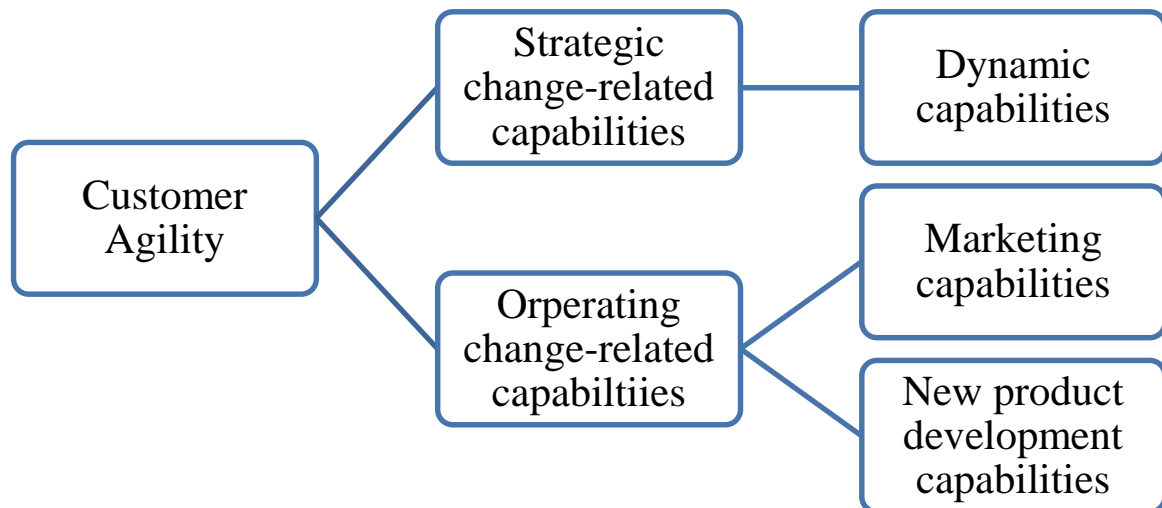


Figure 2.2: Customer Agility's dimensions Source: Own Research

1.4. Firm's performances – CRM consequences - Performance measurement system

This section of the dissertation concerned about the way how CRM implementation program measured and managed their performances delivered to customers and shareholders. Specifically, the performance measurement system designed for measuring CRM implementation results was discussed.

1.4.1. PMS in CRM implementation

While a great deal of studies on CRM has devoted to the topic of implementation frameworks, CRM strategies, technologies involvement or cases, there has been very little studies addressing the CRM performance measurement issue. Very few studies can be found on CRM performance measurement system or related issues (Brewton & Schiemann, 2003; Jain, Jain, & Dhar, 2003; Kim, Suh, & Hwang, 2003; Kim & Kim, 2009). Studies on this issue have perceived CRM program as the strategic business process and business philosophy rather than the sole IT implementation for solving specific problems (Kim & Kim, 2009). Thus, these few studies on CRM performance measurement system focused mainly on the evaluative structure and methodology for designing CRM PMS rather than the choices of individual metrics in the PMS.

By reviewing these previous studies, some principals can be derived for designing PMS for CRM implementation as following:

- First, any PMS for CRM implementation should include customer perspective. Evaluating customer results server as the bridge between CRM efforts and financial performance.
- Second, causal model should be designed to track the value-chain creation processes of the CRM implementation. This causal model can help firm to design which is the facilitators or bottle-neck factors for the success or failure of its CRM program. Especially, all the linkages in the causal model need to end at the firm's financial performances. This makes sure that all the efforts in CRM need to be aligned with both customer value and shareholder's benefits.
- Third, triangulation principal need to be employed when choosing the measures. This makes sure that multiple evidences are collected to cross-check the performance of key business processes.
- Fourth, it is more important to focus on leading and antecedent measures such as employee satisfaction or diversity of suppliers rather than the final results measures such as sales, costs or profits.
- Finally, the attempts to quantify the perceptual measures such as employee satisfaction or customer value perceived are welcome in recent literature. These measures are rather subjective and approximate to measures but it is the core factors determining the successful of firms' financial performance.

2. RESEARCH PROBLEMS, RESEARCH QUESTIONS AND RESEARCH OBJECTIVES

The main aim of the dissertation is to diagnose the impacts of CRM implementation on SMEs' financial performance. For achieving this aim, the main objective of the dissertation is to identify the determinants for successful CRM implementation in SMEs.

2.1. Research problems

The dissertation's main aim and objective were inspired by the research problems which have been long lasting in the real context. Specifically, the dissertation was conducted in the Vietnamese tourism industry, focusing on the tourism SMEs in this sector. Tourism industry has become one of the most important contributors for the growth of the Vietnamese economy. It has the potential for maintaining and improving its contributions to GDP in the long-term regarding to the natural, social and geographical advantages which Vietnam is currently holding. Moreover, it is also one of the industries which

have the most dynamic business ecosystem surrounding. Therefore, it is imperative task for companies in tourism industry to continually learn and innovate to adapt with the changes in customers, partners or economic cycles, etc. The traditional CRM implementation can help firms develop customer-related capabilities for sensing and understanding their existing customer better. But when dealing with changes, the traditional CRM implementation express its weakness as lacking the readability, established processes and routines, and the strategic flexibility in resources for timely and profitability transformation. Consequently, a CRM investment of tourism industry usually doesn't achieve its expected economic returns.

In general, the problem statement which encourages the conduction of this thesis can be stated as: "Even though having very strong potentials for growing, SMEs in Vietnam, in general, and in Vietnamese tourism industry, in particular, has encountered enormous problems in the new and dynamic business environment, especially in their competitive advantages for creating value for both customers and shareholders at the same time."

2.2. Research questions and partial research objectives

This dissertation attempts to contribute to the overall efforts of the researches on explaining firm's financial performance. Specifically, the main objective and the purpose statement of this dissertation can be formulated as: "To define successful factors of the CRM implementation to dramatically and sustainably improve SMEs' financial performance in dynamic business environment".

The central research questions and their according partial research objectives are formulated as following:

Research question 1: What is the framework of CRM implementation in SMEs in the real context of Vietnamese tourism industry?

Partial research objectives for research question 1:

- Identifying the theoretical framework of CRM implementation from literature review.
- Identifying main CRM activities which are essential for SMEs in the real context.
- Identifying the CRM antecedents and consequences which influencing the relationships between CRM implementation and firm's performance in SMEs in the real context.
- Identifying the moderators or mediators which influencing the relationships between CRM implementation and firm's performance in SMEs in the real context.
- Developing the practical framework of CRM implementation from the real context.

Research question 2: What is the change-mechanism embedded into CRM implementation in SMEs in the real context of Vietnamese tourism industry?

Partial research objectives for research question 2:

- Identifying the theoretical framework of the change-mechanisms from literature review.
- Identifying the components of the change-mechanisms which influencing the relationships between CRM implementation and firm's performance in SMEs in the real context.
- Integrating the change-mechanism into the CRM implementation framework to develop the comprehensive CRM implementation framework for SMEs in hyper-changing business environment.

Research question 3: Does the proposed comprehensive CRM implementation framework for SMEs have positive influences on SMEs' financial performances?

Partial research objectives for research question 3:

- Operationalizing the components of the proposed comprehensive CRM implementation framework for SMEs and related factors (the moderators or mediators).
- Utilizing statistical techniques for quantitatively testing the interrelationships between the components of the proposed comprehensive CRM implementation framework for SMEs and their impacts on SMEs' financial performance.
- Utilizing statistical techniques for quantitatively testing the mediating and/or moderating effects of related factors which influence the relationships between CRM implementation and firm's financial performance in SMEs.

Research question 4: What are the differences between successful CRM implementation and unsuccessful one in SMEs in Vietnamese tourism industry?

Partial research objectives for research question 4:

- Utilizing case study method for identifying the factors making the differences of CRM implementation in SMEs in the real context.
- Reflecting the findings about the interrelationships between components of the proposed comprehensive CRM implementation framework for SMEs in the real context.
- Reflecting the findings about the mediating and/or moderating effects of related factors which influence the relationships between CRM implementation and firm's financial performance in SMEs

3. METHODOLOGY OF RESEARCH

In order to address the key research questions, both qualitative and quantitative research strategies are deployed in this research. The basic assumptions of these two models of inquiry are distinctive (Pickard, 2013). Quantitative research strategy assumes that the reality of social facts is objective and can be discovered independently with the presences of researchers to some extent. This approach is consistent with the positivist philosophy of research (Pickard, 2013). Alternatively, qualitative research strategy assumes that the reality of social facts is multiple and constructed. It means that each individual being studied, each researcher and reader embrace different realities. Qualitative research is conducted to report these multiple realities and perspectives (Lewis, 2015). This approach is consistent with the interpretivist philosophy of research.

In this dissertation, the methodological dualism which combines both quantitative and qualitative methodologies is applied for dealing with the overarching types of research questions and objectives in the research. This approach is actually consistent with the postpositivist paradigm (Pickard, 2013). This mixed method research are actually not a methodology but it is more a way to combine the two research strategies supporting by many social researchers in order to address various types of research questions (Pickard, 2013). As a result, the research is divided into four stages accordingly to the processes of addressing the four key research questions in this dissertation.

First, the first stage of the analysis is intended for building the theoretical background for the research. It includes the extensive theoretical research which focuses on three topics: sources of competitive advantages, framework for CRM implementation in SMEs and change-mechanism in CRM implementation framework.

Second, qualitative research strategy is used in the second stage. This stage of the research will provide empirical evidences for addressing the research question 1, the research question 2 and their related partial research objectives. Addressing the research question 1 and 2, the study attempts to obtain to some extent the detailed understanding of the CRM implementation phenomenon and change-mechanism in CRM implementation in SMEs in Vietnamese tourism industry. For achieving these objectives, the details about CRM implementation can only be captured by directly talking with executives and managers in SMEs at their workplace. In addition, the think body of literature review about the CRM implementation in SMEs to rely on is also the reason for conducting the qualitative research at this stage. Therefore, the qualitative research is suitable for inductive researches and theory generation which are the main theme of the second stage. The study attempts to explore and explain important factors which determined the comprehensive CRM implementations framework, the embedded

change- mechanism in CRM and their impacts on SME's performance.

Third, at this stage, the quantitative research strategy is used. The research question 3 and its related partial research objectives in this research are tested in this stage. Because the focus of the research question 3 is to generalize the causal relationship between factors in proposed CRM implementation framework, quantitative methodology and statistical analysis are used. It can be conducted as following:

- Survey research method will be deployed at this stage. After defining factors constituting the causal relationships within the new comprehensive CRM implementation framework in the previous stages, these factors can be expressed as constructs in a structured questionnaire for testing their internal and external validity for generalization purpose.
- A structured questionnaire is developed as a survey instrument which operationalizes the factors of the new comprehensive CRM implementation framework and related factors such as Knowledge management, Strategic CRM organization, Technology infrastructure, CRM processes, Dynamic capabilities, Marketing capabilities, New product development, Customer value and Financial performance.
- The survey will be cross-sectional because comparing respondents at the same time will be the main purpose.
- The purposive sampling and convenience sampling will be deployed to have accepted representative for the sample.
- The pilot study for testing the cleanness and transparent of the questionnaires is necessary.
- Questionnaires will be self-administrative and distributed via emails or mails to the targeted SMEs.
- Questionnaires contain mainly close questions with Liker scales for using statistical tools to estimates the validity, reliability of the framework.
- Finally, the data collected from the structured questionnaire are processed and tested using statistical techniques such as Structural Equation Modelling (SEM) or Moderated Regression Analysis (MRA).

Fourth, the final stage is toward reflecting and extending the findings from quantitative analysis in the real context. This stage intends to provide evidences to address the research question 4 and its related partial research objectives. The intent of research question 4 is to explore real-life CRM implementations in SMEs in tourism industry. More importantly, the differences between the successful and unsuccessful CRM implementation and their root causes are the main focuses. Spending extended time at the sites in SMEs and obtaining data from multiple sources (observations, interviews, documents and reports), the case study methodology can help to obtain deeper insights about the causal relationships between factors in the new proposed comprehensive CRM

implementation framework in different unique and real contexts (Pickard, 2013).

4. MAIN RESULTS

In this dissertation, each stage of the research process resulted in different type of empirical evidences for addressing the predefined research questions and partial objectives.

4.1. Qualitative Empirical Evidences of CRM Implementation in SMEs in Vietnamese Tourism Industry

This section of the dissertation focuses on exploring the empirical evidences about the current situations of CRM implementation and related factors in SMEs in Vietnamese tourism industry. The main objective is to define the key successful factors for the new comprehensive CRM implementation framework proposed in this dissertation by exploring and explanation of the causal relationship within new comprehensive CRM implementations framework, the embedded change- mechanism and their impacts on SME's performance. More importantly, the contexts and conditions where these factors work at their best are defined and discussed. For achieving this objective, as suggested in previous part, this investigation deploys the qualitative research approach with phenomenological methodology and in-depth interview technique for collecting data. As a summary, table 5. 1 summarizes the emerged themes from the survey of SMEs in Vietnamese tourism industry.

Table 5.1 The emerged themes from the qualitative survey of SMEs in Vietnamese tourism industry.

| Topic | Themes |
|----------------------|--|
| CRM rationales | <ul style="list-style-type: none"> - Most of the SMEs use CRM for solely customer services processes and for supporting the customer problems solving (Figure 4.7). - There are few exceptional SMEs in the survey that pursue the CRM approach as strategic business philosophy for configuring all the business process (Figure 4.7). These SMEs have above-average customer and financial performance. - Knowledge management is the most distinctive capabilities to enable the strategic CRM implementation. - Human factors are the most difficult one to achieve for CRM success. |
| Knowledge management | <ul style="list-style-type: none"> - KM in surveyed SMEs is still in their infancy stage which focuses mainly on capturing explicit knowledge and developing means of storing and transferring KM |

| | |
|----------------------------|---|
| | <p>(Figure 4.8).</p> <ul style="list-style-type: none"> - Only very few exceptional SMEs in the survey which have enjoyed very good customer performance has attempted to build the communities of KM or the culture where people across the enterprises are willing to share know-how and experiences to each other to satisfy customer (Figure 4.8). - The means for knowledge sharing in surveyed SMEs don't need to be very sophisticated to be effective. It is more about the commitment of employees and managers to use available tools for transferring knowledge to the end users. |
| Strategic CRM organization | <ul style="list-style-type: none"> - There are three different CRM strategies implemented by different types of SMEs in the surveyed: Individual relationships CRM, Customer service CRM and Cross-functional CRM (Table 4.2). - Among them, Customer service CRM is the one implemented by most surveyed SME (Figure 4.9) - Huge commitment from the top managers for implementing CRM is the first and foremost factors separating these groups. - The evidences of cross-functional teams are what distinguish these CRM strategies. The “loose functional organizational structures” are the most implemented by most surveyed SMEs. In this type of organization structure, each function is owned by each department but it also emphasizes the collaboration between different departments for running the Customer service CRM. - The looser the organizational structures are, the more information and knowledge are smoothly transferred across the organization. |
| Technology infrastructure | <ul style="list-style-type: none"> - Most of the surveyed SMEs implemented very basic technologies for information and communications management across the enterprises (Figure 4.9). - CRM technologies in most of surveyed SMEs extend the version of hotel management software and internet technologies for supporting the CRM program (email, website, customer profile in hotel management software, etc.) (Table 4.3). - The intranet is important for knowledge sharing and CRM success within surveyed SMEs. - The analytical CRM implementation needs to be supported by advanced CRM technology. Very few |

| | |
|--------------------------------------|---|
| | <p>surveyed SMEs are able to implement the advance CRM technologies (data warehouse, data mining, detailed reports and cloud-based).</p> |
| Change-mechanism | <ul style="list-style-type: none"> - Most of surveyed SMEs did try to adjust their CRM implementation when necessary (Figure 4.10). - Most of the surveyed SMEs use aggressive price strategy or somewhat randomly add more services and products to serve more and new customer segments following the growth-seeking strategy (Figure 4.10). These SMEs are encouraged by the financial performance focuses and usually the view is in short-term. These SMEs are also used the discontinuous change strategy the most. - Few surveyed SMEs focus on competitive advantages when changing their CRM implementation (Figure 4.12). They usually don't change all at a time but follow the incremental change strategy. Changes in these SMEs are governed by their capability to change all the business processes gradually but simultaneously to fit them together for creating new capabilities and competences. The most innovative and profitable ones among surveyed SMEs fall in this group. - Again, commitment of managers and more importantly the owners are the decisive factors for choosing change strategies and focuses. |
| Performance measurement system (PMS) | <ul style="list-style-type: none"> - Most of surveyed SMEs are still depend on the traditional accounting PMS for their decision making processes (Figure 4.13). - SMEs which choose the competitive approach for changing focus on the customer performance and insights when developing their PMS (Figure 4.13). - Advanced CRM technologies can enable few SMEs to define the profitability and value of each customer/ customer segments in details for decision making in CRM activities. |

Source: own research.

4.2. Quantitative Analysis of the Research Models

4.2.1. Hypotheses

The interrelationships between constructs are presented in the research models in Figure 5.1 and Figure 5.2. The research models presented two set of interrelationships between theoretical constructs suggested in pervious parts of this dissertation. Research model 1 presented in Figure 5.1 suggested the

interrelationships between factors which constitute the comprehensive CRM implementation frameworks based on the unifying framework of sources of performance differentials. In this research model, the set of hypotheses were suggested based on the analysis in previous parts of this dissertation. Specifically, Strategic CRM organization, Knowledge management and Technology infrastructure were suggested to be the antecedents which positively influence the CRM activities. Moreover, Dynamic capabilities, Marketing capabilities and New product development capabilities as the Customer Agility dimensions were suggested as the mediating factors which transform the effects of CRM activities into firm's performances. In addition, this dissertation also posited that customer performance is necessary to be achieved first and is the direct determinant of firm's financial performance. As a result, these hypotheses are suggested and tested in the research model 1 in Figure 5.1:

Hypothesis 1: More developed Knowledge management practice is positively related to more developed CRM processes.

Hypothesis 2: More developed Strategic CRM organization is positively related to more developed CRM processes.

Hypothesis 3: More developed Technology infrastructure is positively related to more developed CRM processes.

Hypothesis 4a: Dynamic capabilities mediate the effect of CRM processes on the specific business processes as following the CRM implementation framework adapted from the unifying framework of sources of performance differentials.

Hypothesis 4b: Dynamic capabilities mediate the effect of CRM processes on the Customer value as following the CRM implementation framework adapted from the unifying framework of sources of performance differentials.

Hypothesis 4c: Dynamic capabilities mediate the effect of CRM processes on the Financial performance as following the CRM implementation framework adapted from the unifying framework of sources of performance differentials.

Hypothesis 5a: Marketing capability is the mediating variable of the relationship between the CRM processes and Customer value as following the CRM implementation framework adapted from the unifying framework of sources of performance differentials.

Hypothesis 5b: Marketing capability is the mediating variable of the relationship between the CRM processes and Financial performance as following the CRM implementation framework adapted from the unifying framework of sources of performance differentials.

Hypothesis 5c: Marketing capability is the mediating variable of the relationship between the Dynamic capabilities and Customer value as following the CRM implementation framework adapted from the unifying framework of sources of performance differentials.

Hypothesis 5d: Marketing capability is the mediating variable of the relationship between the Dynamic capabilities and Financial performance as following the CRM implementation framework adapted from the unifying framework of sources of performance differentials.

Hypothesis 6a: New product development is the mediating variable of the relationship between the CRM processes and Customer value as following the CRM implementation framework adapted from the unifying framework of sources of performance differentials.

Hypothesis 6b: New product development is the mediating variable of the relationship between the CRM processes and Financial performance as following the CRM implementation framework adapted from the unifying framework of sources of performance differentials.

Hypothesis 6c: New product development is the mediating variable of the relationship between the Dynamic capabilities and Customer value as following the CRM implementation framework adapted from the unifying framework of sources of performance differentials.

Hypothesis 6d: New product development is the mediating variable of the relationship between the Dynamic capabilities and Financial performance as following the CRM implementation framework adapted from the unifying framework of sources of performance differentials.

Hypothesis 7a: Customer value is the mediating variable of the relationship between the CRM processes and Financial performance as following the CRM implementation framework adapted from the unifying framework of sources of performance differentials.

Hypothesis 7b: Customer value is the mediating variable of the relationship between the Dynamic capabilities and Financial performance as following the CRM implementation framework adapted from the unifying framework of sources of performance differentials.

Hypothesis 7c: Customer value is the mediating variable of the relationship between the operating business processes including Marketing capabilities and New Product Development and Financial performance as following the CRM implementation framework adapted from the unifying framework of sources of performance differentials.

In other perspective, this dissertation also attempted to identify the external factors which support the success of the CRM implementation. Research model 2 in Figure 5.2 presented the influences of Performance measurement system on the relationships between CRM processes and the Customer value and Financial performance. Particularly, Performance measurement system was suggested to be the moderator which can facilitate or dampen the effects of CRM processes on Customer value and Financial performance. According to this approach, some hypotheses were formulated as following:

Hypothesis 8a: Performance measurement system is the positive moderator for the relationship between CRM Initiation processes with Customer value.

Hypothesis 8b: Performance measurement system is the positive moderator for the relationship between CRM Initiation processes with Financial performance.

Hypothesis 9a: Performance measurement system is the positive moderator for the relationship between CRM Maintenance processes with Customer value.

Hypothesis 9b: Performance measurement system is the positive moderator for the relationship between CRM Maintenance processes with Financial performance.

Hypothesis 10a: Performance measurement system is the positive moderator for the relationship between CRM Termination processes with Customer value.

Hypothesis 10b: Performance measurement system is the positive moderator for the relationship between CRM Termination processes with Financial performance.

4.2.2. Data collection

The sample of SMEs in Vietnamese tourism industry was drawn from the data base of tourism firms registered at the Department of Taxation in number of cities in South of Vietnam which are famous for their tourism activities. A structured questionnaire was sent to firms in the data base asking managers to answer the questionnaires for collecting the data on firm level from June to September 2017. Wherever possible, it was followed up with phone calls for increasing the response rate. The reminder emails were also sent 4 weeks after the initial mailing. Out of the data base of approximately 1600 tourism SMEs in South of Vietnam, a total of 118 firms participated in the survey. Out of those questionnaires received, there are seven questionnaires with missing data and thus eliminated. As a result, 111 questionnaires are usable which results in responses rate of 7 %. The respondents from SMEs consist of sales and marketing managers (35%), general manager (33%), front office managers (8%) and senior sale executives (7%). There are only 8 medium firms (7%) in the sample which have a manager who responsible for their CRM program separately. A profile of the sample shows a reasonable spread in term of the size of the firms which participated in the survey. There are 66 firms (59%) which have from 50 to 200 employees which are classified as the medium-size firms. There are 39 firms (35%) small-size firms which have from 10 to 50 employees and 7 micro-size firms (6%) which have less than 10 employees in the sample.

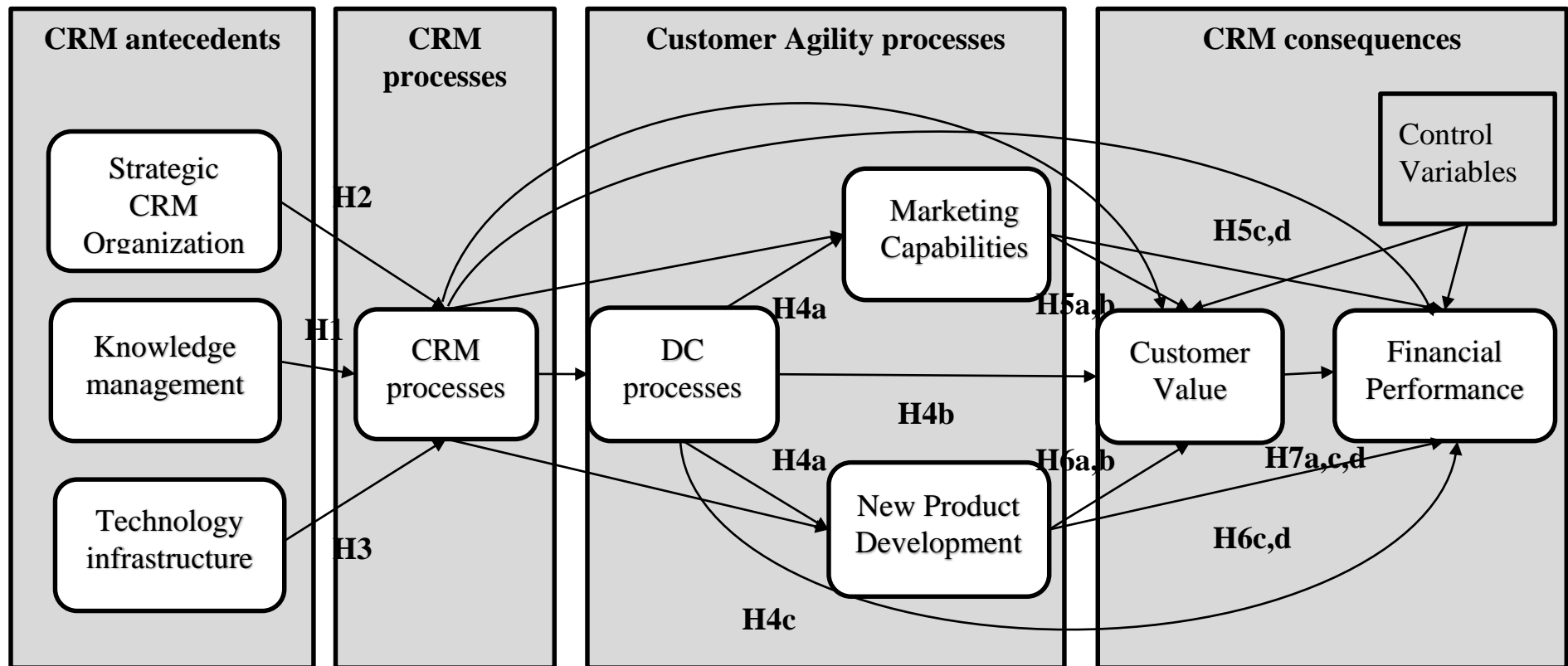


Figure 5.1: Research model for CRM implementation framework. Source: own research

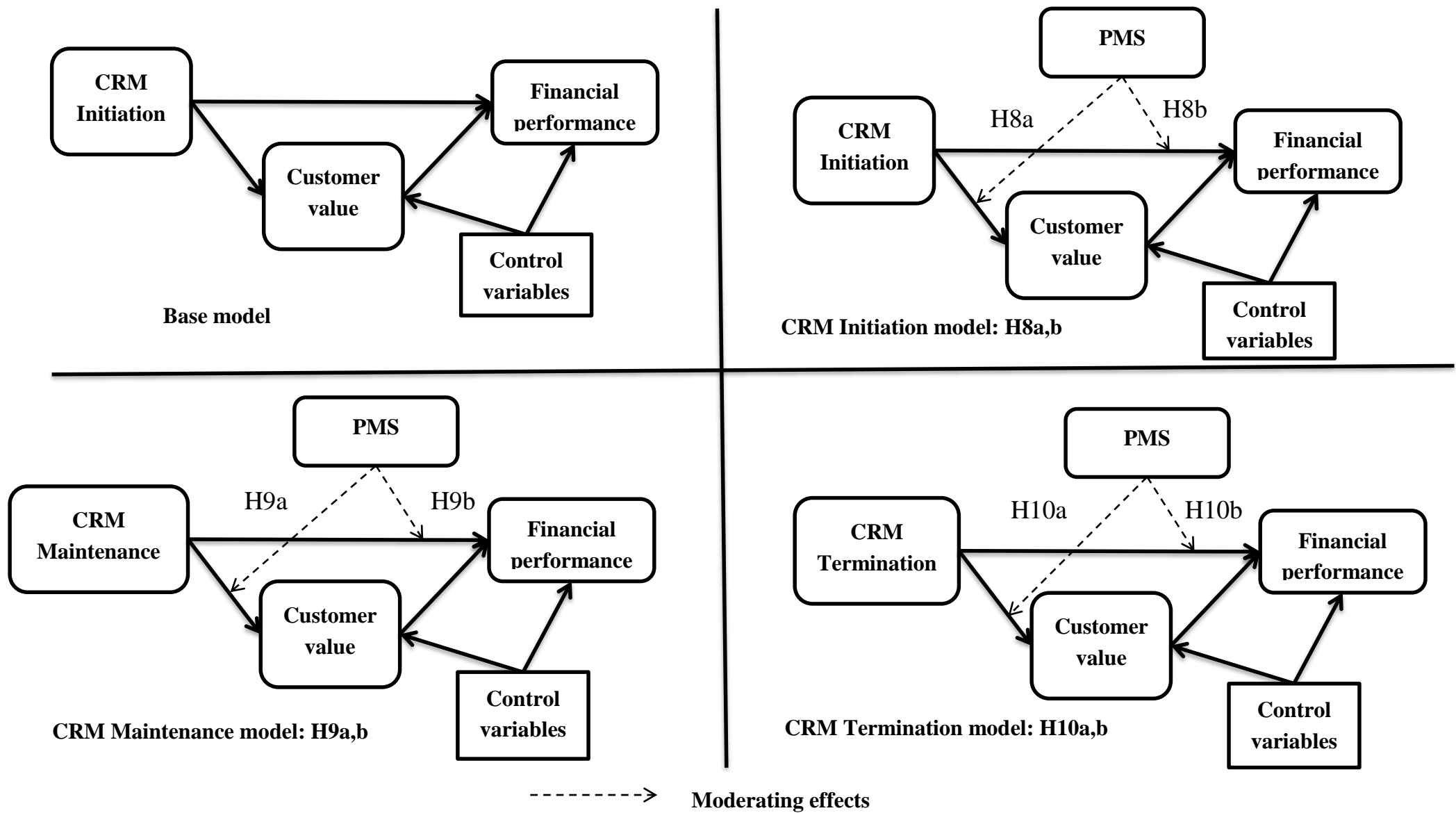


Figure 5.2: Research model for moderating effects of performance measurement system. Source: Own research

4.2.3. Hypotheses testing results

As a summary, the quantitative analysis provides evidences which support most of the hypotheses proposed in this dissertation. Thus, most of the suggested interrelationships between factors in the comprehensive CRM implementation framework are confirmed as valid ones. Table 5.2 summarizes the results of the hypotheses testing in the quantitative analysis. Particularly, Knowledge management, Strategic CRM organization and Technology infrastructure are confirmed to have positive impacts on CRM processes and can be considered as important antecedents for successful CRM implementation. However, they interact with CRM processes differently in term of effect size and their roles for each CRM activities. Customer Agility's dimensions which are Dynamic capabilities and two operating business processes – Marketing capabilities and New product development – are also confirmed as the mediators for the relationships between CRM processes and firm's performances. Thus, Customer Agility can be considered as the change-mechanism which governs the evolution of CRM implementation in SMEs in the hyper-changing business environment. This dissertation also extends the previous research on this topic by providing evidences about the different impacts of different types of Dynamic capabilities. More importantly, this dissertation posited that the business processes efficiency is the most direct and the strongest influencers on mediating the effects of CRM activities on firms' performance. In addition, the performance measurement system (PMS) is also confirmed as the moderators which positively facilitate the relationship between CRM processes and firm's performance.

Table 5.2 Hypotheses testing results in the quantitative analysis.

| Hypotheses | Results | Note |
|--|---------------------|-----------------------------------|
| H1: KM -> INI/MAI/TER | Partially supported | KM doesn't impact TER |
| H2: ST -> INI/MAI/TER | Fully supported | |
| H3: TECH -> INI/MAI/TER | Partially supported | TECH doesn't impact INI |
| H4a: INI/MAI/TER -> REG/REN -> MAR/NPD | Partially supported | REG and REN don't impact MAR |
| H4b: INI/MAI/TER -> REG/REN -> CV | Fully Supported | |
| H4c: INI/MAI/TER -> REG/REN -> FP | Not supported | REG and REN don't impact FP |
| H5a: INI/MAI/TER -> MARK -> CV | Partially supported | MARK only mediates effects of MAI |

| | | |
|-------------------------------|---------------------|-----------------------------------|
| H5b: INI/MAI/TER -> MARK-> FP | Partially supported | MARK only mediates effects of MAI |
| H5c: REG/REN -> MARK -> CV | Not supported | REG and REN don't impacts MARK |
| H5d: REG/REN -> MARK -> FP | Not supported | REG and REN don't impacts MARK |
| H6a: INI/MAI/TER -> NPD -> CV | Fully supported | |
| H6b: INI/MAI/TER -> NPD -> FP | Fully supported | |
| H6c: REG/REN -> NPD -> CV | Fully supported | |
| H6d: REG/REN -> NPD -> FP | Fully supported | |
| H7a: INI/MAI/TER -> CV -> FP | Partially supported | TER doesn't impact CV |
| H7b: REG/REN -> CV -> FP | Fully supported | |
| H7c: MARK/NPD -> CV -> FP | Fully supported | |
| H8a: INI*PMS -> CV | Fully supported | |
| H8b: INI*PMS -> FP | Fully supported | |
| H9a: MAI*PMS -> CV | Fully supported | |
| H9b: MAI*PMS -> FP | Fully supported | |
| H10a: TER*PMS -> CV | Not supported | |
| H10b: TER*PMS -> FP | Fully supported | |

Source: own research

4.3. Case Study of CRM Implementation in SMEs in Vietnamese Tourism Industry

Finally, empirical evidences for this research have been obtained from the investigation using case study research method. The case study analysis are used to explored and elaborated the results from previous inquires. Especially, case study method was used in this investigation to derive in-depth understanding of how SMEs develop and implement CRM programme in their real-world contexts. By examining the context and other complex conditions related to the cases, rich and detailed answers for explanatory questions such as “How are CRM programme designed in SMEs in tourism industry?” or “How have CRM processes evolved overtime in SMEs in tourism industry?” are derived . Another advantage of case study method comes from its multiple and diversified data sources in natural settings which can support and provide qualitative empirical evidences and thus complement the backwards of the analysis of quantitative data in earlier stages of this research. As a result, new learning about the real-world CRM implementation in SMEs was explored hopefully extending the

results from the theoretical conceptual framework, explorative surveys and quantitative investigations in former parts of this research.

The case study inquiries were conducted in the period of three months from November 2017 to the end of January 2018. The objects of the investigation are two medium-size tourism firms in Binh Thuan Province, Vietnam. Researcher contacted and received the fully cooperated from the two firms in the attempt of evaluating the situation of their current CRM program. Through the cooperation, the two firms also expect that they can identify the contextual and internal factors which support or prevent them from achieving their CRM benefits potential. By applying the multiple case study design with two contrasting cases selected purposely for comparing rationales, the case study analysis expected to highlight the contextual factors or internal factors in CRM implementation which make the financial performance differentials in two cases. Firm A is successful for CRM implementation while Firm B is not satisfied with its current CRM program.

4.3.1. Objective of the case study

The main objective of this case study research is to provide the details of two exemplary cases of CRM implementation in SMEs in tourism industry. One case is successful in CRM program and achieves outstanding financial performance. In contrasts, the other one is not so successful in CRM program and have worrying trend of financial performance in recent years. Especially, two selected firms are very similar in size and have the same business environment surrounding them. By partially controlling external factors, the main objective of this case study therefore is to provide and extend the empirical evidences about the impacts of CRM implementation and related firm's specific features on financial performances and provide rich details how CRM and other related factors can affect the firms' bottom line.

For achieving its main objective, the case study focused on two topics which cannot be deeply addressed in earlier part of the research:

- (1) The contextual or firms' specific factors which support or prevent the CRM implementations.
- (2) The change-mechanisms embedded into CRM implementation which leads to the evolution of the CRM program over time.

4.3.2. Lessons learned

As a summary, the lessons learned from the case study are presented as the essences of differences between the CRM implementation of the two firms.

Topic 1: Facilitators of CRM processes

Lesson 1: The costs for achieving the automatic and creative CRM

processes in SMEs are not finance-related or technology-related but instead about the time and commitments of the top managers in pursuing the incremental innovation strategy in their CRM processes. Applying the automatic settings of CRM program like in large firms is not visible for SMEs without specific conditions.

Lesson 2: In addition, the first objectives of the managers should be about creating the organizational cultures and structures which are favorable for continually generating new ideas for serving customer better over time. This habit can create the agility which is the fundamental for the incremental innovation strategy in CRM.

Topic 2: Change mechanism in CRM process

Lesson 3: Knowledge management and the feedback loops designed in the CRM processes are essential to utilize the most important resources (customer information and feedbacks) for improving the CRM process relentlessly. This kind of information flow is the foundations for the incremental innovation strategy for the CRM process in SMEs.

Lesson 4: It is finally that the financial results are the most matter to make the firm survive and thrive in the long terms. Therefore, the most important changes needed to be followed should be the financial performance of the relationships with customers in the CRM process.

Lesson 5: Financial indicators have been seen as the results and lag indicators of other leading indicators in customer performance or business processes. However, financial indicators at the micro level (specific customers or customer segments) can also play a leading role leading strategic changes in others areas of the company.

5. RECOMMENDATIONS

This dissertation finally recommended some suggestions based on the preceding empirical evidences about the new comprehensive CRM implementation framework provided in the previous investigations. In general, this dissertation highlighted the roles of CRM as a successful factor which can differentiate the customer performances and financial performances among firms. Specifically, different approaches to the implementation of CRM at the very beginning of the processes can actually lead to the very different results in the performance of the CRM. In addition, this dissertation also took into account the unique characteristics of SMEs to define the driving factors determining the success of CRM implementation. The lacking of profound number of research on CRM topics in SMEs context usually makes both practitioners and researchers ignore

the distinctions between SMEs and large corporations regarding to the CRM implementation processes and its conditions for the successful CRM project. Especially, the dynamic and fast-pace changing business environment has make the distinctions and conditions for success among these two types of corporations severe and divergent than ever. This dissertation, therefore, suggests some recommendations for successfully implementing CRM in both SMEs context and the dynamic environment as following.

Recommendation 1: Mapping and deconstructing the CRM implementation processes as following the proposed comprehensive framework for CRM implementation.

Recommendation 2: CRM should be treated as the strategic business processes consisting of many supportive and subordinated processes within it.

Recommendation 3: Managers and owners in SMEs should invest more time in CRM activities to become the “CRM champions”.

Recommendation 4: In the context of SMEs, the strategic organizational factors should be the first antecedent to achieve. It builds the working blocks based on them other antecedents and CRM activities can be developed.

Recommendation 5: In the context of SMEs, knowledge management (KM) is more important than the technology infrastructure for improving the results of CRM efforts.

Recommendation 6: The combination between traditional CRM and the electronic CRM (E-CRM) is necessary regarding the innovative landscape in the digital age.

Recommendation 7: For coping with the constantly fast-pace changing marketing, the Customer Agility is necessary for SMEs. Specifically, the Customer Agility as the change-mechanism help firm to focus on competitive advantages when changing their CRM implementation instead of encouraging by the financial performance focuses.

Recommendation 8: The Performance measurement system should be designed to reflect the “dual creation value” concept as the core successful factors.

6. LIMITATION OF RESEARCH

Although it has been done with great efforts and supports, this dissertation has still contained several factors which lead to the limitations in the research.

6.1. Methodological point of view

It is important to have the unbiased data as the first prerequisite for critical analysis and justifiable findings. This dissertation employed the questionnaires and interviews as the main tools for primary data collection from the SMEs. Thus, there are considerable chances of getting biased answers which might lead

to the wrong perception. However, this dissertation also employed the triangular principal in research by doing both qualitative and quantitative analysis for cross-checking. This reduces the risks of biased findings considerably.

6.2. Practical point of view

Cost and resources: The research has been done mainly by the individual efforts with great supports from the supervisors. Thus, the financial resources and human resources are limited. This led to the limitations in number of units in the data samples and the quantity of information collected.

Culture: The research has been done in Vietnam where companies are not familiar with sharing and cooperating with researchers for academic purpose. Thus, there are limitations in specific information desired for the research.

Time: The research has been done in limited time so that there are many aspects which the dissertation cannot cover.

7. CONTRIBUTION OF THE DISSERTATION TO SCIENCE AND PRACTICE

The expected contributions of the research can be divided into three groups of theoretical knowledge, practical applications and the academy.

7.1. Benefits for the theoretical knowledge

This research contributes to the overall efforts which attempt to investigate the relationship between implementing CRM in SMEs and their firms' performance, especially in changing condition. Using new approach about sources of competitive advantages and embedded change-mechanism, this research proposed and tested a new comprehensive framework for CRM implementation. The factors determining the causal relationships between CRM implementation and firm's performance were identified.

7.2. Benefit for the practical applications

This research is especially benefit for managers in SMEs in tourism industry. Choosing SMEs as the subject for the study, this research include the unique characteristics of SMEs into the analysis. Thus, the results of the research are usable for SMEs in the practice. This research is also expected to encourage firms to increase the investments in CRM, and then in turn will improve their sustainable competitiveness and firms' performance. It is especially applicable for emerging economy where most of the firms are SMEs. The findings in this dissertation might attract following enterprises:

- a) SMEs that are just established and are keen on building the sustainable competitive advantages;

- b) SMEs that are thinking about redesign their business processes and looking for sustainable competitive advantages;
- c) SMEs that are looking for tools and frameworks for evaluating their current CRM program;
- d) SMEs that are looking for the tools and frameworks for upgrading and configuring their CRM in fast-pace changing environment by embedding a change-mechanism into it.

7.3. Benefit for the academy

The research may be an opener to more related studies in the area of examining the relationship between non-financial measurements and financial performance by students and researchers. This dissertation also might provide some examples for further related research in the cross-disciplinary studies such as Marketing, Strategic Management and Finance by connecting the materials from these fields together for solving particular problems.

8. CONCLUSIONS

The massive level of interconnectivity and transparency nowadays created by the globalization and innovative technologies has enormously increased the power of bargain from the customers. Customers now can choose their own way of making the purchases, their own customized products/services and their own channels for communicating with companies. This fact also contributes to the massive level of intensity in competitions nowadays between firms. Thus, companies nowadays don't only need to satisfy customers by providing what they want but also have to initiate and maintain the "emotional bonds" between them and their targeted customers to some extents for achieving the profitability objectives for shareholders.

For achieving the main objectives of the dissertation, number of key research questions and partial objectives were planned thorough out four stages of the research processes: the theoretical investigation, the qualitative research strategy, the quantitative research strategy and the case study investigation. Through the research processes, this dissertation emphasized the importance of looking at CRM implementation as the strategic business processes at which business activities at all level across the enterprises need to be moved and fitted together for the effective CRM activities.

As a conclusion, CRM implementation in SMEs needs to be approached in distinctive ways and some key principles can be derived as following:

- SMEs are usually characterized by the lack of resources and competences, therefore, the CRM in SMEs need to be simple for implementing and the financial costs for it need to be controlled.

- SMEs usually don't have enough resources for starting separated and independence CRM projects but the CRM implementation should be initiated through successfully solving local problems at department level using the CRM approach. Then overtime, these small but noticeable effects can be leveraged by the top managers to move to next level of CRM implementation across the enterprises.
- The first and foremost successful factors for CRM implementation in SMEs is about the commitment of managers and owners into spread the philosophy of customer orientation to the employees repeatedly and patiently over time.
- SMEs should not govern the changes and evolutions of their CRM program by trying to imitate the automatic settings in CRM program in large corporation. SMEs usually cannot change all at a time but should follow the incremental change strategy. Changes in these SMEs are governed by their capability to change all the business processes gradually but simultaneously to fit them together for creating new capabilities and competences.
- CRM technologies in SMEs don't need to be sophisticated to have the effective CRM implementation. The key point is to balance the application of technology as the supplementation for the traditional CRM activities in SMEs.

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Customer Relationship Management (CRM) and the Financial Performance of Small and Medium Enterprises in Dynamic Environment: An Investigation in Vietnamese Tourism Industry

Řízení vztahů se zákazníky a finanční výkonnost malých a středních firem v dynamickém prostředí: výzkum v oblasti cestovního ruchu ve Vietnamu

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