Small to Medium Enterprises in the Danish conference sector and a 360-degree approach to managing customer relationships

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Abstract

Purpose – Many corporate enterprises use Customer Relationship Management (CRM) techniques to manage customer information in order to attain competitive advantage. The purpose of this study was to understand how small to medium enterprises (SME's) in the Danish conference sector manage and build customer relationships and to investigate the extent to which they were prepared to adopt a 360-degree view when pursuing a customer relationship management approach.

Design/methodology/approach - A qualitative, explorative triangulated case study method was conducted to explore this in more depth.

Findings - The findings revealed that SME's in the sector essentially manage customer relations using a database system without having a completely integrated CRM system. The main barriers/challenges were technology and internal education.

Originality/value - The paper indicates that although SME's in the sector focus increasingly on building and managing individual customer relationships, they appear not to be fully prepared to achieve a 360-degree view.

Key words: SME's, 360 degree approach, customer relationships, conference sector

Paper type: Case study paper

Introduction

Managing customer relationships is often the 'lifeblood' of all organisations regardless of the business sector or size in which they operate. Burns (1995) suggested that business development could only occur by improving knowledge of the customers' needs, and servicing those needs better than competitors. Much the same argument exists today but with a more holistic view point; that no enterprise can succeed in distinguishing itself through operational excellence, customer intimacy or product innovation without understanding the needs and desires of its customers (Hood, 2003).

It was considered that to gain knowledge regarding customers' needs and desires, contact between the company and its customers was necessary in order to start a dialogue and effectively obtain unique information about each individual customer (Galbreath and Rogers, 1999). Innovative database platforms and multi-channel delivery vehicles with advanced analytics were considered the way forward (Schoenbachler, 2002). Others emphasised the importance of the customer's channel preference and choice in the process of understanding the customer (Langford and Cosenza, 2000). Relationships with customers have been debated ever since, based on marketing strategies designed to approach customers through, for instance, relationship marketing, CRM, e-CRM, and more recently, the 360-degree view, all of which reflect the relationship evolution as discussed in this paper.

The Internet has provided 'instant' access to multiple sources of information allowing for numerous options to improve marketing and sales approaches towards customers. However, Mitussis et al. (2006) observe that a holistic view of the customer is often ignored and instead, they are seen through a 'single lens'. Whichever channel is used, however, the debate has more recently focused on the goal to reach diverse customers through different touch points, while ensuring a single view of the customer is maintained (Rogers and Zeuner, 2004). This involves managing the manner in which each customer interacts across channels and/or product/ service lines, while at the same

time, recognising that various elements such as technology, information resources and processes are involved (Haydock, 2000).

While many authors have contributed to the debate on the 360-degree concept, it has led to variation in terminology, including "customer experience management", describing the relationship being built (Stone, 2003). Others have called it a multi-channel contact strategy approach (Fanelli, 2004; Schoenbachler, 2002; Simons et al, 2002; Hood, 2003; Haydock, 2000). It involved aspects such as contact strategy, multi-channel marketing, customer contact strategy, integrated or multi-levelled marketing (Peppers and Rogers, 2003, Hood, 2003; Hill, 2001; Macintosh, 2002; Burns, 1995; Schoenbachler, 2002). The central theme, however, was the same: managing customer relationships.

Early debate regarding the 360-degree approach embraced areas such as sales, direct and interactive marketing, customer service, distribution channel management and communications with customers whether from a marketing, sales or customer strategy context (Hood, 2003; Stone, 2003a,b&c). In this paper, the term 360-degree view focuses on the approach of multiple communication channels used to build relationships to enable SME's to achieve a 360-degree approach. Leo et al. (2005) described this as a process of knowledge generation whereby ccustomer information such as needs and preferences may be captured both directly and indirectly, through two-way communication in an interactive feedback system.

On the surface, the recipe for success appears straightforward: interact with customers, collect valuable data, compile 360-degree views of individual customers and utilise the information to build profitable relationships over time (Peppers and Rogers, 2003). Only 10-15 percent of SME's, however, use a formal CRM package (CRMGURU, 2004) and only 29 percent of mid-size companies use customer focused strategies and technologies to provide visibility into sales cycles and sales activities (Rogers and Zeuner, 2004).

Therefore, as Robinson (2004) points out, since corporate enterprises use CRM systems as a way to handle and leverage customer information to gain a competitive advantage,

why then are so few SME's investing in CRM and not changing their focus to a 360-degree approach when it too could give them significant competitive advantage?

Since so few SME's were currently embracing the CRM process (CRMGURU, 2004) it was assumed that they were not likely to be considering how to manage and build relationships with the entire available network. Yet, although it is acknowledged that SME's were likely to have differing needs from large corporations, particularly when it came to the frequency and nature of contact with their customers, it is argued nevertheless that the benefits would still apply. Therefore, the central theme of this paper considers the nature of two-party (dyadic) relationships between the customer and enterprises.

The conference sector was chosen within the service industry, where customer orientation, tailoring products to consumer's needs and building relationships are pre-requisites to survival in a highly competitive market. Indications of this explorative research could then serve other SME's who are also heavily dependent on leveraging the customer experience.

The European Union (EU) 2007 reports that 99.8% of businesses are SME's. These organisations play a major role in both national economic growth and job creation (EU, 2007). The Small Business Act for Europe (SBA, 2007) claims that "a vibrant SME sector is crucial for the economic health of Europe". Larger organisations also recognise the economic impact of SME's. As Acs et al. (2001) state, SME's are becoming increasingly important pillars of the economies of major trading partners. The increasing value for the national economy is illustrated in the Global Entrepreneurship Monitor (GEM) reports 2005 and 2006 respectively (Brooksbank and Jones-Evans, 2005; Bosma and Harding, 2006). Both indicate a constant growth in the number of small or new businesses. In order to investigate how SME's in the Danish conference sector manage and build customer relationships, and the extent to which they are prepared to adopt a 360-degree view when pursuing a customer relationships management approach, the paper presents a literature review followed by the methodology involving an explorative case study method, findings and conclusions.

Literature Review

Peppers and Rogers (2003) propose that establishing a 360-degree view of an individual customer means recognising the customer at any time across product purchase and service lines. They argue that sales managers and agents could utilise insights contained within these 360-degree views to acquire and retain customers for SME's and keep the "earning relationship" through channels and touch points such as account management, call centres, marketing, channel management, finance, order management, support, product warranty, external data, e-commerce and Web applications.

Customer access to multiple channels when they contact the enterprise, while building a single customer relationship is the essence of a 360-degree view (Hood, 2003; Gummesson, 2004; Stone, 2003a&b; Peppers and Rogers, 2003). It is acknowledged, however, that SME's may not have as many separate channels and touch points as stated above, although they still need to define, target and manage customers before, during and after the sale throughout a customer's lifecycle. Limited literature relating to SMEs' channels in the new 360-degree environment has made it difficult to specify which channels are grouped compared to individual touch points. Yet, it is assumed that it requires handling relationships through customer contact points not only for marketing, sales and service functions, but also finance and production departments as well as other touch points to recognise customer's needs and requirements.

Once a company is ready to pursue a customer relationship strategy, CRM and the 360-degree view is equally applicable to effectively ensure that the right environment is established to build and retain such relationships. Galbreath and Rogers (1999) argue that CRM is about the transformation of the entire enterprise and how it views and conducts business with its customers. It generally combines various elements of technology, information resources and processes in order to create a 360-degree view of its customers. CRM is simply the ability to treat individual customers differently, which involves creating a seamless experience between the customer and all areas of the organisation. Establishing a cross-functional team with a cohesive mission that

encompasses all the customer touch points to embrace a 360-degree view is one such example. Peppers and Rogers (2003) posit that the pre-requisite for a 360-degree approach is a one-to-one focus with each individual customer. Embracing a CRM strategy equally means embracing a 360-degree approach to view individual customer profiles.

There are, however, differing views as to how far advanced SME's are in the process of managing customers and creating an environment which integrates marketing, sales, service, back-office and supply functions in order to achieve a 360-degree view of their customers. Although few SME's have formal methods in place to understand their customers, investing in CRM and a change of focus to a 360-degree approach could give a competitive edge, while investing in CRM-enabling applications can give SME's significant competitive advantages (Robinson, 2004).

For some SME's, CRM and a 360-degree view are relatively new business and management concepts. They are still doing 'business as usual' since they are uncertain as to what they will achieve. Either business relationships are not formalised or captured, or they operate under the misconception that "CRM is for large companies, not for them" (Robinson, 2004).

Surveys have differed in their findings as to how much SME's use a formal CRM package. Industry organisation, CRMGURU found that only 10-15 percent of SME's use a formal CRM package (Robinson, 2004), whereas organisations such as Gartner and The Customer Marketing Institute, found that 48-50 percent were using CRM software or a sales force automation package system (IOMA's Report on Customer Relationship Management, 2004). Gartner's study also found that, close to 80 percent of companies (large and small firms) did not have a CRM strategy involving customers as a "company asset".

Although CRM has been used to describe technological tools and applications for the front end of a business, Peppers and Rogers (2003) suggest that once a company is ready to pursue a customer relationship strategy designed for a more customer-oriented focus, the 360-degree view is applicable. It is a matter of changing the mindset to provide a 360-degree view of each individual customer. This notion is supported by the

argument that a change to a customer focus is critical as well as understanding what sort of relationship the customer actually needs from a business. A customer orientation rather than product or sales orientation is often considered to be a precursor to CRM implementation.

A further argument is because SME's are less structured; they do not have systematic processes and are therefore not as well prepared to achieve CRM (CRMGURU, 2004). Instead, it is an intuitive process for SME's, since they talk to their customers they capture complaints and they understand that if they are in touch with their customers they therefore deliver value (Thomson, 2004).

Another consideration is that SME's do not see benefits and therefore ask: "what's in it for me"? According to Jay Curry, nobody has answered that for SME's and thus, it is mainly a matter of education (Curry, 2002).

A further view is that SME's have fewer barriers between the customer and the organisation because there is less of an infrastructure. However, a different type of CRM is required to be effective when you do not have a person responsible for sales and marketing. Instead, everyone tries to do their job and they need to keep the customer in mind (Kinikin, 2004).

If a unified view of the customer (i.e. 360-degree view) can be achieved, the potential for synergies of sales opportunities and marketing communications is increased. With more effective targeting of individual customers involving enhanced cross and up-selling opportunities, enterprises can exploit one channel over another, and create multi-channel marketing campaigns dependent on customer demographics, economic models and organisational structures (Schoenbachler, 2002; Hood, 2003; Stone, 2003a&b).

A synergistic strategy for physical and electronic channels implies that those channels have their own value and competitive strength (Simons et al, 2002). Enterprises can achieve excellence in the vital customer touch points of marketing, sales and service when focusing on managing the customer contact points. This will deliver a high return on investment through satisfied customers, repeat business and enhanced profits. The downside of a focused channel view rather than a customer-centric view is less loyal

customers that are difficult to retain, negative word of mouth referrals and increased support costs to manage an unmanageable situation (Hood, 2003).

The benefit of a 360-degree view is unique customer information collected through a number of integrated channels and converted into valuable insights based on thorough analysis of past customer purchases across all channels. True customer preferences and higher-valued customers can then be segmented as much as individual customers can be offered customised products and services.

Synergy can be achieved through integration of the multi-channel environment and continued focus on the customer, rather than the channel, since success will depend on how well all channels are used to the best advantage. Many enterprises gain benefit, but many do not. "One size does not fit all", and enterprises and customers each have their own requirements and need-tailored solutions (Hood, 2003). In order to achieve desired customer behaviour and test marketing activities designed to achieve this, CRM and a 360-degree view are important tools to manage the different ways in which an organisation "touches" a customer (Stone, 2003b).

Possible barriers facing SME's are a consequence of making SME's less advanced in the CRM process, while focusing on a 360-degree customer view. One barrier is the financial issue. The debate concerns SME's spending relatively more on implementing and profiting from CRM than their larger counterparts, because SME's cannot amortise the investment over as many people or undertake pilot projects before they start a rollout (CRMGURU, 2004). SME's are more likely to have fewer funds available and therefore implement CRM practice rather than costly systems without changing company cultures (Hood, 2003). A possible barrier could also be that SME's are unable to see any immediate benefit, or even to perceive a benefit at all, given what is actually out there for them (Robinson, 2004).

Organisational issues also create an internal barrier for SME's when moving towards a CRM database system and a 360-degree customer view. Here, SME's have their own particular characteristics which affect the way in which they operate and which largely determine their preoccupations and concerns; organisational structures in small firms

are less rigid, sophisticated and complex than in larger firms (Hill, 2001a&b). Indeed as Robinson (2004) comments, many SME's are not ready for CRM and therefore need to develop their organisational capabilities in order to fully adopt it.

Customer information is key and although most SME's have a database, many do not have a consolidated view of whom their customers are (Burns, 1995). According to Robinson (2004), a learning curve investment will achieve positive CRM and a 360-degree approach: reshaping the customer process, selecting CRM systems, developing training programs and it is important that SME's pay attention if they wish to attain a competitive advantage.

Methodology

The study investigated four SME's operating in the conference sector in Denmark using a triangulated case study methodology as advocated by Yin (2009). This partly contributed to the validity of the findings but was also reinforced by using a qualitative approach undertaken in a rigorous way in order to generate themes, identify issues and explore discourses. The justification of using the conference sector as an exemplar, and the rationale for the study being based on the selected four firms, was according to the fact that the sector was appropriate because of the nature of the inter-firm relationships.

The research aim was to investigate how near SME's are to achieving a 360 degree approach to managing customer relationships. The purpose of this study was to understand how small to medium enterprises (SME's) in the Danish conference sector manage and build customer relationships and to investigate the extent to which they were prepared to adopt a 360-degree view when pursuing a customer relationship management approach. In relation to this the research followed a design with objectives/research questions according to the five central themes of:

(1) the customer management approach (Rogers, 2000a; Curry, 2002; IOMA, 2004; Leo et al, 2005) – what customer management approach is the SME using?

(2) transactional-oriented or relational-oriented customer approach – to what extent does the SME use a transactional-oriented or relational-oriented customer approach?

(3) personalised, digitalized or customised approach – which approach in terms of personalised, digitalized or customized, or a combination of these, is the SME using?

(4) whether SME's are ready with regard to 'new' behaviour in their customer approach – what is the SME's attitude towards change in their customer approach?

(5) SMEs and the 360-degree view approach – how near are SME's to achieving a 360-degree approach?

These were the questions/themes that the interviews concentrated on in relation to the objectives through the focused interview and other material which provided the results. The data collection methods used included (i) the compilation of information concerning each firm from company reports and documents relating to customer relationships, (ii) observation of company activities involving the management of customer relationships and (iii) semi-structured interviews conducted with key executives in the sales and marketing departments. In-depth analysis of the interview transcripts enabled the researchers to establish what the firms believe CRM involves. In doing, this it was possible to triangulate the findings from the analysis of company information, observation of activities and the semi-structured interviews. In relation to the data collected, all the information analysed was anonymised for each organisation. The SME's chosen for this study were private sector firms and have the following characteristics:

- They are cultural institutions using their facilities to offer conferences and events;
- They have scarce resources in relation to human and financial capacity for commercial activities;
- It is a niche market where production and consumption coincide, thus a high contractual commitment is necessary;
- The target group and segments of B-2-B customers are considerably fragmented.
- They all had web sites.

It was believed that the size of the organisation was less important, but rather it was a matter of the strategy to approach customers which would empower the relationships.

The conference sector was chosen within the service industry where customer orientation is the focus, and it is essential to tailor products to consumers' needs in order

to survive. The conference sector (hospitality industry) in Denmark has a number of SME's, more or less subsidised by the Government, which offer unique facilities in a cultural environment while offering conference facilities. The attention on customers is vital in a highly competitive market place with increasing product offerings due to low entrance barriers from other related industries e.g. caterers and restaurants requiring large facilities in historic old buildings or rejected warehouses.

The actual sizes of companies were in the range 10-50 employees. Company A provides a wide range of graphic display products and highly innovative and cost-effective display and merchandising solutions, tailor-made to the exact requirements of the customer. Company B runs an exhibition venue with 5,000 sq metres of space for many different types of events such as trade fairs, product presentations, dinners and parties from 300 to 3,400 seated guests as well as conferences with 300-1,200 participants. Company C runs a popular venue for cultural, corporate events and sport and with 22,000 sq metres of area and offers a range of conference facilities in addition to other facilities. Company D runs a design centre which involves innovative temporary exhibits on the main floor including local design with the rest of the focus on international design.

In accordance with Yin (2009) the case study approach used for this work has:

1. Aimed to understand and explore how near SMEs are to achieving a 360-degree approach to managing customer relationships;

2. Not necessarily commenced with a set of preconceived questions and ideas with regard to the organisations which have been researched;

3. Employed multiple methods to collect the relevant information from the case study sources and the relevant literature.

The following findings provide the results of the four SME case studies investigated. The potential outcome of the analysis of the findings provides insights into how SMEs manage and build customer relationships and how near they are to achieving a 360-degree view approach.

Findings

(1) Customer Management Approach

Research Question - what customer management approach is the SME using?

It was difficult to identify one single customer management approach which all SMEs in the study currently used, but some elements were generally the same. The sales and marketing department were key channels, in which the SMEs grouped several touch points to ensure one contact person to manage a customer.

After interviewing the four SMEs in the Danish conference sector it was found that they all were using some kind of database system to manage customer data. None had a completely integrated or advanced CRM system within the organization, but more than one had a CRM system running, albeit at different stages as to the extent it provided synergy or synchronized data across different products when purchased by the same customer. "*Management of information and data is registered in a database system - at the moment only data related to one activity can be registered, which means that if the same customer has purchased another product, I would not know unless I was informed directly person-to-person*" (company a).

Two other SMEs were focusing on two separate databases depending on pre-sales contacts or committed customers for product delivery in the sales and marketing department, yet they were still in the process of integrating a CRM system. "We don't have one "golden" CRM system. *We have more units within the organisation, which do not have integrated information about the same customers who approach us through different channels*" (company c). "*Our mindset is very much like CRM – we think like CRM, but because it's very complicated to integrate different systems and the costs are huge it's difficult to achieve*" (company d).

(2) Transactional-oriented or Relational-oriented Customer Approach

Research Question - to what extent does the SME use a transactional-oriented or

relational-oriented customer approach?

Half of the SMEs made an effort towards establishing a personal relationship with the customer. From an academic point of view, relationship marketing is about creating and maintaining long-lasting relationships through interactive dialogue, product benefits, and high customer service orientation across the organisation (Egan, 2011; Little and Marandi, 2003; Christopher et al, 2002; Gronroos, 2000; Gummesson, 1999). Other SMEs showed that it perhaps was more a matter of quick exchange of business. Others have argued that relationship marketing is just a framework for exchange which managers had to consider when focusing on appropriate product/service, customer and organisational methods (Palmer, 1996; Rich, 2000; Rao and Chad, 2002).

A question that arose was have SMEs actually moved from a short-term transactional-oriented approach at all? Or have they moved towards a long-term relational-oriented approach? Kotler (1991) argued that businesses were moving away from a focus on exchange – a narrow sense of transaction – towards building value-added relationships and marketing networks. Rogers (2000a&b) claimed that the revolution is about customer, relationships and technology. The interviews indicated that SMEs are still in transformation between eagerly conducting quick sales to increase revenue (i.e. transaction according to Kotler, 2002), as well as trying to make efforts to build long lasting relationships for future profits.

All the SMEs interviewed were facing a transformation from being more or less product-orientated/transactional to becoming more relational in the process of building and managing customer relationships. This was confirmed by the statement "*we don't really have relationships to a lot of our customers because we still focus on the products and activities, and not on the customer itself*" (company a). They continue that it is difficult to build relationships with a customer when they do not know the customer's business, and when each has its own database.

It could be argued that SMEs were in the transformation of becoming more relational-oriented towards customers, but it was the nature of the Internet, which embraced the quick exchange between the two parties, and due to convenience therefore accepted the

transactional-oriented customer approach, as was the case for most enterprises in the 1970s and 80s.

It is the evolution from transaction marketing to relationship marketing, which results in research indicating the need for a more rigorous database and greater utilisation of current computerised tracking systems. All the SMEs interviewed had some kind of databases to accumulate customer data, suggesting that they had progressed with the relationship revolution. The question was rather; what approach did they conduct when looking into the channels and touch points they used for building relationships?

(3) Personalised, Digitalised or Customised Approach?

Research Question - which approach in terms of personalised, digitalized or customized, or a combination of these, is the SME using?

During the 1980s and early 1990s relationship building and management was a leading approach in modern marketing practice (Jackson, 1985; Dwyer et al., 1987). Yet there was a difference between conducting a personalised, digitalised or customised approach. Along with the relationship revolution, and one-to-one marketing, a personalised approach would better manage individual relationships to individual customers (Rich, 2000; Lackner, 1998). Alternatively, a digitalised approach embracing the Internet as the source of information, feedback, and data gathering would build strong relationships (Hanson, 2000; Stermer, 1999). With a combination of the two approaches, a customised approach, digital evolution continuously improved technical systems to support business performance, yet personal relations were equally important (Zineldin, 2000; Peppers & Rogers, 2000a&b; Hill 2001). It could be argued that SMEs pursued a one-to-one, personalised approach to better manage individual relationships to individual customers.

As Websites became cheaper and more advanced, relationships developed with improved online communication between companies and customers. SMEs conducted a digitalised approach, embracing the Internet more than just up-loading company information onto a

Website. According to Hanson (2000) it was a process developed in three stages: (i) publishing sites; (ii) databases and forms; (iii) personalisation.

As the one-to-one vehicle further developed the personalisation approach to a larger scale (i.e. mass customisation); and the impact of the Internet together with information technology has enabled automation of sales and marketing efforts i.e. CRM systems (Peppers and Rogers, 2003a&b), a customised approach was a more accurate characteristic of SMEs' access to customers.

Assuming that the three customer approaches reflected the relationship evolution, every SME should have achieved an integrated CRM system, to manage each of their individual customers. Yet, this seemed not to be the case. The SMEs appeared close to pursuing a combined customer approach embracing all three approaches - a personalised, digitalised, and customised approach.

(4) Whether SME's are ready with regard to 'new' behaviour in their customer approach

Research Question - What is the SME's attitude towards change in their customer

approach?

When exploring the status of how near SMEs were in the CRM process, it appeared that those SMEs interviewed were either not advanced with an integrated CRM system and used a simple database system instead; nor when having one, they used it as an advanced database system to manage customer data, leaving out the integration of knowledge sharing between departments, and counting on personal relationships established on an individual basis.

The SMEs seemed committed to CRM principles believing in its high relevance and benefits to current and future business. For all it was vital to register and manage information to know what customers want, when and how in order to create loyalty and retain customer portfolios. "*It's very relevant for any company to have a CRM system, regardless of the size. It's vital to handle and register the information about your customers in order to work constructively*" (company b). They were aware of how fragile their organisation would be once an employee moved to another firm having stored

valuable customer profile information in their head. This was something that could be avoided if a central CRM system was used.

SMEs' attitude towards a change in their customer approach was obtained through statements of their strengths and weaknesses in building customer relationships. Their statements showed that their attitude supported the business philosophy of CRM and that *they already thought CRM* (company d). SMEs appeared to be ready to change their behaviour to improve their customer approach. However, their weaknesses showed that they still had some hurdles to overcome.

The central issue for all four SMEs was that their database systems, even the two more advanced ones, were not geared for a highly customer-centric approach. This was confirmed by the comment, "*we don't really have relationships to a lot of our customers because we still focus on the products and activities, and not on the customer itself, thus we approach them as "debtors", not as customers*" (company a). This illustrated that product-orientation was an obstacle to becoming fully customer-oriented, so data registration was based upon product activity on specific dates and not continuously developed and improved for customer profile purposes.

(5) SMEs and the 360-degree view approach

Research Question - How near are SME's to achieving a 360-degree view approach?

Giving customers access to use multiple channels when they contact a company, while building a single customer relationship is the essence of a 360-degree view (Hood, 2003; Stone, 2003a,b&c; Peppers and Rogers, 2003). When exploring the results of the interviews, the SMEs appeared to be conducting a CRM philosophy without knowing it.

They grouped sales, marketing and sales channels as one unit, handled most of the contact points sales, marketing and Website, service, support, evaluation, and reclamation, while being a call centre. This suggested that they used multiple channels and possible touch points to approach customers. SMEs potentially concentrated their effort to the benefit of the customers. It was explained, "*I think we have a 360-degree approach to our customers because there's no information lost. We are in control of*

who's account is responsible to each individual customer, and we have some really good tools to handle the relationships (CRM, website, newsletter), which support all our channels" (company b).

Establishing a cross-functional team with a cohesive mission that encompasses the entire customer touch points embraces a 360-degree view. The SMEs were already well ahead in their approach. For instance, company d explained that knowledge sharing was one of their biggest assets, and that everyone involved across departments knew about the final product when delivered to the customer. Regardless of which contact touch points the customer used, the people involved were informed.

The SMEs seemed very focused and dedicated to add value to their customers. They emphasised the importance of having one contact person in charge. This was confirmed, "*We add value by giving the customers inspiration, and inputs to flexibly adjust the product to their needs*" (company b), and supported by, "*In order to keep this positioning, having a unique product offering, you need to keep being flexible and adjust your product to the customer's needs*" (company d). However, statistics show SMEs are still in transition (IOMA's report on Customer Relationship Management, 2004) and debate is ongoing as to why more SMEs are not pursuing a customer relationship strategy where a 360-degree view is applicable.

According to the literature review once SMEs were ready to pursue a customer relationship strategy, it could be identified as a one-to-one focus when building relationships to single customers (Peppers & Rogers, 2003). Those SMEs interviewed all seemed to have problems with "handling the customers individually" once there were more than ten. This could arguably be one reason why they seemed slow in achieving a 360-degree view approach.

Throughout the literature there is agreement that financial, organisational or educational aspects could be potential barriers to develop the CRM and 360-degree view process. A possible barrier was that SMEs were unable to see an immediate benefit, or even to perceive a benefit, given what was actually available for them (Robinson, 2004). This did not reflect the views of the SMEs interviewed since they did see the benefit of having an

integrated CRM system, but due to limited human and financial resources, and capacity at an operational level, found alternative ways of optimising a more or less advanced database system to handle customer contacts.

Organisational issues were mentioned as an internal barrier, where due to less rigid, sophisticated and complex organisational structures they were not ready for CRM and a 360-degree view (Hill, 2001). This suggestion was fairly true "*we don't have capacity enough to actually achieve the 360-degree customer profile to improve our relationship with each individual customer*" (company c). The reason for this was likely to be because SMEs were usually in progressive development – like start-up companies, and CRM and 360-degree approaches had a low priority given the lack of time to structure or formalise overall procedures.

SMEs were theoretically better equipped for CRM, but in the real world it was not happening because they did not have the staff or the consultant power to progress into CRM as a business strategy (Curry, 2002). This was because they did not have a large number of employees structured into different skills and organisational functions. It was impossible to provide one holistic, cross–channel integrated CRM system to support the 360-degree view approach.

SMEs were already customer-centric but did not have the financial and human resources to provide customisation, personalised attention, and focus on after-sales support to customers. This organisational issue could arguably be a major barrier to explaining why SMEs potentially were slow in achieving a 360-degree view approach.

Alternatively, Curry (2002) suggested that it was a matter of education as to why SMEs did not achieve a 360-degree approach. And as Robinson (2004) argues, since a learning curve investment would achieve CRM and a 360-degree approach i.e. reshaping the customer process; selecting CRM systems and developing training programmes was a major barrier to SMEs. This was in fact true for those SMEs interviewed.

The overall results showed that the four organisations seemed to have something close to a 360 degree approach but they did not refer to it as that and simply "got on with it". This appears to be a fairly typical situation in SMEs since they simply do things without

ascribing terms for what they do as entrepreneurs. Generally very few firms will have a fully developed CRM system and one would certainly expect less among smaller firms. Here it is important to observe that good CRM implementation actually gives a 360-degree view of the customer.

For the SMEs a formal strategy, for example a CRM strategy, appears to be absent and is probably not relevant. Firms of this size are probably operations oriented so that they have a body of knowledge for CRM operation. It would appear best to evaluate them in terms of an operational perspective and not from a formal strategic one.

Conclusions

Through an understanding of how SMEs managed and built customer relationships, the aim of this research was to investigate how near SMEs in the Danish conference sector are to achieving a 360-degree view approach in order to manage customer relationships. The literature advocated that CRM and the 360-degree view were important tools to investigate the different ways in which an organisation "touches" a customer (Stone, 2003b). When analysing the attitude and mindset of the SMEs, they rather thought like CRM while building and managing relationships without reflecting upon the synonymous term CRM, 360-degree or another term of approach.

Business advocators for CRM suggested that it required a learning curve investment to achieve CRM and a 360-degree approach i.e. reshaping customer process, selecting CRM systems and developing training programmes, and that was something SMEs appeared not to pay enough attention to (CRMGURU, 2004). Academic research advocated that creating a continuous interactive dialogue with customers, exploiting the customer data available to them, and turning it into empowering knowledge, would ensure a unified view of a single customer relationship - a true 360-degree view approach (Hood, 2003; Gummesson, 2004; Gummesson, 2002; Stone, 2003a,b&c; Peppers and Rogers, 2003). It was really a matter of giving customers access to use multiple channels when they contacted a company, while building a single customer relationship. Yet, how ready were

SMEs really for such an approach to achieving this 360-degree view of each customer profile?

The findings showed that several SMEs expressed a lack of understanding, differing interests and no recognition by senior management or indeed the rest of the organisation. They had an underlying attitude and mindset of "What's in it for us", which subsequently indicated that most of them had not prioritised 360-degree and CRM high enough, and indicated potential obstacles to implement CRM. Yet, when examining the interview findings in more detail, it became evident that SMEs were in the process of building value-added relationships with their customers and pursuing a combined customer approach that embraced a certain level of personalised, digitalized and customised approach. This was partly through creating interactivity and dialogue with customers and partly by establishing customer relationships through personal relationships. Business focus was likely to transform into CRM with a hybrid of marketing relationship programmes that would range from relational to transactional to outsourcing market exchanges and customer interactions. When examining the generalizable results of the case studies, the SMEs appeared to be conducting much of a CRM philosophy already and it appears that this would hold true for other cases.

As argued by CRM advocates issues such as education and knowledge relating to the potential of CRM coupled with a 360-degree approach could provide SMEs with a potential competitive advantage (CRMGURU, 2004).

The literature pointed towards very limited evidence to claim any indications about SMEs being fully prepared to adopt a 360-degree view approach. The empirical findings illustrated more conviction indicating the view that SMEs in the Danish conference sector were in the process of adopting a CRM approach and focusing increasingly on establishing a 360-degree view for each customer. Analysis of the findings showed that SMEs were still very slow in the development process due to educational, financial and organisational barriers/challenges, and although using multiple channels and possible touch points to approach individual customers, they appeared to be not fully prepared to adopt a 360-degree view at this present time. The benefit of a 360-degree view is

unique customer information collected through a number of integrated channels and converted into valuable insights based on thorough analysis of past customer purchases across all channels. In terms of originality/value the paper indicates that although SME's in the sector focus increasingly on building and managing individual customer relationships, they appear not to be fully prepared to achieve a 360-degree view.

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