Customer Relationship Management in the SMEs of Bogota city

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LIST OF ABBREVIATIONS

CRM: Customer Relationship Management

IS: Information System

IT: Information Technology

SMEs: Small, Medium-Sized Enterprises

ACKNOWLEDGMENTS

The reason why I decided to carry out this work focused on the Micro, Small and Medium Enterprises of Bogotá, was the fact of having grown up in the middle of one of them Felcar Editores e Impresores LTDA, our family business, which I have seen grow with ups and downs and a lot of effort; for this I can understand what are the strengths and weaknesses that these companies have to develop their business.

Regarding the CRM approach, from my own experience, I know that these companies (SMEs) have many shortcomings in their internal organization, so, in this tool (CRM), I have found a simple form of organization and follow-up, which can allow companies to have better results through the generation of good relationships with their customers.

I would like to thank those who collaborated with this work, the companies that were willing to collaborate despite their occupations, to my brother Felipe Jimenez, who helped me to contact many of them, dedicating part of his time, advising me and giving me ideas to develop this work. Thanks to my tutor Rafael Lapiedra who guided me in the development process I hope that the result of this work will bring us mutual contributions full of learning.

Special thanks to my parents Carlos Jimenez and Nydia Castro, who have always been by my side to support me, guide me and advise me, thanks to them is that everything has been possible. To Fernando Benitez who was at my side from the beginning of the master, supporting me unconditionally. Finally, thanks to all my friends who have made this a unique experience thank you for your support and trust.

I hope that with the result of this work innovative ideas and alternatives can be generated to help the development of the SMEs in my country, Colombia.

ABSTRACT

Customer Relationship Management (CRM) is focused on the relationship between the customer and the organization, which is becoming more important in the business world, due to the decision power that customers have in the competitive and changing market. According to (Payne & Frow, 2005) "CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information to both understand customers and concrete value with them. This requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications".

This study is focused on micro, small and medium companies (SMEs) which are in Bogota – Colombia, city in which most of these companies are concentrated in Colombia, with a total of 740.069 SMEs. The main objective of this study is to determine how companies manage the relationship with their clients how they collect and process the information they obtain from them and how effective they are in that process.

The factors that could impact Customer Relationship Management in the organisations are part in this study, for instance the strategy development process, the integration of the employees during the process, the role and support of managers, the technological resources and more, are directly related to the effectiveness of the implementation in every company.

When CRM implementation is successful, the company can gain a competitive advantage over its competitors, the customer will be more loyal to the company, because it finds in it everything it needs through good service, with products and services according to its needs, so that the profits will increase. However, it is important to emphasize that to reach this point, certain barriers must be overcome that may arise during the implementation process, such as the lack of the skills of the managers and employees, lack of definition of objectives, poor leadership or poor data quality and quantity.

For the accomplishment of this work were surveyed 51 companies (SMEs) in the city of Bogota, which were asked about how they manage the relationship with their customers, either using CRM or different means of control that will be presented later, being predominant the use of means other than CRM, due to lack of knowledge about it.

As a conclusion, thanks to the results obtained, it is clear that these companies are focused on improving the relationship with their customers, but they still need to improve the way they interact with them, in order to be able to collect more information with better quality, which can allow them to propose better strategies and obtain better results. In addition to this, it is important that the relationship and the internal support within the company is always constant, so that the entire process of approach and implementation of the CRM will be more effective.

CHAPTER 1. INTRODUCTION

1.1. Theoretical background

Nowadays business managers recognize the importance of the relationship with the customers because they are the principal asset of the business. Almost all businesses focus on enhancing this relationship because customers are the ones who keep the business running (Ranjan & Bhatnagar, 2008). For this, companies are using the CRM to track and interact the relationship with their clients. CRM systems are capable of increasing the satisfaction of customers. The goal of CRM for each company is to build long-term profitable customer relationships and increase customer loyalty while also targeting customer engagement (Lipiäinen, 2015). Due to the changes and the competitive market, companies need to be able to develop strategies, products, and services according to with customer's needs, thus, they need to gather the appropriate information directly from customers, and besides this give the appropriate management to this one internally, to obtain superior results. According to (Josiassen, Assaf, & Cvelbar, 2014) successful firms always are looking to reach the competitive advantage through the relationships with their customers, for this reason, Customer Relationship Management has become more important for more companies.

(Iriana & Buttle, 2006) argue that organizations that put more importance on customer focused behaviours, information sharing, cross-functional teams, performance based rewards, supportive relationships, adaptive and responsive attitudes to change, and a higher degree of risk-taking and innovation, is more likely to be associated with successful CRM system implementations.

"CRM system is not "just another information tool." If applied properly, CRM programs can contribute exceptional economic value to the company as well as competitive advantage. Implementing CRM systems can enhance an organization's ability to improve customer service, which in turn can generate revenue" (ThuyUyen H. Nguyen, Sherif, & Newby, 2007).

The concept of CRM has not only taken importance at the corporate level, but also at the educational and research level, there are more than 2.600.000 results in Google Scholar (2017) what demonstrates the importance and the background that exists in CRM.

The SMEs of Colombia are part of this study, because these represent more than 90% of the national production and generate approximately the 35% of the Gross Domestic

Product; specifically, I have chosen the city of Bogota to focus on, because it is my hometown and I am aware of the importance that these companies represent for the city.

1.2. Study purpose

The purpose of this study ca be divided in two parts, the theoretical and the practical. The main objective of the first one is to explain the key factor of the Customer Relationship Management (CRM) as are the key factors for a successful implementation, what are the advantages and barriers that may appear in the implementation process, in addition, it seeks to explain the importance of the fact that the CRM must be directly connected to the information system of the company. The second one, is focused in identify how the SMEs in Bogota manage the relationship with their customers, know if companies really take into account their customers to make decisions, propose strategies and develop new products and services.

1.3. Dissertation organisation

The structure of this document consists of six chapters: Introduction, Customer relationship Management (CRM), Information System (IS), SMEs in Colombia, Research Methodology and Conclusions.

The introduction makes a brief description of what is Customer Relationship Management, why is this one so important and how this one can improve the relationship between customer and organization, and thus increase the profitability of companies.

Literature review brings a theoretical background about the CRM, where is explained the definition, which factors are important to have in to account during the implementation process, what are the CRM's advantages after the implementation and what are the barriers that may arise during the process. It also explains what is an Information System and how it should be integrated whit the CRM: finally, an explanation of the current state of the SMEs in Colombia and in Bogota is presented.

Research Methodology describes the steps and tasks implemented to answer the survey, in what consisted and what were the most meaningful results.

Conclusions chapter describes the final aspects of this work, giving a personal opinion and future work that can be developed.

CHAPTER 2: CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

2.1.   Definition of CRM

An exact definition of CRM has not been established, for instance, (Schultz, 2000) present in his paper the two forms of CRM, the first one is the "North American" version which is a technology driven solution, where sales and marketing department bring the customers (input) but the IT department manage the system, this means that this version is focused on new customers' acquisition, assuming that the market is going to manage the relationship. The second version is the "Nordic School", where sales and marketing people manage all the process, in this one, technology is a vital component, but the key is the understanding of the customer, building lasting relationships, offering a good service.

From the Information Technology (IT) perspective, (Bose, 2002) CRM is an enterprise integration of technologies and business processes working together, such as data warehouse, website, phone support system, accounting, sales, marketing, and production, to satisfy the needs of their customers during the interaction, taking knowledge, processing it and so that work more efficiently.

According to (Payne & Frow, 2005), CRM is a strategic approach which is focused on the creation and improvement of the value for shareholders through the development of a long-term relationship with key customers and stakeholders, on the basis of the relationship between marketing strategies and IT, having into account the integration of all the processes, people and operation that are developed within the company.

The definition of CRM can also be related to the theory of resource-based view (RBV) which focuses on the appropriate use of resources and capabilities, and this generates the competitive advantage, therefore the performance of the company will increase. The literature presents one important point about the definition of capabilities "capabilities represent the ability of the firm to combine efficiently a number of resources" (Dutta, Narasimhan, & Rajiv, 2005), then, is possible to define the CRM capability as the representation of persistent investments in a combination of human, technical, and business-related capabilities, so, managers must know how to manage the company in such a way that the combination of the aforementioned generates good results and thus be able to offer a better customer service (Coltman, 2007).

Since 2007 and 2008, the concept of CRM has been changed, becoming CRM 2.0 or Social CRM, in which the strategy is not only focused on customer transactions, because it now incorporates both, customer transactions and customer interactions, with the purpose of involving the customer in a collaborative conversation (Greenberg, 2010).

Now, it is possible to compare the CRM as strategy and social CRM (Lipiäinen, 2015):

Table 1. CRM and social CRM.

	CRM as strategy	Social CRM
The role	Overall philosophy of the company.	Overall philosophy of the company.
Objective	To manage customer relationships and create shareholder value.	To manage dialogue, co-creation of value, to engage the customers and other stakeholders.
Concept	Managerial.	Emotional and behavioral.
Orientation	Business and profit.	Softer outcomes.
Aim	To develop profitable, long-term relationships with key customers, customer segments and other key stakeholders combining the potential of relationship marketing strategies and information technology.	Engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment.
Focus	Key customers, customer segments, and other key stakeholders. Focus on customers but incorporate all the stakeholders as value creators.	Multi-stakeholder. Focus on all iterations of relationships.
Content	Focus on transactional data.	Highlights the importance of personal information, which requires more descriptive data on customers.

Source 1. Lipiäinen, H. S. M. (2015). CRM in the digital age: implementation of CRM in three contemporary B2B firms. Journal of Systems and Information Technology, 17(1), 2–19. https://doi.org/10.1108/JSIT-06-2014-0044

A revitalized definition of CRM exposed by (B. Nguyen & Mutum, 2012) "The purposive use of customer knowledge and technologies to help firms generate customized offerings on an

individual basis based on fairness and trust in order to enhance and maintain quality relationships with all the involved parties".

The concept of CRM has been presented as a strategy, as a technological tool and as a means of interaction and communication, nevertheless, the main objective of all of those is to obtain all the information about the needs and expectations of their customers, to personalize the goods, services, and strategies according to the customer.

2.2. CRM Implementation

According with IT analyst Gartner Group, the 55% of CRM fail to meet their goals (Dempsey, 2002), because it became a victim of its own success, due to most companies relate the concept of CRM with the combination of a call center and customer database.

Different authors have presented several points of view related to the key points for a successful CRM implementation, for instance, (Bohling et al., 2006), argues that this one depends on a number of factors such the combination between the firm's CRM strategy, programs, and its marketing strategy, besides this, the Intra-organizational and inter-organizational cooperation and coordination among entities involved in implementation. These authors elaborated a survey to 101 US-based companies, looking for factors that the executives perceive to be associated with the success of CRM. One of this is the way of how the company presents the CRM to the employees, having two options; the first one is the *bottom-up approach* in which the CRM initiative is championed by a particular group or division of the company and it is presented as an IT tool. The second one is the *top-down approach* in which the CRM initiative has a strong support and sponsorship from senior executives and top management in which CRM is seen as a strategy. Apart from the factor that was previously presented, the authors found that the *locus of CRM* (CRM ownership being at the corporate level), *top management's attitude toward CRM*, when managers view the CRM like a strategy that is part of the business and is a critical for the success of the company, and the *alignment with key stakeholders groups*, CRM objectives must be aligned with objectives of different stakeholders (employees, customers, and shareholders) are also important during the process of CRM implementation.

Other authors that present more factors to have into account for a successful CRM implementation are (Payne & Frow, 2005), who consider that the success rests on the cross-functional integration of processes, people, operations, and marketing capabilities and it is

enabled by information, technology, and applications. In its paper, they present five factors that can be considered as key during the CRM implementation, (1) the strategy development process, (2) the value creation process, (3) the multichannel integration process, (4) the information management process, and (5) the performance assessment process Figure 1.

Figure 1. A Conceptual Framework for CRM Strategy.
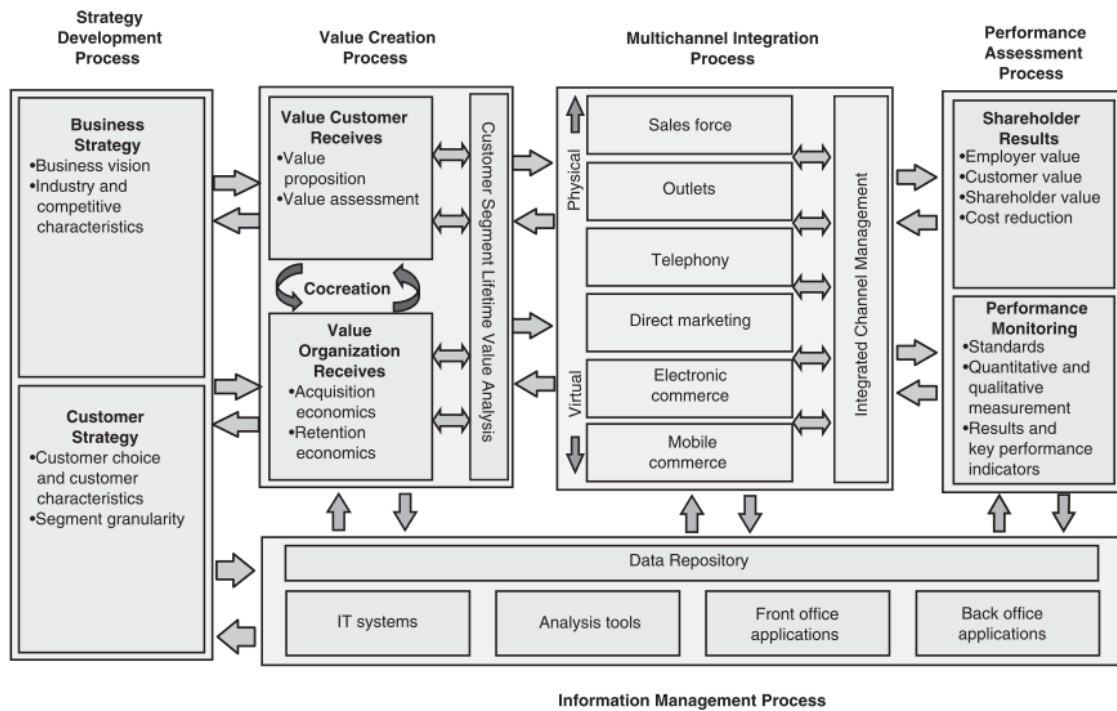
Source 2. Payne, A., & Frow, P. (2005). A strategic framework for customer relationship management. Journal of Marketing, 69(4), 167–176. https://doi.org/10.1509/jmkg.2005.69.4.167

(1) <u>Strategy Development Process:</u> The process needs to be a focus on the organization's business strategy and the customer strategy:

  ✓ Business Strategy: This one must be considered as the process of customer strategy development. For the business strategy, the company first needs to review the vision and analyze the industry and competitive environment. (Payne, 2006) contends that the vision of the organization allows workers to work together and co-ordinately to achieve the objectives of the company.

  ✓ Customer strategy: Customer strategy involves examining the existing and potential customer base and identifying which forms of segmentation are most appropriate.

(2) Value Creation Process: Here is the transformation of the outputs of the strategy into programs that extract and deliver value. They are three elements that must be having into account, the value that the customer receives, the value that the organization receives and the lifetime value (figure 2).

   ✓ The value the customer receives: This one is the value that the company offers to the customer, looking to enhance their benefits, these can be represented through the relationship among the performance of the product, the fulfilment of the customer's needs, and the total cost to the customer over the customer relationship life cycle (Lanning, 1998).

   ✓ The value the organization receives: From this perspective, customer value is the outcome of the coproduction of value, the deployment of improved acquisition and retention strategies, and the utilization of effective channel management.

   ✓ Lifetime value: This one depends on of two factors, how existing and potential customer profitability varies across different customers and customer segments and the economics of customer acquisition and customer retention.

Figure 2. Relationship between Business Strategy, Customer Strategy and Value.

BUSINESS STRATEGY
•Business vision
•The competitive environment
•Organisational resources

VALUE CREATION
•Value the customer receives
•Value the organisation receives

CUSTOMER STRATEGY
•Nature and characteristics of the customer
•Customer segmentation
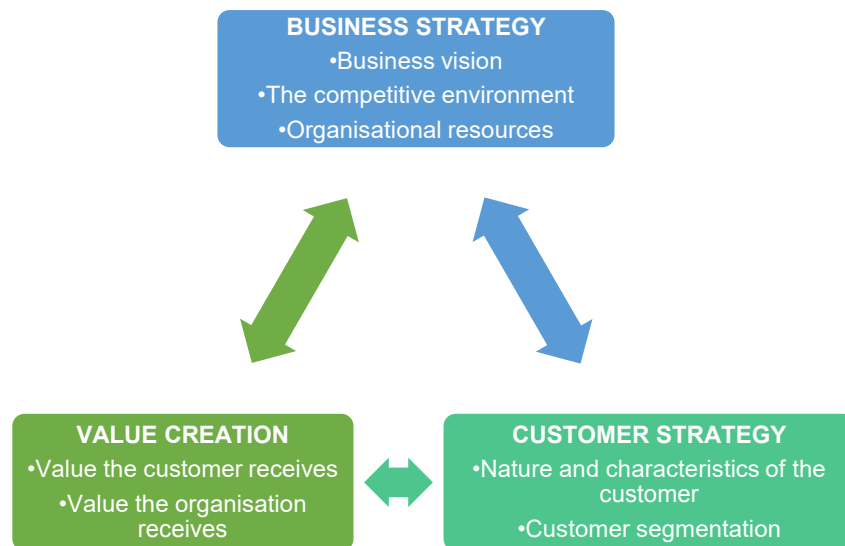
Source 3. Payne, A. (2006). Handbook of CRM: Achieving Excellence on Customer Management. Oxford: Butterworth-Heinemann.

(3) Multichannel integration process: This one is one of the most important processes in CRM because it recapitulates the results of the first and the second factor and translates

them into value-adding activities with customers, this is the way how the company interacts with its customers, these can be (1) sales force, including field account management, service, and personal representation; (2) outlets, including retail branches, stores, depots, and kiosks; (3) telephony, including traditional telephone, facsimile, telex, and call center contact; (4) direct marketing, including direct mail, radio, and traditional television (but excluding e-commerce); (5) e-commerce, including e-mail, the Internet, and interactive digital television; and (6) m-commerce, including mobile telephony, short message service and text messaging, wireless application protocol, and 3G mobile services (explained Chapter 2, section 2.2).

(4) <u>Information management process:</u> It's focused on the collection, collation, and use of customer data and information from all customer to generate customer insight and appropriate marketing responses. The key material elements of the information management process are the *data repository*, which provides a corporate memory of customers; *IT systems*, which include the organization's computer hardware, software, and middleware; *analysis tools*; and front office and back office applications, which support the many activities involved in interfacing directly with customers and managing internal operations, administration, and supplier relationships (Greenberg, 2001).

(Ogirri, 2007) argues that one of the main objectives of a CRM is gathering all the information about the customers and effectively transforming it into a customer knowledge to enhance the profitability.

(5) <u>Performance assessment process:</u> The main task in this part is the evaluation of the fulfillment of the objectives related to the CRM, this one has two components: shareholder results and performance monitoring.

There are critical strategies that (Ramsey, 2003) suggests and companies should have into account. These strategies are:

(1) <u>Customer:</u> The most important strategy is identifying exactly who are the customers. Besides this, is necessary identify which kind of interactions exist between both, to increase the loyalty and get more profits. One way to do the segmentation of the target is through the model of customer-centricity, in which the company groups their customers according to their similarity, to be able to raise their strategies.

(2) <u>Chanel:</u> Choose the appropriate and effective channel (ways of interacting with customers) is another crucial point; but furthermore, the companies should establish the best strategy to apply and improve the channel that it is going to use.

(3) <u>Brand:</u> Consist in understand and recognize customers' behaviours. Characteristics that make a strong brand are differentiation, consistency and effective communication with customers.

(4) <u>CRM applications choices:</u> Finally, the company can determine the most appropriate CRM application according to the needs and that is the most appropriate to support the interaction whit their customers.

(T H Nguyen, 2009) identifies certain factors that are influential during the adoption of an Information Technology, some of them are focus on top management, employees, the experts and vendors of IT, the people, the culture and other firms that are part from the network. This author categorizes these perspective in four factors: organizational, networking, external expertise and IT.

(1) <u>Organizational:</u> This factor makes reference to the internal environment, this could be the size of the company, its goals, the people within the firm, their behaviour, the culture, identity and knowledge (Watson, 2002). (T H Nguyen, 2009) and (Finnegan & Currie, 2010) classify the above factors in four perspectives culture, top management, employees and the absorptive capacity of the firm.

    ✓ *Culture:* The organizational culture is the way of people to share a purpose, tactics, strategies and metrics. This one could be affect when within one company exist more subcultures with a different concept (Schein, 2004). The network of relationship between the economic environment (relationship with the market) and the culture (human resource and cultural rate) influences the company to be more or less open to the change, which will allow the company to be more or less competitive (Minguzzi & Passaro, 2001). Nowadays, because of the competitive business environment, the success of firm increasingly hinges on the ability to operate customer relationship management, and to do this correctly the company should focus have a customer-focused culture, in which the relationship with the customer is the key to the development of new products, services and strategies (Chang, Park, & Chaiy, 2010). The implementation of IT in a company represents a change within it that will affect the culture; if this one (the culture) is open to accept new, challenging activities and embrace learning, it will be prepared for the change, while a traditional culture that is inflexible or holds back is not likely to accept change (Hall, Melin, & Nordqvist, 2001). A participative culture will encourage the development of the cross-functional teams that enable companies to learn about customers and share that knowledge across work groups to create better value for and from customers (Iriana & Buttle, 2006).

✓ *Top management:* In a SMEs, where the structure is centralized and where is the manager or owner-manager who takes almost all the decisions, his or her behaviour will affect directly the IT adoption process; their commitment, knowledge, attitude personality, values and support is crucial during all the implementation (Bruque & Moyano, 2007). Management characteristics influence the perception of the CRM within the organization, in special the management's innovativeness and the degree of CRM benefits they perceived; if the top management is not open to new changes and challenges, the employees will not be motivated, so the barriers of change and the resistance will be more difficult to overcome (ThuyUyen H. Nguyen & Waring, 2013). When the manager or owner-manager wants to do the implementation of CRM, must support the new technology and innovation, recognise the contribution that employees make to the business, provide support for the employees during the adoption process, and ensure that the IT resources are sufficient (ThuyUyen H. Nguyen & Waring, 2013).

✓ *Employees:* As explained above the roll of the top management is crucial during the IT adoption, but the employees also make their contribution and this one will impact positively or negatively on the rise or fall of the company's projects (T H Nguyen, 2009). For having a successful adoption of CMR, the IS capabilities of the staff are crucial, the lack of knowledge in IT of the staff could be an impediment for CRM (Hung, Hung, Tsai, & Jiang, 2010). (Iriana & Buttle, 2006) argue that a climate where the employees can act according with customer's interest is important. According with (Preece, 1995) in a company, the staff is the "human capital" and when they are engage at all levels of the organization in new IT adoption, they can facilitate higher success rates. Keeping employees informed of and engaged in organizational change is essential for the success of any new project, especially where IT is involved (Anderson & Huang, 2006). When the employees understand the purpose behind the adoption of CRM, which is their role and their contribution during the adoption, the likelihood of success will be greater (T H Nguyen, 2009).

✓ *Absorptive capacity of the firm:* Absorptive capacity is defined as a "set of organizational routines and processes by which firms acquire, assimilate, transform and exploit knowledge to produce an organizational capability" always looking to get or increase the competitive advantage. There are two elements that are part of the Absorptive Capacity, potential and realised; the first one refers to the capacity to acquire knowledge and the ability to assimilate this knowledge,

the second one, realised capacity is concentrated on the transformation and exploitation of knowledge (Zahra & George, 2002). Management should ensure that there is efficient knowledge sharing among employees within the firm, knowledge acquired either outside or inside the company (T H Nguyen, 2009).

(2) <u>Networking</u>: The term network can be interpreted as connections and interactions between individuals, groups and organizations (Širec & Bradač, 2009). In the case of SMEs, these interactions happen between firms, business, partners, vendors, suppliers and customers, which represents the stakeholders (Taylor & Krsto, 2003). Through the interactions with the stakeholders, firms can exchange, collaborate and share knowledge, information and communication (T H Nguyen, 2009). Successful networking depends on an awareness of the shifting positions in network time and space of participating actors, a clear view of the alternatives for all actors and a realistic time horizon (Ford & Mouzas, 2013). (Fuller & Lewis, 2002) suggest that the networking (relationship) between small business is important and there are different meanings for each one (Table 2).

Table 2. Definitive differences in small-business owners' orientation to relationships.

Networking relationship	Key orientation
Network	To facilitate the formation of informal interconnected channels of communication through participation.
Contract	An expressed wish to work with people that share the same vision of mutual trust and reciprocity, i.e. transfer of goods or services for payment of the same.
Personal service	To form a significant relationship with people – ones that are indicative of the competitive nature of the firm to provide an unparalleled service.
Personalised Strategic	To consider the individuality of a person/organization and to build and adapt the relationship on the basis of its distinctiveness.
Strategic development	To develop reciprocal relationships with stakeholders who, through experience, share a common goal or interest in securing the future growth of their firm.

Source 4. Fuller, T., & Lewis, J. (2002). "Relationships Mean Everything"; A Typology of Small-Business Relationship Strategies in a Reflexive Context. British Journal of Management, 13(4), 317–336. https://doi.org/10.1111/1467-8551.00249

(3) <u>External experts / professional consultants:</u> According with (Thong, Yap, & Raman, 1996), The effectiveness of consultants and the quality of vendor support are important for successful the Information System (IS) implementation (Figure 3). There are three approaches that a manager should follow during the IT adoption: (1) rely on vendor advice, (2) start with a simple IS and take one step at a time, and (3) prepare a formal request-for-proposal. Due to in the market there are a lot of IT vendors with different products or services, it is crucial that a small business executive make sure that a proper match is made between the needs of the business and the products or services that the vendors offer (Heintz, 1981).

Figure 3. Conceptual model. Importance of Top Management and External IS.
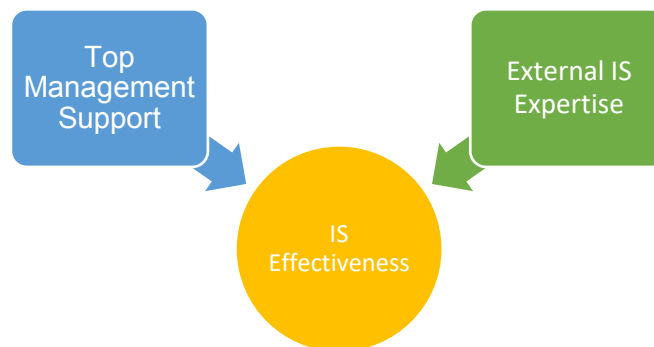
Source 5. Thong, J. Y. L., Yap, C. S., & Raman, K. S. (1996). Top Management Support, External Expertise and Information Systems Implementation in Small Businesses. Information Systems Research, 7(2), 248–267. https://doi.org/10.1287/isre.7.2.248

(4) <u>Information Technology:</u> With the sophistication and the increased use of IT, managers nowadays consider the use of IT as a competitive tool used for the implementation of strategic plans and the support of firm core competences (Aral & Weill, 2007). In their study (Dibrell, Davis, & Craig, 2008), with a sample of 375 SMEs in the United States demonstrate that when managers are able to integrate either a product or a process-oriented innovation strategy with investments in IT enhance their firm's relative performance. IT also contributes to the improvement in which people capture and distribute information (T H Nguyen, 2009), reducing the cost of production, adding value to products and services and increasing the company's competitive advantage (Claessen, 2005).

2.3. CRM's Advantages

As explained above, due to technological advances, with CRM, companies can track customers' interactions, enabling the timely collection of information, which allows the establishment of strategies focused on the needs of them, thus, the likelihood of customer's retention will increase; which can give rise to the competitive advantage over its competitors. Competitive advantages that could be gained from the CRM systems are (Table 3) (ThuyUyen H. Nguyen et al., 2007). To retain customers, the relationship with customers must be managed in a long-term and trusting manner for mutual benefits (Oogarah-Hanuman, 2012). The long – term relationship between the company and the customer, is also becoming an important issue, because this will allow the company to survive in the changing and competitive market (Mendoza, Marius, Pérez, & Grimán, 2007).

Table 3. Competitive advantages gained from CRM systems.

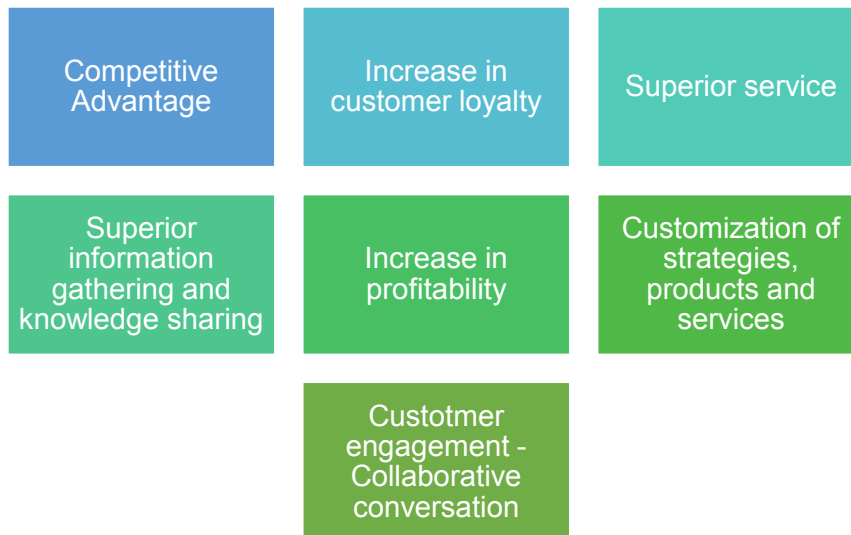| Competitive Advantages	Examples
Increase in customer loyalty	Full information about customer profile and previous requests or preferences is instantly available to sales and service representatives when a customer calls.
Superior service	Customer representatives can provide personalized service, offer new products and services based on customer's purchasing history.
Superior information gathering and knowledge sharing	The system is updated each time a customer contacts the organization, whether the contact is in person, by telephone, or via the web. Sales, marketing, service, and technical support have access to shared database.

Source 6. Nguyen, T. H., Sherif, J. S., & Newby, M. (2007). Strategies for successful CRM implementation. Information Management & Computer Security, 15(2), 102–115.
https://doi.org/10.1108/09685220710748001

The customer retention affects company profitability, due to is more efficient to maintain an existing relationship with a customer that create a new one (Peck, Payne, Martin, & Clark, 1999). This point is also supported by (Oogarah-Hanuman, 2012) who argues that the successful implementation of CRM should contribute to the profit gained by the organisation.

Learning about the customers' needs, the company will have the enough knowledge to customise products that suit the individuals' needs on a one-to-one basis and thus, create a differential marketing strategy (B. Nguyen & Mutum, 2012).

With the social CRM, the main objective is to engage the customer in a collaborative conversation (Greenberg, 2010), so the company can understand what are the needs of the customers, foster customers' participation in the product development process, makes customer available to provide feedback on strategies and products (Lipiäinen, 2015).

Figure 4. CRM's Advantages

Competitive Advantage	Increase in customer loyalty	Superior service
Superior information gathering and knowledge sharing	Increase in profitability	Customization of strategies, products and services
	Custotmer engagement - Collaborative conversation	

Source 7. Own illustration

Specifically (Ko, Kim, Kim, & Woo, 2008) present a list of CRM benefits (Table 4:

Table 4. CRM's benefits.

CRM benefits
Increased profits
Increased customer relationship
Increased repurchase
Collect accurate customer information
Enhanced customer loyalty
Improved efficiency of customer management
Increased effect of word of mouth
Reduced cost for acquisition of new customers
Greater ease in developing new products
Increased sales by additional purchase
Reduced cost of direct marketing
Increased satisfaction with a brand
Increased customers' LTV

Source 8. Ko, E., Kim, S. H., Kim, M., & Woo, J. Y. (2008). Organizational characteristics and the CRM adoption process. Journal of Business Research, 61(1), 65–74. https://doi.org/10.1016/j.jbusres.2006.05.011

2.4.   CRM's Barriers

In the study carried out by (Ryals & Payne, 2001) within 11 financial services organization with satisfactory experience in the implementation of a CRM, found that the most frequently barriers are:

- ✓ *Lack of skills:* The lack of knowledge and skills of workers during the building and implementation process, sometimes is difficult to recruit enough technically skilled people for a large-scale CRM implementation project.

- ✓ *Inadequate investment:* Gaining adequate funding for CRM requirements is difficult in some companies.

- ✓ *Poor data quality and quantity:* Quantity was seen as a greater problem than data quality, but now companies are starting to see the importance of the second one.

- ✓ *Failure to understand the benefits:* Low awareness of the benefits of a marketing database.

- ✓ *Functional boundaries:* The business unit managers who were unwilling to cooperate, because they have a distinct perspective of CRM.

- ✓ *Inadequate measurement systems:* Lack of measurement systems to know CRM performance.

In addition, (ThuyUyen H. Nguyen et al., 2007) refers to the following barriers:

- ✓ *Lack of definition:* Management is often not sure how to approach CRM and how it wold affect other aspects of the company's operation.

- ✓ *Poor leadership:* Leaders of CRM efforts are often functional heads who often do not have enough strategic plan or perspective experience of CRM.

✓ *Insufficient help from CRM vendors:* Often, CRM vendors only highlight the CRM aspects that are involved in their products rather than addressing the crucial factors of CRM in many areas of the business.

Figure 5. CRM's Barriers.

Lack of skills	Inadequate investment	Poor data quality and quantity
Failure to understand the benefits	Functional boundaries	Inadequate measurement systems
Lack of definition	Poor leadership	Insufficient help from CRM vendors

Source 9. Own illustration

CHAPTER 3: INFORMATION SYSTEM (IS)

### 3.1.	Large Information Systems (LISs)

Large Information Systems are "integrated set of software, which can help organizations to deal with one or more aspects of organizational information flows". Two common examples are ERP and CMR, the first one developed to manage information flows related to the internal resources of the company, and CRM manage the information flows between customer and organizations (Ashja, Hadizadeh Moghadam, & Bidram, 2015).

### 3.2.	Integration with CRM

Some authors have defined the concept of CRM without any reference to IT or the IS implemented in the company, which can be misinterpreted. The effectiveness in CRM implementation depends on the integration of it with the IT architecture of the organization and the IS; the CRM software system should not be only operational. According with the conceptual model (Figure 6) there are CRM development stages that are determined by the level of IT employed and the sophistication or integration or the IS used in the company (Constantinos J. Stefanou, Christos Sarmaniotis, & Amalia Stafyla, 2003).

Figure 6. Stages of CRM development.
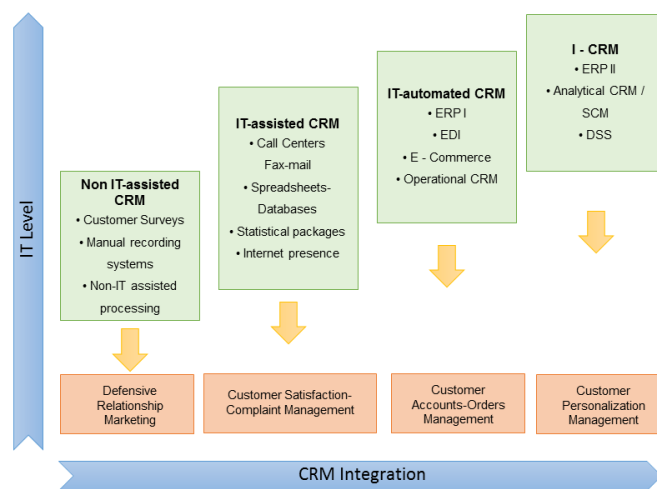
Source 10. Constantinos J. Stefanou, Christos Sarmaniotis, & Amalia Stafyla. (2003). CRM and customer-centric knowledge management: an empirical research. Business Process Management Journal, 9(5), 617–634. https://doi.org/10.1108/14637150310496721

The first stage refers to the organizations that have very limited or no use of IT. However, these organizations do the gathering and use of the knowledge about their customers manually.

In the second one, the organizations have access to the traditional IT channels mentioned above, looking the enhancement of the relationship with the customers. Normally the data is collected manually, but processed and analysed by using spreadsheets, database systems and statistical packages.

The third CRM development, which emphasizes customer interaction by using several technologies, such as the Internet and telephone/computer integration, doing the service more interactive. Companies belonging to this stage have active Web presence, use EDI systems (Electronic data interchange, electronic communication method), engage in e-commerce and have implemented ERP and operational CRM systems aimed at business processes optimization and sales force automation.

The last stage, integrated CRM (i-CRM), is focused in customer personalization and elevated level of service and customer satisfaction, at this stage, companies employ sophisticated CRM information systems providing highly integrated back-office, front-office and Internet functions.

Organizations need to integrate their front-office and back-office in order to be successful, CRM implementation requires a front-line information system that shares all the information related with the customers in all the levels of the company.

- ✓ Front-offices applications are the technologies used to support all the activities that are related directly with the customer, for instance sales force automation and call-centre management (Payne, 2006).

- ✓ Back-offices applications are the technologies that support the internal business processes, as the financial systems, inventory management and human resources, helping with the data-mining, which will help with the identification of customer's needs and actions to implement; the most common application is the Enterprise Resource Planning (ERP) (Josiassen et al., 2014).

As discussed above in the section 1.3, the multi-channel is crucial during the CRM implementation, because this one involves all the communication channels between the customer and the organization (Payne & Frow, 2005); companies must plan strategically what the combinations of channels will be in order to gather information, provide a good service and increase customer's satisfaction. There are a number of channels that companies can use for the customer interaction: (1) sales force, (2) telephone, (3) direct marketing, (4) electronic-commerce an (5) mobile commerce (Figure 7).

Figure 7. Multi-channel integration.
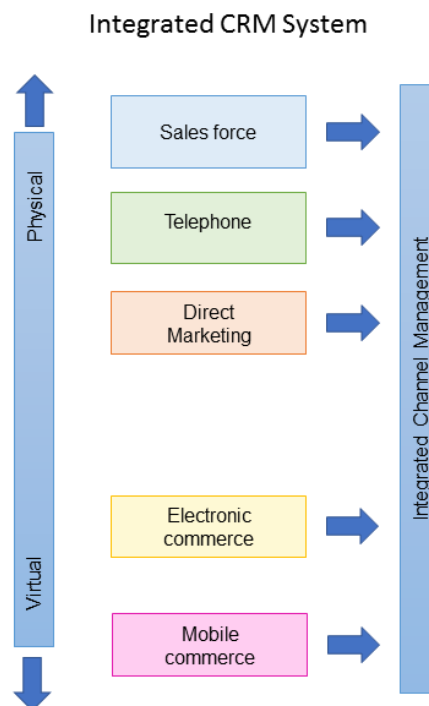
(1) <u>Sales force:</u> Sales staff is the channel that facilitates the identification of customer's needs, through a direct communication, which enable sales staff to deal effectively with complex queries, reducing waiting time and improving the customer service.

(2) <u>Telephone:</u> The telephone facilitates the communication with customers, dealing with unclear questions, being able to respond easily to quick and simple questions.

(3) <u>Direct marketing:</u> When the company can provide direct communication to customers according with their needs, profiles or purchases, the communication between both will be more effective; for instance, when the company personalise an email with customer's individual interest, customer's perception will be different, because the content of the email is according with his/her expectations.

(4) <u>Electronic commerce:</u> The e-commerce facilitates the commercial interaction between companies and customers. Commercial transactions involve an exchange if products and services, eliminating all kinds of boundaries, as the geographical or the distance within the two parts. This channel also facilitates the compilation and dissemination of information and can be used as a mean of tracking for the company.

(5) <u>Mobile commerce:</u> m-commerce includes the use of mobile telephones, text messaging, wireless application protocol (WAP) and 3G mobile services. With m-commerce the customer can obtain information or make a purchase in a much more convenient way and, at any time.

CHAPTER 4: SMEs IN COLOMBIA

4.1. SMEs in Colombia (MIPYMES – micro, pequeña y mediana empresa)

In Colombia, the business segment is classified as micro, small, medium and large companies, this classification is regulated by law 905 of 2004 (Ley Mipymes), according to the total assets of the companies (Table 5) (Bancoldex, 2017):

Table 5. Business classification in Colombia

Size	Total Assets
Micro	$368.858.500 (Colombian Pesos)
Small	$3.688.585.000 (Colombian Pesos)
Medium	$22.131.510.000 (Colombian Pesos)
Large	More than $22.131.510.000

Source 12.Bancoldex. (2017). Clasificación de las empresas año 2017. Retrieved from https://www.bancoldex.com/Sobre-microempresas/Clasificacion-de-empresas-en-Colombia315.aspx

It is estimated that in Colombia there are 2,5 millions of micro, small and medium companies (Revista-Dinero, 2016) of which the 66% is divided within in Bogota, Cundinamarca, Atlántico, Antioquia, Valle del Cauca and Santander (Table 6).

Table 6. SMEs distribution

City – Department	# of SMEs (mipymes)
Bogota	740.069
Antioquia	294.359
Valle del Cauca	239.332
Atlántico	137.081
Santander	134.980
Cundinamarca	116.723

Source 13. Revista-Dinero. (2016). Mipymes generan alrededor del 67% del empleo en Colombia. Retrieved from http://www.dinero.com/edicion-impresa/pymes/articulo/evolucion-y-situacion-actual-de-las-mipymes-en-colombia/222395

According to Julian Dominguez, president of Confecámaras (Confederación Colombiana de Cámaras de Comercio), the main reasons why the country's economic activity is centred in the main cities (Figure 8) are:

- ✓ Skilled workforce.
- ✓ Greater promotion of entrepreneurship and innovation.
- ✓ More formalization.
- ✓ More production.

Figure 8. Map of SMEs distribution
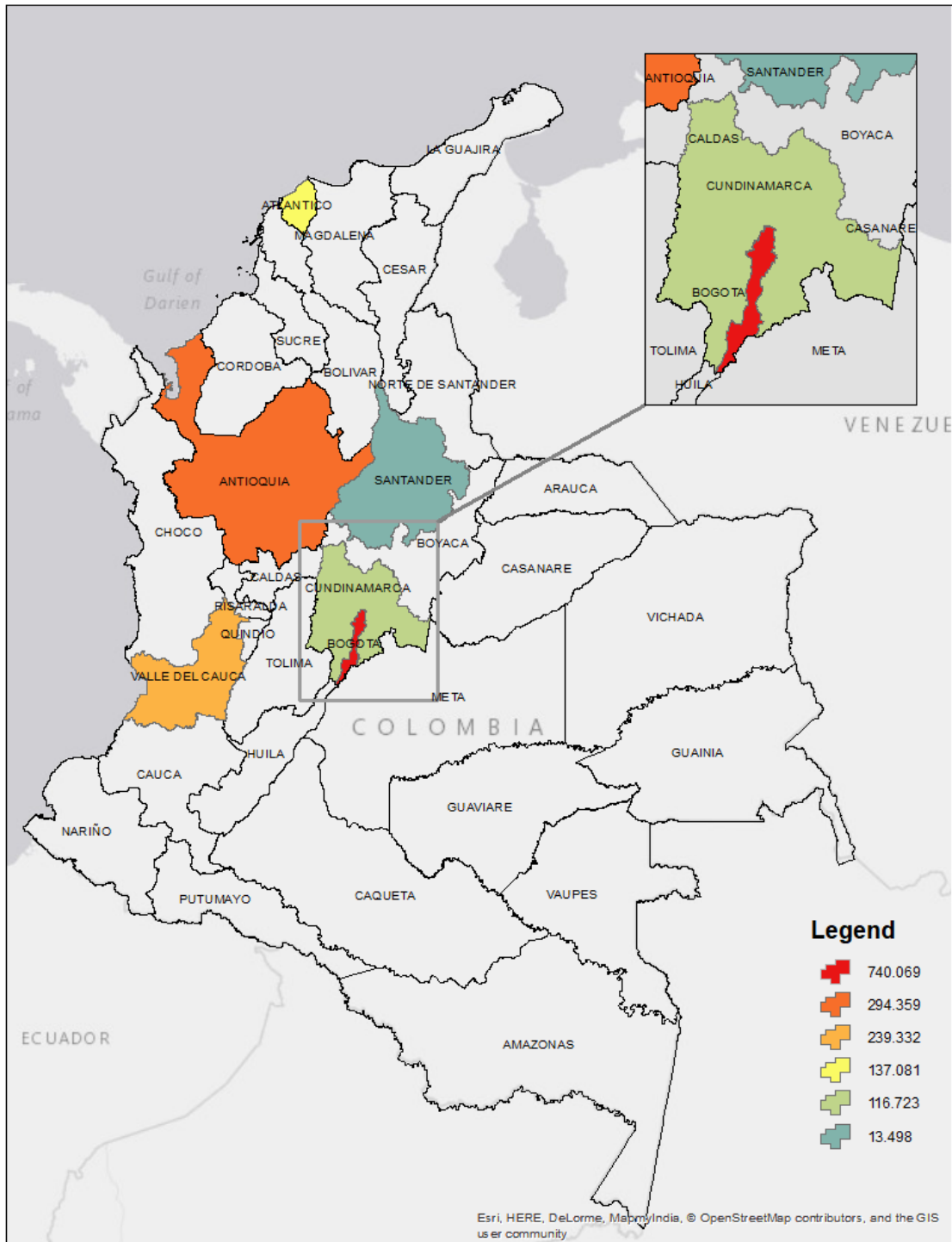
Source 14. Own illustration

The participation of the SMEs in the national production is more than 90%, these are the responsible of the generation of approximately the 35% of the Gross Domestic Product and, moreover generate the 80% of employment in the country (Figure 9) (Revista-Dinero, 2017).

Figure 9. Importance of the SMEs in Colombia.
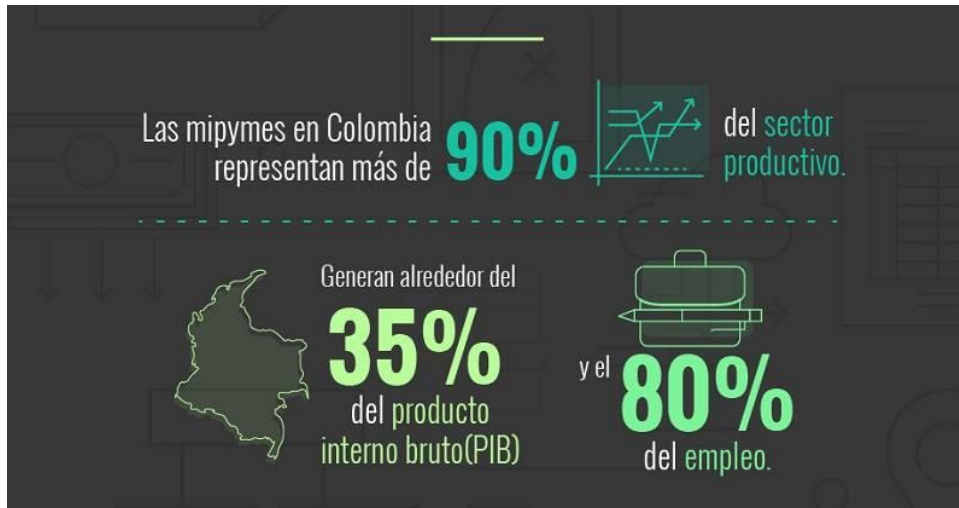
Source 15. Revista-Dinero. (2017). ¿Por qué las mipymes están relegadas del mercado exportador? Retrieved from http://www.dinero.com/economia/articulo/exportaciones-de-las-mipymes-en-colombia/241893

4.2. SMEs in Bogota

- The region of Bogotá – Cundinamarca is considered the most important economy in the country because of the market size, the variety of products and services offered and the number of companies. In addition to this, it generates approximately 30% of the Gross Domestic Product of the whole country (Cámara-de-Comercio-de-Bogotá, 2016).

- Between 2015 and 2016, there was an increase of approximately 4% in the creation of new SMEs, 68.000 new ones.

- With respect to the liquidated companies there was stability compared to 2015, which is attributed to the accompanying programs of public and private entities.

- In the city, the micro companies are predominant with an 86% of participation in the market, followed by the small and medium companies with an 13%, the big companies just represent the 1%,
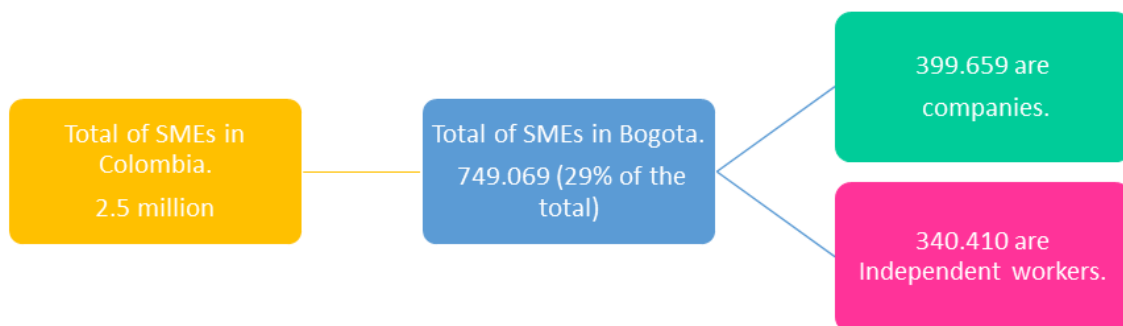
Figure 10. SMEs in Bogotá.
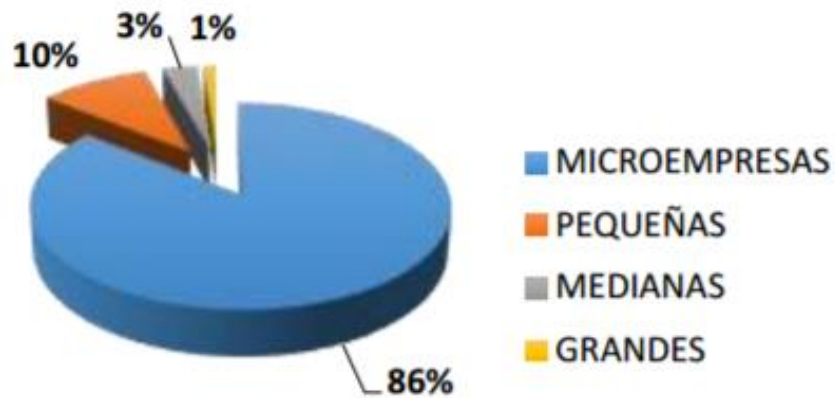
- As presented previously, in Colombia there are approximately 2,5 million of SMEs, of which 29% is in the city of Bogota, divided as follows:

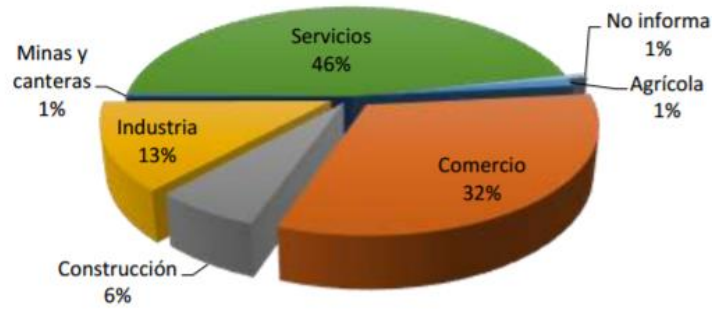*Figure 11. Quantification of companies Colombia and Bogota.*

✓ In Bogota, most the companies are dedicated to the personal and business services with an 46%, commerce 32%, manufacturing industry 13% and construction 6%. In Cundinamarca, the predominant sector is the agricultural.

Figure 12. Economic activity of the SMEs in Bogotá.

Source 18. Cámara-de-Comercio-de-Bogotá. (2016). Balance de la Economía de la Región. Bogotá-Cundinamarca.

CHAPTER 5. RESEARCH METHODOLOGY

The survey has been designed to know how the SMEs of Bogota manage the relationship with their costumers, seeking to identify which technological tools they use during this process focusing specifically on the use of the Customer Relationship Management (CRM), the implementation processes and its benefits. Besides this, for companies that have not implemented a CRM, it is sought to identify the reasons for not doing it and what are the means they use to take control of their customers.

The survey was submitted by 51 SMEs, located in the city of Bogota, which represents 1.27% of the total number of companies in the city. This one was conducted through the online platform of Google Forms (Figure 13) in Spanish and was answered by the owners or manager of each company.

The aim of the survey was to analyse four principal topics involving the customer management inside the SMEs. Firstly, was asked about the company's sector, business model and the current state of the CRM in the company (it is implemented or not). If the company has implemented a CRM, in the second section of the survey was inquired about the time with CRM implemented, platform, success factors, benefits and departments that make use of the CRM. If the company does not have a CRM, in the third part was inquired about the reasons for not using it and the current tool that they use to carry out the relationship with their customers. Finally, in the section 4 and 5, the questions were focused on general aspects about the customer relationship and the use of social media.

Figure 13. Google Forms Survey. Implementación de CRM en PYMES de la ciudad de Bogotá
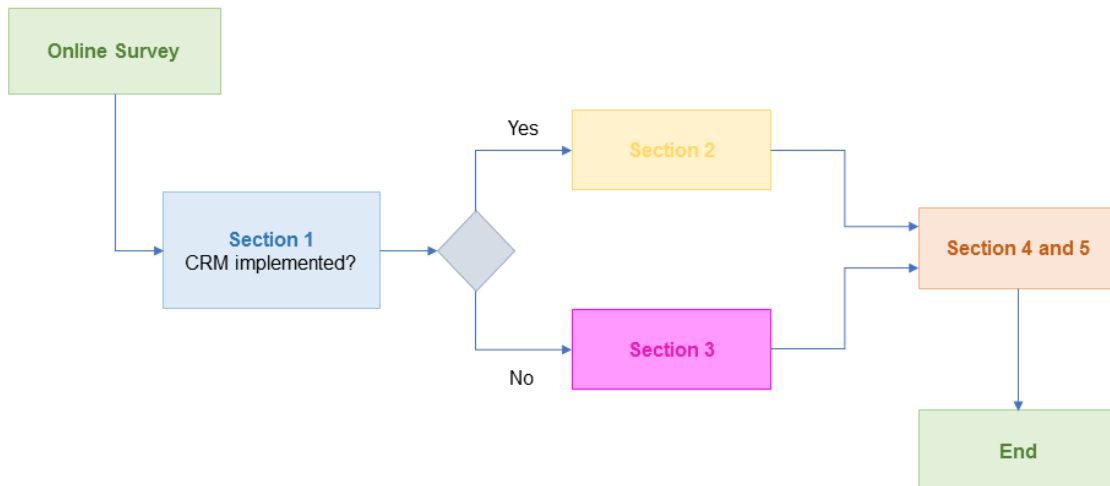

Source 19. Own illustration

Due to CRM has different approaches, the ***strategic approach*** is the basis of this study, considering the importance that represents to companies. This approach is focused on the creation and the improvement of the value of the product or service that is offered to the customers and stakeholders, to generate more lasting relationships, ensuring customer loyalty and satisfaction.

Based on that, the survey presented bellow has questions which are aimed at determining how the company (manager – owner) consider that CRM as a tool to improving. The relationship and also its perspective on certain criteria that are deemed necessary in a good relationship between a company and its customers such us: trust, commitment, satisfaction, fairness, and symmetry.

4.1.   Survey

As explained above the survey is divided in 4 sections (Figure 14), of which the second and third depend on whether the company has a CRM or not:

Figure 14. Survey Flowchart.

Source 20. Own illustration

Section 1

1. To what economic sector does your company belong?

- o   Services
- o   Commercial
- o   Industrial
- o   Other _____

2. What business model does your company handle B2B or B2C?

- o   B2B: Business to Business
- o   B2C: Business to consumer

3. Does your company have a CRM (Customer Relationship Management) implemented?

- o Yes
- o No

4. How long has the CRM been used in your company?

- o < 6 months
- o 6 months to 1 year
- o 1 to 2 years
- o 2 to 5 years
- o > 5 years

5. For the CRM do you use a technological platform online?

- o Yes
- o No

6. Is the CRM integrated with the Information System of the company?

- o Yes
- o No
- o Does not have

7. Which are the departments that use the CRM?

- o Marketing
- o Sales
- o Customer Service
- o Finance
- o Other: _____

8. What are the benefits of the CRM for your company?

- o Improve customer service
- o Improve customer experience
- o Allows to identify previously the needs of the client
- o Optimization of the sales process with new and current customers
- o Increases the customer loyalty
- o Other: _____

9. Which were the factors that contributed to the CRM implementation?

- o Support of managers
- o Inclusion of workers
- o Technological platform
- o Other: _____

Section 3

10. What are the reasons for not using CRM?

- o Lack of tool knowledge
- o Economic resources
- o It is not necessary
- o Other: _____

11. What tool do you use to keep track of your customers?

- o Excel
- o Database programs (Acces, MySQL, etc)
- o None
- o Other: _____

12. The decisions respect of your services and products are based on the customer's requirements, seeking to generate a mutual benefit?

o   Yes

o   No

13. Rate the importance of these factors in your relationship with your customers:

Table 7. Question 13. Crucial factors in the customer's relationship.

	Not significant	Moderately significant	Significant
Trust and Commitment	○	○	○
Satisfaction	○	○	○
Fairness	○	○	○
Symmetry	○	○	○

Source 21. Own illustration

14. Do you use social media as a means of communication with your customers?

o   Yes

o   No

15. What social networks do you use?

o   Facebook

o   Twitter

o   Instagram

o   LinkedIn

o   Google +

o   Web page

o   Blog

o   Other: _____

5.2. Survey significant results

As it was explained previously, in Bogota, the predominant companies are focused on the provision of services, but in the case of the practical case (survey), the commercial sector obtained the greater participation with 39% (20 companies), followed by the services sector with 35% (18 companies) and finally the industrial sector with 26% (13 companies) (Figure 15), supporting the fact that the last one is the third sector with more participation in Bogota's market.
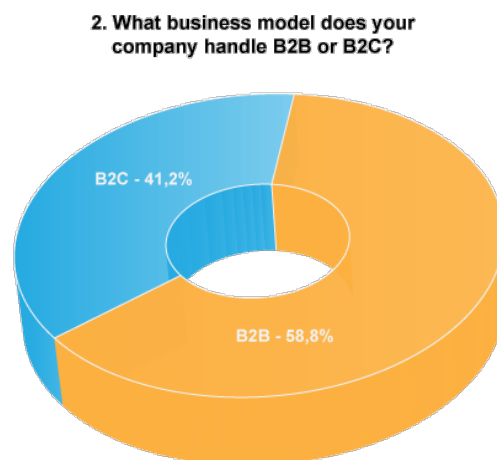
Figure 15. Survey Question 1.
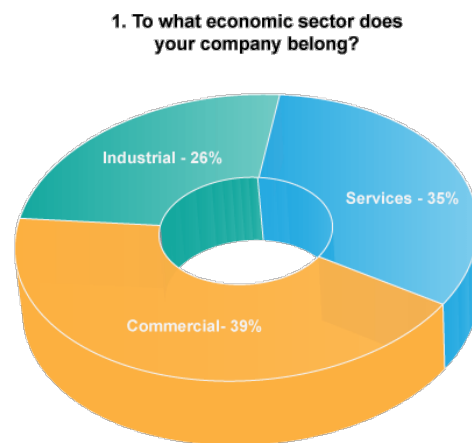
Source 22. Own illustration

Of the total od the 51 companies, the 58,8% (30 companies) is based on the B2B business model, and the rest with 41,2% (21 companies) use the B2C business model (Figure 16).

Figure 16. Survey Question 2.

Source 23. Own illustration

This fact is consistent in all the sectors, due to the B2B business model is the one that has greater participation in each of them (Table 8). This can occur because with his model, companies can be established in a more stable market, according with (Gil-Saura, Frasquet-Deltoro, & Cervera-Taulet, 2009) there are variables that contribute with the success of this model, such as *Relationship Value* which refers to the benefits that the company deliver to the customer: the service and the personal interactions are the main elements for providing value in the competitive industrial environments. *Trust*, which facilitates the generation of long-term relationships. *Commitment* relates to the belief by a partner that the relationship is so important as to warrant maximum efforts at maintaining it. Finally, *Loyalty*, which can be represented with the repurchase rate, purchase behaviour in a period of time and so on.

Table 8. Sectors VS Business Models

	B2B	B2C
Commercial	11	9
Services	10	8
Industrial	9	4

Source 24. Own illustration

Respect with the implementation of CRM, only 27,5% (14 companies) have implemented a CRM, the rest, 72,5% (37 companies) have not (Figure 17).

Figure 17. Survey Question 3.
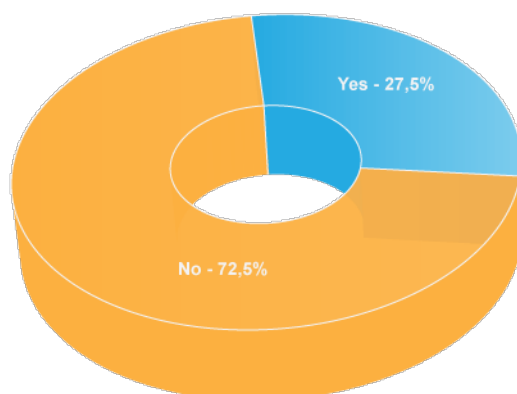
Source 25. Own illustration

Most these (50% - 7 companies) have been using the CRM for a period between 6 months to 1 year, followed by the period of 1 to 2 years with 4 companies (28,6%), then, two companies (14,3%) responded less than 6 months and finally the period of 2 to 5 years only got a response from a company, representing the 7,1% (Figure 18). None of the companies responded that they have used the CRM for a period of more than 5 years, which shows that although CRM has been in the market for many years, for the SMEs has begun to take on importance for two years ago, this can be because of lack of knowledge, lack of economic resources or because until now they see the need given the demands of the market.

Figure 18.Survey Question 4.

Source 26. Own illustration

Of the 14 companies that have implemented the CRM, the majority (6) of these are industrial SMEs, of which 5 are based on the B2B business model. 5 SMEs are commercial all of them focused in the B2B business model; the rest 3 companies belong to the services sector and 2 of them use the B2B business model (Table 9).

Table 9. CRM VS Sector and Business Model

| Sector	# Of companies	Business Model
Industrial	5	B2B
	1	B2C
Commercial	5	B2B
Services	2	B2B
	1	B2C

Source 27. Own illustration

The 85,7% (12 companies) of the 14 SMEs with a CRM implemented use an Online Technology Platform, this could be because using on premises services might increase the maintenance costs.

Respect to the integration of the CRM and the Information System of the companies, 7 of the 14 SMEs (50%) do not have a IS implemented, which represents that most the companies may be doing more work internally handling the information obtained from the client, which may cause errors, which can generate at the end of the process the increase of cost, delays in delivery times, customer dissatisfaction, or in the worst case the loss of the customer. The 35,7% (5 companies) have integrated the CRM with the IS and just the 14,3% (2 companies) do not have implemented an IS.

In terms of assessing the departments that are using the CRM in the companies, the results put in the first place the Sales Department with a 92,9% (13 companies), second one Customer Service Department with a 71,4% (10 companies) and in the third one Marketing Department with a 64,3% (9 companies) (Figure 19).

Figure 19. Survey Question 7.
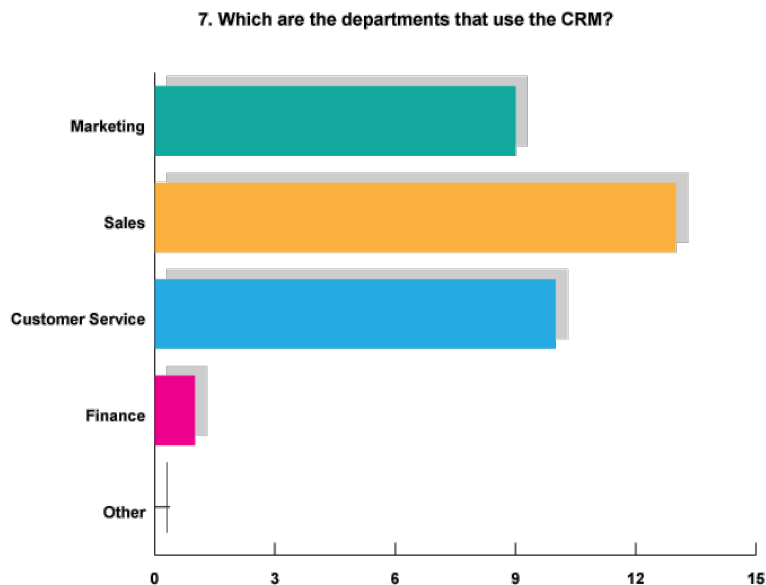
Source 28. Own illustration.

These results can be compared with the study carried out by (ThuyUyen H. Nguyen & Waring, 2013) with a sample of 568 SMEs located in Los Angeles from which 256 (45,1%) had adopted CRM technology and the remainder 312 (54,9%) had not. One of the points of the study was to establish which of the CRM features were more important for the companies; the results from CRM features adoption show that the majority of organizations in the sample use it for customer service and e-marketing (62,1%), being

these also part of the survey made to the companies of Bogota, placing in the second and third place respectively. Respect of the Sales Department, can be related to the feature of sales force automation that in the study carried out in Los Angeles was not a popular reason for CRM adoption with 35,1%, unlike the companies of Bogota, where it occupied the first place.

As was explained in the section 1,3 there are significant advantages and benefits that are important for the companies and can influence the decision to implement or not the CRM. In the case of the 14 companies, with s 87,5% (12 companies), the main benefits for them are the improvement of customer service and the optimization of the sales process with new and current customers. In the second place with the same percentage 42,9% (6 companies) the improvement of customer services and the fact that the CRM allows the identification of customers' needs in advance, and finally the increases of the customer loyalty whit 28,6% (4 companies) (Figure 20).

Figure 20. Survey Question 8.

8. What are the benefits of the CRM for your company?
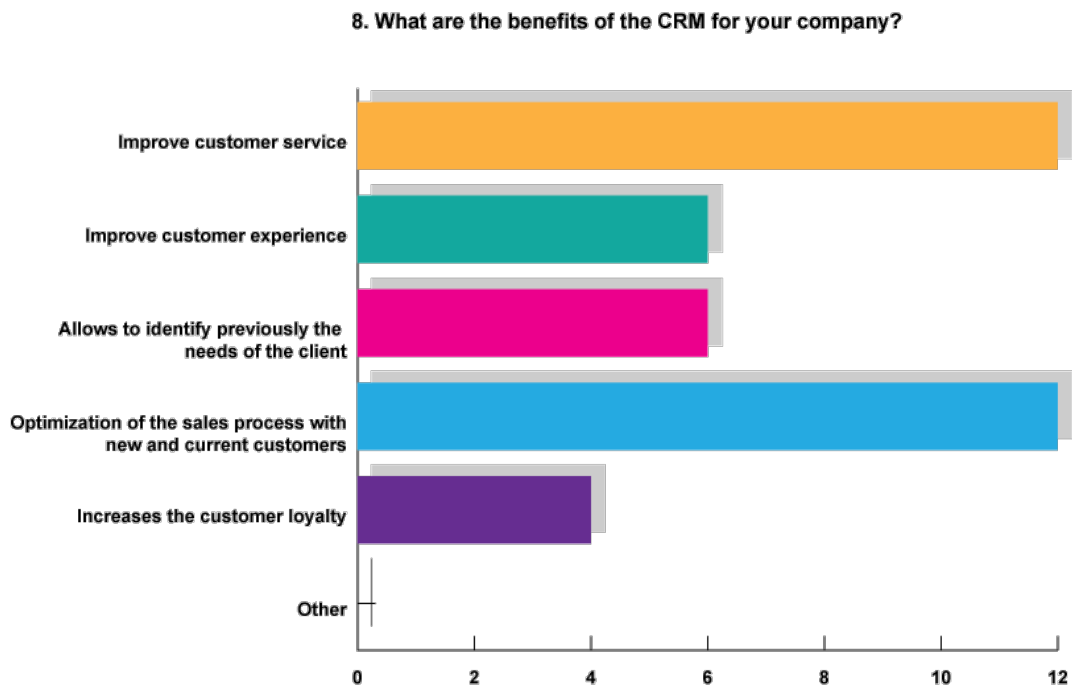
Source 29. Own illustration.

It is possible to relate the results of this survey with the study carried out by (Ko et al., 2008) between 299 companies in South Korea; in this one, The most frequently mentioned benefits were, in order, encouraging repurchase (m=3.82), collecting an accurate customer database (m=3.80), and increasing brand loyalty (m=3.79) (m = media). For instance, encourage repurchase could be possible through the good service

and the optimization of the sales process, because with these, the customer will perceive the value offered by the company, which will make the customer to be loyal to the company, generating more purchases and therefore more income for the company.

In terms of the factors that facilitated the implementation of CRM, the three that were assed with the survey were representative, but the one that was most accepted by the entrepreneurs was the Technological Platform with 78,6% (11 companies), followed by the other two benefits with 57,1% (8 companies) (Figure 21), which can be supported by the study of (ThuyUyen H. Nguyen & Waring, 2013) which states that the stronger the IT resources of the firm, will increase the likelihood that CRM technology will be adopted, similarly, the more involvement the employees are seen to have with the CRM technology adoption process, the greater the extent to which CRM technology will be adopted, and finally the management innovativeness, his/her ideas, their acceptance of change and the generation of new ideas, would facilitate the CRM adoption.

Figure 21. Survey Question 9.
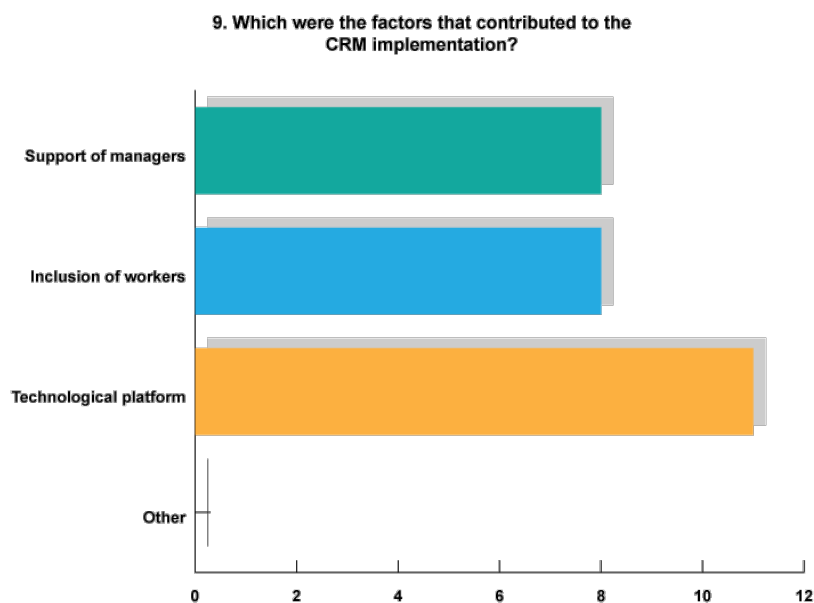
Source 30. Own illustration.

Respect of the companies that have not implemented the CRM software, 37 of the 51 SMEs in total (72,55%), 23 of these (62,2%) state that the reason for not doing it is the lack of knowledge of the tool, which may be due to the lack of interest of these companies or that the companies that supply CRM do not find this market appropriate to offer the service. 10 companies (27%) argue that the main reason is the economic resources, which can be related with the lack of knowledge, because there are many platforms that

offer the free online service, as Zoho CRM or Bitrix 24, finally 8 companies (21,6%) do not consider that the CRM is necessary to run your daily tasks (Figure 22).

Figure 22. Survey Question 10.
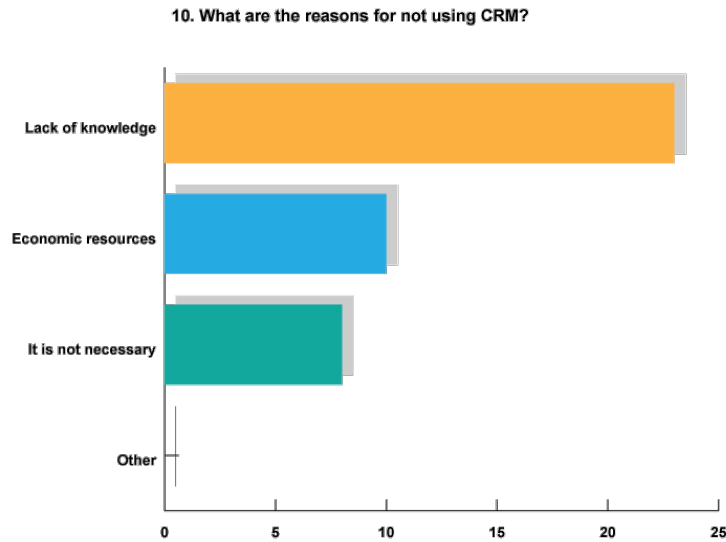
Source 31. Own illustration.

Replacing the CRM, these companies use the following tools:

Table 10. Other tools

| Tool		# of companies	% of companies
Excel		20	54,1%
Database programs (Acces, MySQL, etc).		10	27%
None		4	10,8%
Other	SAP	1	8,1%
	Siesa System	1	
	Files by hand	1	

Source 32. Own illustration.

As expected, most companies (50 companies – 98%) make their decisions based on the customer's need which generates a more stable, beneficial and lasting relationship.

The relationship between the customer and the organization is a vital factor for CRM to be effective. (B. Nguyen & Mutum, 2012) argue that there are four factors that contribute with the generation of a good relationship:

✓ *Trust and commitment:* "Trust is an essential component of commitment and conceptually, links with satisfaction and loyalty". The outcomes of relationships based on trust include: Improved co-operation, Increased commitment, Relationship duration and better quality.

✓ *Satisfaction:* Satisfaction and loyalty are positively related, when a customer is satisfied, is more inclined to remain in a relationship, whereas a dissatisfied customer is likely to look for alternative options.

✓ *Symmetry:* In a symmetric relationship, members have equivalent stakes in the relationship.

✓ *Fairness:* "Distribute fairness is based on the weighing of relationship rewards versus relationship obligations and thus, looks at the outcomes of a particular relationship. Procedural fairness is based on whether the used procedures and processes are fair, and thus, more behaviour-oriented independent of the outcomes"

Having this into account, in the survey is evident that for almost all the companies these factors also are relevant (Figure 23).

Figure 23. Survey Question 13.
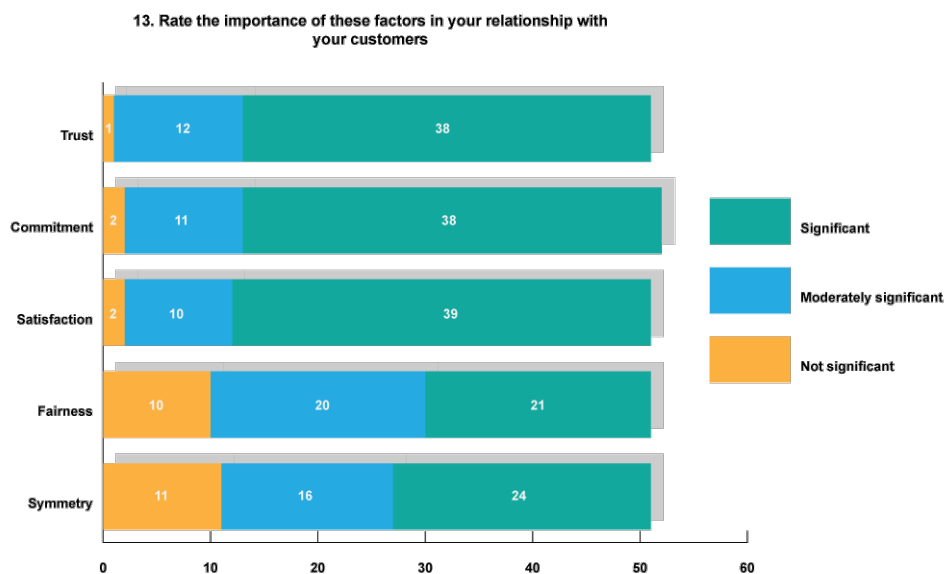
Source 33. Own illustration.

The technological advances have developed the concept of Social CRM, in which the interaction between the customer and the company increase, engaging the customer in a collaborative conversation, understanding the customer on a more meaningful level ((Greenberg, 2010). To generate a collaborative and a participative relationship with the customers, organizations are using the social media to facilitate the communication and interaction. According to (Kaplan & Heanlein, 2013) social media has in fact taken the Internet usage back to its roots as a platform to share and be connected.

The importance and power of the social media was also demonstrated in the survey made to the SMEs of Bogota, because the 80,4% (41 companies) makes use of this as a communication strategy with their customers, the remaining 19,6% (10 companies) do not make use of the social media.

As it was expected, Facebook and the web page were the predominant responses with 92,7% (38 companies) and 75,6% (31 companies) correspondingly. This is also blunt with the fact that in Colombia there are 24.000.000 of registered users in Facebook which positions the country in 17th place worldwide in terms of user level, specifically in Bogota, there are 6.800.000 users (Abad, 2015), this mean that companies could find a direct communication channel with their customers, giving them the opportunity to give feedback and thus establish a collaborative relationship (Figure 24).

Figure 24. Survey Question 15.
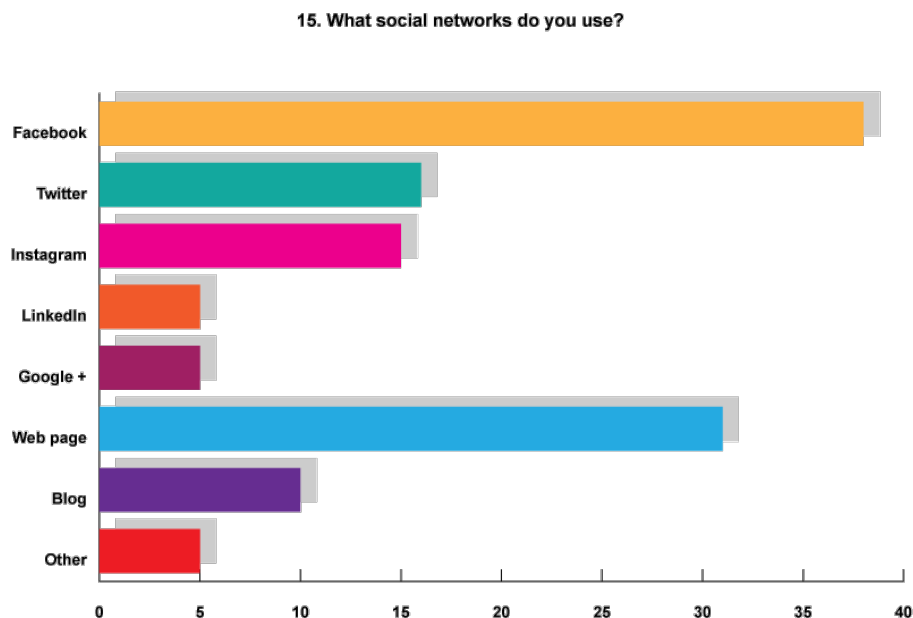
Source 34. Own illustration.

The first three social networks most used for the companies, Facebook, Web Page and Instagram, can be given that currently in Colombia 60% (Mejia, 2015) of social network

traffic is given through mobile devices, which causes that users can interact with most frequent with the brands. Specifically, with respect to Instagram, given the simplicity and ease of use of it, many companies are deciding to use it because 53% of the population aged 18-39 is in this social network.

According to a study carried out by the Ministry of Information Technology (Tecnosfera, 2016) for 66% of the citizens, the internet has become a tool that generates more job opportunities and 58.8% of Colombians see on the internet a tool to work collaboratively. The study also shows preference for social networking (78%), followed by music applications (77.5%) and games (69.5%). Fourth, entertainment apps (58%) and education (52%) are in fifth place.

CHAPTER 6. CONCLUSIONS

The relationship between organizations and customers is taken more importance due to the constant changes and the competitive market, for this reason, companies are using the CRM, but for doing this, is important to have into account some factors that can enhance the implementation and use of it.

✓ First, managers should understand and define what is the main objective of implementing the CRM, because with this they can identify what the actions to take are and what is the best way to do the implementation, having clear the objectives and the goals to fulfil. It is important to clarify that to have a successful application and a completely understanding of the CRM, the top management must be involved and engaged during all the process because they are the leaders, head, and controllers of the strategy, the employees, must see in them and example and guide to follow.

✓ The second aspect that organizations must contemplate is the integration and training of workers. More integrated to the process the workers are, their acceptance of the change will be higher, which will facilitate the implementation of the CRM because they are going to know what are the reasons and benefits for them to have a new tool (CRM) involved in their work. However, in turn, the training of the workers in the use of the tool is crucial, because if they do not know how to use it, however much acceptance there is, the execution will not be as expected.

The company must ensure that the IT knowledge of the workers meets the basic needs to give correct use to the CRM; workers should see the CRM as a support tool, which will help them to develop their work more efficiently and effectively.

The combination of integration and training of the workers with a specific plan or strategy can increase the likelihood of success, which will represent the attraction of more customers. Although the usability of the CRM, offering good customer service and good outcomes thus increasing customer's loyalty, leading to the generation of more lasting relationships.

✓ It is important to highlight that the strategic and the culture of the company must have a customer-centric focus, in which the companies no just offer an excellent customer service but also providing a great experience from the stage of mutual knowledge to the final purchase, and finally through the post-purchase. Setting the clients in the

first place, focusing all strategies, services, and products according to their needs and requirements.

Understanding customers, companies can tailor their offerings which will allow them to increase their sales and thus obtain more profits. In addition to this, companies can reduce their losses, because errors and misunderstandings will be reduced because the information collected can be handled more efficiently.

✓ Understanding customers, companies can tailor their offerings which will allow them to increase their sales and thus obtain more profits. In addition to this, companies can reduce their losses, because errors and misunderstandings will be reduced because the information collected can be handled more efficiently.

Regarding the use of the CRM in the SMEs of Bogota, it is evident that this concept is still largely unknown to most them because only the 27,5% (14 companies) have implemented the CRM, this can be due to:

✓ The directors of this type of enterprises do not trust this sort of online platforms, due to their lack of knowledge on its operation and functionality. This fact was the predominant in the question 10 with a 62,2%.

✓ The Innovation and moving forward to new technologies is not the focus of these companies' culture. Therefore, they prefer to manage their information through common tools such as Excel or the same files carried by hand. In fact, according to this research 54,1% of the businesses that are not using the CRM, having Excel files as a tool for an internal information system.

✓ There is another fact that could affect the implementation of these sort of strategies presented in this work; It is the lack of internal organization. If company' departments don not have common goals, attempts to improve are not succeed.

✓ Inexistent diffusion of new technological possibilities by the government and public entities can also influence the lack of use of the CRM given the gap of knowledge that these corporations have regarding new technologies. The government should implement new and efficient marketing campaigns presenting new technological tools useful for companies especially government authorities.

✓ Finally, it is clear that CRM providers are not focused on offering this service to this type of companies, which means that there is a gap in the market, which can be represented as a business opportunity.

Analysing the companies that have implemented the CRM (27,5% - 14 companies), in each sector, industrial, commercial and services, the business model that is the predominant is the B2B; this may be possible given that the possibility of establishing lasting relationships with these types of customers (companies) is higher because the purchase decision is more rational than impulsive, which can be influenced by: specifications, price, warranty, speed of the delivery, etc; therefore if the selling company has the ability to identify the needs and expectation of the customer and knows how to manage this information, the success of the sale and retention of the customer will be greater.

As has been explained, with the strategic approach of the CRM, companies are seeking to improve the relationship with the stakeholders and customers, offering for instance, a better service and a better experience. This is how these are two of the main reasons that companies that have a CRM identify as the main advantages of it.

From my own experience, I can say that for these companies the use of these tools can create a collaborative work, in which it is easier to carry out teamwork, all focused and directed towards the same goal.

Given that these enterprises are important to the Colombian market, managers and workers must be prepared and willing to innovate constantly, to be able to create more competitive companies, so as not to be displaced by large companies or other SMEs.

Respect to further studies, the following options can be considered:

- ✓ The same study can be developed but with a more representative sample, therefore, better results will be obtained.

- ✓ Future research can make the comparison of the state of the use of CRM within the different cities of Colombia, to be able to determine in which of them is more predominant its use, and thus to establish what are the reasons or strategies, to be able to apply them in the other cities.

- ✓ It would also be important to be able to analyse in the same cities, what kind of companies have CRM, what are the reasons for the implementation and which factors influenced the success of it.

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