



Retain your customers

“A customer is the most important visitor on our premises.

He is not dependent on us.

We are dependent on him.

He is not an outsider in our work.

He is the purpose.

He is not an outsider to our business.

He is a part of it!

We are not doing him a favor by serving him.

He is doing us a favor by giving us an opportunity by doing so.”

Gandhi

Bachelor thesis within Business Administration

Authors: Mårtensson Ann

Sandberg Per

Scharmer Carl

Tutor: Agndal Henrik

Jönköping June 2005

Bachelors Thesis in Business Administration

Title: Retain your customers

Author: Mårtensson, Ann
Sandberg, Per
Scharmer, Carl

Tutor: Agndal, Henrik

Date: 2005-06-01

Subject terms: A research concerning customer relations

Abstract

Customer relations are of great concern for companies, even more today than before since the business environment is more competitive due to the increasing number of actors in the market. Regarding service firms, the relations are of even greater importance due to that services are more complex than products and also more correlated to the actual firm than a physical product. Firms within this business therefore have to concentrate even more on their customer relations. With this in mind, strategies about customer relations are discussed in this thesis as well as customers' needs, satisfaction and loyalty. If a company does not fulfill the customer's needs and expectations it will be difficult to get satisfied and loyal customers. It can be the small details that can make the difference between a satisfied and a dissatisfied customer. This can be; listen to the customers, observe them and try to find similarities between the customers, their businesses and the consultants business, to find synergies between these. In addition, to help the customers to develop and change, let them give feedback and complain, so the company can identify how the company performs. This will hopefully end up in loyal and satisfied customers.

To see how a company manages its customer relations, interviews with a specific company and its customers will be conducted. The company's view will thereafter be compared with their customers' view as well as the theory, to try to find similarities and differences between them. Conclusions are drawn from aspects where the company and its customers have unlike opinions as well as where the opinions are similar. It can also be concluded that the chosen company's customer relations and how these are retained differs from the theory in some approaches.

Table of Contents

1	Introduction	1
1.1	Satisfy customers	1
1.2	Why satisfy	2
1.3	Purpose	3
1.4	Disposition of the study	3
2	Frame of reference	4
2.1	Terminology	4
2.1.1	Quality	4
2.1.2	Services	4
2.2	The customer	5
2.2.1	Customer needs	5
2.2.2	Customer satisfaction	6
2.2.3	Loyal customers	6
2.3	Customer relationship management	7
2.3.1	The function of CRM	8
2.4	Business relations	9
2.5	Strategies for customer relations	10
2.5.1	Building lifetime customer relations	11
2.5.2	Manage the client base and chase the client not the money	12
2.5.3	Listen to the clients and ask the right questions	13
2.5.4	Gain feedback and convert complaints into opportunities	14
	Strategies for turning dissatisfied clients into loyal, lifetime clients	15
2.6	Summary	15
3	Method	17
3.1	Introduction	17
3.1.1	Qualitative research	17
3.1.2	Why qualitative research	17
3.2	Case Study	18
3.3	How the interviews were conducted	18
3.3.1	Interview guide	19
3.4	Selection of respondents	19
4	Findings at System MS Solution AB	20
4.1	Information about System and System MS Solution AB	20
4.2	Information from interviews at MS Solution	21
5	Findings at System MS Solution AB's customers	25
5.1	Interview with Andersson AB	25
5.2	Interview with Bengtsson AB	26
5.3	Interview with Carlsson AB	28
5.4	Interview with Danielsson AB	29
5.5	Interview with Eriksson AB	30
5.6	Interview with Fredriksson AB	32
5.7	Interview with Gustavsson AB	33
5.8	Interview with Henriksson AB	35
5.9	Interview with Ivarsson AB	36
5.10	Interview with Jonsson AB	38

5.11	Interview with Knutsson AB	39
5.12	Interview with Larsson AB	40
5.13	Interview with Magnusson AB	42
5.14	Interview with Nilsson AB	43
5.15	Interview with Olsson AB	45
5.16	Interview with Persson AB	46
5.17	Interview with Rikardsson AB	48
6	Analysis	50
6.1	Building lifetime customer relations	50
6.2	Manage the client base and chase the client not the money	53
6.3	Listening to what the customer is saying and ask the right questions.....	55
6.4	Gaining valuable client feedback and converting complaining clients into lifetime clients.....	56
7	Conclusions	58
8	Discussion and final remarks	60
8.1	Critics of the study	60
8.2	Evaluation of the interview.....	60
8.3	Suggestions for further studies	61
8.4	Final remarks.....	61
	References.....	62
	Appendix 1	65
	Appendix 2, Questions to System MS Solution AB	66
	Appendix 3, Questions to System MS Solution AB customers	68
	Appendix 4, Frågor till System MS Solution AB	70
	Appendix 5, Frågor till System MS Solution AB Kunder	71
	Table 1, Contacts in the relation.....	50
	Table 2, Customer valuation	52
	Table 3, Prioritizing	54
	Table 4, Listening to the customer	55
	Table 5, The influence of feedback	56

1 Introduction

A discussion about customers and how they react towards their suppliers and why this is a problem.

1.1 Satisfy customers

Many companies focus on finding new customers instead of retaining and satisfying the existing customer base. However, since competition among companies is tough the retention of customers has become more important than the acquisition of new customers. In recent years companies have realized that a critical success factor is not a single transaction but the creation of long-term relationship. Nowadays, marketing and sales is more about relations and interactions; therefore, focus has changed from transaction to relations and networks (Almerup-Cooper & Edvardsson, 1998). It is thus of great importance for companies to preserve and develop their existing relations and also as a company to really manage to do that. With respect to service firms and their products it is even more important how the company acts, since service products are more connected to a firm than physical products. As many markets are highly competitive, suppliers that do not respond to customers' needs will not succeed in retaining their customers.

As an example, John Chambers, CEO of Cisco Systems spends 80 percent of his time interacting with customers. He recommends executives to allocate at least 50 percent of their time to face-to-face conversations with customers. According to Ridarstråle and Nordström (2003) this is probably the easiest and least expensive experience one can ever make in customer relationship management.

Business-to-business markets differ from business-to-consumer markets in several aspects. Business-to-business markets are characterized by fewer, larger and professional buyers, and closer relationships. In the business-to-consumer market the relationship is usually not as deep as in the business-to-business market. Within the consumer markets it is often easier to switch the supplier due to the number of firms offering the same kind of products and services. In a business market, however, both the seller and the buyer are less willing to terminate their relationship. The reasons for this are the difficulties associated with the change of the supplier, the complexity of the product/service and the costs involved. Service firms often have a high degree of customization and face-to-face interaction, since that it is to a large extent what their business is about. With the growth of the service industry and the importance of the interaction between service firms and their customers (Hollensen, 2004), this is an interesting subject in changing business environment. This thesis will focus on a service firm in the consultancy sector positioned in southern Sweden. In this business good customer relations are vital.

According to Almerup-Cooper and Edvardsson (1998) dissatisfied customers are more willing to communicate their opinion than satisfied customers. Customers who are pleased with a service will only spread their satisfaction to seven to nine contacts, while dissatisfied customers will spread their displeasure to approximately 15 to 20 contacts. Although these

numbers vary among different studies, unsatisfied customers certainly spread their opinion more than satisfied customers. According to research conducted by US news and World Report, 68 percent of customers are lost because of a lack of interest from the supplier. This implies that it is of great importance for companies to satisfy their customers. The majority of companies which are contacted by new customers have been recommended by previously satisfied customers. This does not only show that customer satisfaction is crucial and but also illustrates that the price of the product and the competitors play a small role in the consumer's mind (Almerup-Cooper & Edvardsson, 1998).

1.2 Why satisfy

The cost of acquiring new customers is ten times higher than retention of existing customers (Almerup-Cooper & Edvardsson, 1998). This illustrates the importance for companies to manage the relationship with existing clients. To be able to exist, a company needs customers; to survive in the long run, a firm ought to retain long-term customers. When companies face the problem of losing customers, many of them believe that this occurs due to competitors' competitive advantages. However, it has been proven that the customers' main reason for changing suppliers is in fact the lack of interest of the existing suppliers. Companies often do not know how costly it is to acquire a new customer in comparison to retaining an existing one (Ridarstråle & Nordström, 2003)

Satisfied customers furthermore communicate their opinions concerning their suppliers; they thus represent an excellent source for companies that intend to acquire new customers. Customer care is thus an inexpensive marketing approach, due to the free publicity the companies obtain through word-of-mouth. This shows once again how important it is for companies to allocate both time and resources to their customers and products. Due to increasing competition both from existing and new players, it is imperative for companies to strengthen their existing relations in order to be able to survive in the long run. From a third parties perspective, the retention of customers of service firms is not that problematic as there is a great intricacy for customers when changing the supplier. Due to the great resources the customer has to expense to change the supplier the risk for the supplier of losing a customer is small. Service firms closely cooperate with their customers and thus have a close relation with them. Therefore, good communication between the supplier and the customer is crucial for a well-functioning collaboration. Hence, the two parameters; a bad customer relation and the increasing competition in the service market, implies that the supplier has to retain its existing customers.

The authors of this thesis have asked themselves the following questions before they defined the purpose below. How do customer relations work in reality? How can companies establish good customer relations? What are the key aspects in gaining trust? How do the customers reflect upon the relationship? Do customers perceive the supplier as the supplier wants them to?

1.3 Purpose

The purpose of this thesis is to examine how a company manages its customer relations (retain, deepen and develop) in comparison with the theory and their customers' opinions.

1.4 Disposition of the study

The following disposition outlines the structure of the study:

- **Chapter 1: Introduction** with discussion about **Satisfy customers** and a problem discussion which is defined in **Why satisfy**. This ends up with the **Purpose** of the thesis, followed by **Disposition**.
- **Chapter 2: Frame of reference** with terminology, theory and strategies that will structure the interview guide and help analyzing the empirical material and reach conclusions.
- **Chapter 3:** Choice of **Method** and how the authors conducted the interviews.
- **Chapter 4:** The empirical research is presented with the information about the contractor, System MS Solution AB, and material from the interviews with the employees.
- **Chapter 5:** The empirical material assembling from System MS Solution's AB customers is presented.
- **Chapter 6: Analysis**, where the empirical material and frame of reference is used to find answers to the purpose of the thesis.
- **Chapter 7: Conclusion**, presents conclusions from the theory in comparison with the purpose.
- **Chapter 8: Discussion and final remarks**, is presented as well as suggestions of further studies.

2 Frame of reference

Beneath this chapter the theoretical aspects of how to maintain customers will be scrutinized. Initially the terminology services and quality will be explained, thereafter theory about customers and how to make them loyal is described partly through the expression, customer relationship management. Finally, strategies for handling customer relations are described.

2.1 Terminology

This chapter aims at explaining the important terminology for this thesis. To present further understanding, throughout the thesis.

2.1.1 Quality

The definition of the term quality has changed during last years, from a requirement for durability; to today's definition which is more customer-focused in example; *to fulfill customers' wants and expectations*. A good quality strategy involves always having the customers in mind and trying to improve all the processes within the firm. This conveys the importance of co-ordination of the entire firm in the same direction, not only the production team. Additionally, it is important that all employees know what their work means for the end customer (National Encyclopedia, 1993). Many Japanese companies adopted this method early. It depends on, two Americans that affected many Japanese managers. Hence, concerning the importance of quality and the underlying factors to achieve this. This specific thought is reviled by the quality among Japanese products. Within the Americans philosophy it is central that every employee feels responsible, is engaged and has the opportunity to develop their capabilities. The significance of continuous quality improvements is enacted by the two Americans (National Encyclopedia, 1993). Juran (1998) defines quality as "*fitness for use*". To emphasize the term quality, management's involvement and quality work have to permeate the entire organization (Juran, 1998).

2.1.2 Services

The word service has many meanings, ranging from personal service to service as a product. Literature suggests a number of definitions of the term services. Kasper (1999) defines services to be; *initially intangible and relative quick perishable activities*, whose trade takes place in an interaction process aimed at creating customer satisfaction. Characteristics of a service are; *intangible, inseparable, variability and perishable*. This implies that a service cannot be perceived by the five senses or stored in a warehouse; instead it is produced upon delivery. The quality depends on who provides the service, when, where and how (Kotler, Armstrong, Saunders & Wong, 2002). Because of these characteristics, services are more difficult to sell than physical goods; important factors to take into consideration regarding services are the behavior of the firm and the promotion. Moreover it is more complicated to achieve and measure the quality of services than of goods; due to the characteristics mentioned above. Service quality is furthermore difficult to measure as services are people-oriented and as their perceived quality depends on customers' expectations. Defective

products can easily be replaced or repaired; however, services that have already been consumed or completed and therefore a mistake cannot be restored that simple (Macdonald, 1994). To be able to achieve customer satisfaction after a service failure it is important to have an effective service recovery (Boshoff, 1997). Established customers tend to have higher expectations of the recovery effort than new customers (Ruyter & Wetzels, 2000).

Today's customers are aware of quality and have high expectations concerning the product they purchase (Macdonald, 1994). To generate high quality service the company ought to produce better quality solutions for their customers and listen to their needs. "*Customer satisfaction from a people business actually starts with satisfied employees, employees that find joy in their work*" (Macdonald, 1994 p.3). This statement shows; that generate a good service quality, organizations need to implement this way of thinking in the whole organization to reach quality improvement. Service recovery efforts are more important in the short-term, while service reliability is needed to build long term relationships (Brown, Cowles & Tuten, 1996). The result of the service recovery procedure improves service quality, customer satisfaction, customer loyalty and customer trust (Ruyter & Wetzels, 2000).

2.2 The customer

This chapter will discuss the customers, what their needs are and how to get customer satisfaction. The definition of the customer is; a person that purchases or uses a company's services (Nationalencyklopedin, 2005). In the thesis the customer is an organization rather than a person.

2.2.1 Customer needs

To please customers a company ought to exceed customer's expectations. Owing to, the need of customers is not only related to the service that the company provides. When customers enter into relations with businesses, they have expectations about several aspects of the interaction and about what is being experienced. There are several aspects that impact customer satisfaction. For instance, a restaurant that serves great food will not retain customers if the interior of and the atmosphere in the restaurant are not pleasant. It is therefore important to spend time on investigating what exactly is traded between businesses and their customers. Customers are always sacrificing something, when purchasing a service; it is mostly about money but can as well be other aspects. In addition, customers put time and effort into a purchase, for example, the collection of information and the exclusion of other alternatives. What the customer will get in return is very complex, it is too easy to say that customers only want the core product. Therefore, it is necessary to examine what adds value to the service for the specific customer. For companies, it is essential to respond to the needs at all levels, from the basic product or service to, the delivery and the interaction between the staff and the customer. This creates positive energy through all processes. It is important that the person how is responsible for customer service has a profound understanding of customers' expectations and needs. When meeting and exceeding these expectations and addressing customer needs adequately a firm creates customer satisfaction (Timm, 2002; Whalley, 2001).

2.2.2 Customer satisfaction

The better the relation between a company and their customers can be maintained, the more a company can concentrate on serving established customers and on using resources to sell other products to faithful customers. This implies that companies do not need to focus on finding potential customers that are in general, less profitable than existing customers. Therefore, companies can focus on finding new customers (Grönroos, 2003). Good service hopefully leads to customer satisfaction and is a crucial factor in creating customer loyalty (Timm, 2002). Even if a company tries hard to generate quality and provide excellent service this is not so important, if they do not put effort into satisfy the customer in other ways. If a company's customers are not satisfied they will naturally stop doing business with the firm in the long run (Gerson, 1993).

Customers purchase products and services with certain expectations. They know how they will feel and react when they use and experience the service (Barnes, 2000). Whether or not the customers' expectations have been met depends on the perception of the individual. For example, when customers purchase a service they expect it to work properly, if it does the customer is satisfied and the other way around if it does not work appropriate. It is the seller's responsibility to find a way to solve the problem, which hopefully will make the customer satisfied and this is made when the problem is restored to the customer's approval (Gerson, 1993). Customers have expectations for each part of the process, the purchase, the performance and the consumption of the service. The customer will be satisfied if all the expectations have been met. If customers are pleased about their treatment during the process, they are more likely to come back for additional purchases and recommend the firm to their surroundings by using word of mouth. They are also less likely to turn to competitors since sustained customer satisfaction leads to long-term relations which increase the profitability of the firm. What should not be forgotten is that marketing is not only about single transactions and making sales; it is about satisfying the customer (Barnes, 2000).

2.2.3 Loyal customers

Loyalty involves for example an unselfish belief in organizations or an emotional commitment to friends. However, loyalty in the business world differs, as customers do not consider purchasing in only one shop for every need. Hence, organizations that want to retain their customers need to achieve a little extra goodwill an incremental shift in buying behavior. This effort contributes to the financial success of the business (Humby, 2004). Bowe and Chen (2001) argue that there is a positive correlation between customers' loyalty and profitability. Loyal customers carry out more repeated purchases and are less likely to search for better alternatives, than non-loyal customers (Example in appendix 1).

Customer loyalty has been categorized as behavior, such as comprehensive loyalty and the probability of repeated purchases. Additionally it has been categorized as an attitude for instance; *brand preference, commitment and intention to buy*. Bowe and Chen (2001) present four ways of measuring customer loyalty; *purchase behaviour, attitudinal measurements* which reflect

the emotional and psychological attachment inherent in loyalty, *engagement and allegiance*. Then they combine these dimensions and measure loyalty by customers' *product preferences, tendency of brand-switching, frequency of purchase and total amount of purchase*. Lee, Lee and Feick (2001) distinguish this in another way; *repurchase intention, resistance to switching to a competitor's product that is superior, willingness to recommend preferred company's products to associates and willingness to pay a higher price for quality*. However, measurement problems may occur; repeated purchases, for example, are not always the result of a psychological commitment toward the brand (TePeci, 1999). There are also occasions when customers have a preferable attitude toward a specific service, even though the customer does not use this particular service (Toh, Hu & Withiam, 1993).

2.3 Customer relationship management

The concept customer relationship management, hereby referred as CRM, was developed in the late 1980's when computers usages started to become common in firms. At that time CRM was simply a contact management tool. With the increasing spread of the internet and e-commerce during the mid 1990's, more information on companies and products became available for the customers and vice versa. Owing to the customer's extended information flow many companies tried to find a way to handle this to retain the escaping customers. To customize customer behavior one early approach was to document the purchase patterns of the customers. This became popular among many companies since a lot of suppliers offered systems that could automate sales and marketing processes. The systems also synchronized call centers, dispatch and other customer related areas within the company (Reynolds, 2002).

The term CRM has its origin in the expression "*the customer is always right*". In its most plain way, CRM defines the way an enterprise finds, attracts and retains its customers (Reynolds, 2002). Identification, differentiation and interaction with customers are another way of defining the term according to Newell (2002). CRM is much more than this definition shows, it is considered to help companies to constantly act commercially via all channels and functions. According to Reynolds (2002) CRM and what it really is can be defined in many ways. It is neither a technological or pure marketing initiative, nor an exclusive sales or a service initiative. Rather, CRM is more of a strategy which requires technology. In addition, it is a tool that helps companies to manage the relation to their customers via methodologies, technologies and e-commerce. Information like customers' preferences, demographics, and products purchased during the years helps the company to get a clear picture of the actual customers. The collected information is then used by the sales department, the management and the service personnel and other staff to forecast customers preference; service, quality, marketing, etcetera (Stone, 2001). Roberts-Phelps (2001) defines CRM in the following way; *in its simplest form it is seen as an attitude, a mindset to value your business relation with your customers*. It is also claimed that it is a method that develops the organization around the customers. As already mentioned it is crucial to get firm to work in the same direction. Customers have to be seen as individuals that have their own choice and should thus be served in an appropriated way.

When managers realized the importance of a good relation to their customers and started to gather information on them, they decided to create a loyalty program. A lot of marketing people believe that costly discounts buy loyalty. Newell (2000) has learned through consulting that a company cannot buy loyalty; instead, the company should create loyalty by offering value in ways that are significant to the customer. The method of doing this is according to Newell (2000) CRM. The author furthermore claims that CRM is a process of learning and understanding customers, for example what is important for them. This gathered information should then be used to supply the clientele with benefits as well as to make it uncomplicated to do business with the actual firm (Newell, 2000). One way to deal with customers' uncertainty and problems is to have a personal contact between the supplier and the customer. (Ford, Gadde, Håkansson, Lundgren, Snehota, Turnbull & Wilson, 1998).

2.3.1 The function of CRM

Customer retention, the development of customer potential and the de-selection of customers are the three fundamentals of CRM according to Roberts-Phelps (2001). The first step it is of great significance to realize the importance of retaining customer and not just trying to find new ones. Additionally, it is not motivating for personnel to serve customers that will switch to another firm soon. The second step of this approach is to increase customer profitability in terms of spending and frequency. Furthermore, the last step deals with the identification of profitable customers. It also emphasizes that firms should try to relieve customer which are not consider to be profitable in the long run. There is an additional four steps management program to get closer relationships with customers; *segmentation, analyzing current behavior, developing a strategy to achieve target behaviors and behavior maintenance*. Segmentation should be done in terms of the customer's value and manners. Analyzing current behavior is about value; potential value and historical behavior. An example could be the customer's purchasing frequency and how well the customer has responded to different marketing activities. These parameters should be evaluated with existing buying patterns and their present behavior and should as well be compared with the future and the ultimate loyal customer. After having gathered this information, the company has to develop a strategy to attract the desired target clientele. In addition, the company has to forecast a budget to reach this objective. The concluding phase is the evaluation of the implemented program (Roberts-Phelps, 2001).

According to Newell (2002) CRM needs to be considered a continuous process and not just as a new campaign to be successful. Albeit companies have at lot to gain if this is made right. Hence, CRM needs to permeate the entire organization and also has to be further developed during the implementation. With more developed products and services it is even more important for companies to strengthen the relations with customers. It is difficult for companies to only compete with their products, as they tend to be similar to other products on the market, for example, they have relatively comparable techniques and features. Many of the launched products with special and unique characteristics are soon imitated by competitors. One solution to this problem can be to adopt CRM which can offer more meaningful sales as well as service experience. The use of the model can be a reason for customers to choose the actual firm instead of others. Firms that desire to

implement CRM also face the problem that their customers value other factors than just the actual product and price. These firms also experience that sales, service, recognition and support are more valued. If the firm succeeds in their implementation it will enjoy continuous customer loyalty and value, which will most likely lead to higher profit margin in the long run. For a company to succeed with their CRM-approach they need to put a lot of resources into this (Reynolds, 2002).

2.4 Business relations

A company's relationships are the result of combined actions and intentions of suppliers, customers and other actors in the network (Ford, et al. 1998). Håkansson and Johnson (1993, p.27) define network as; "*a fabric whose component strands is knotted, twisted or otherwise fastened to form an open mesh*". A relationship is a mutually oriented interaction between two parties that develops over time. It is not produced in isolation; instead, it is produced simultaneously together with the company's network. When looking deeper into relationships the more obvious it becomes that relation play an important role in corporations. In a relationship there is interplay between the actor bonds, activity links and resource ties (Håkansson & Snehota, 1995). Linked activities formulate and rationalize the relations and create new opportunities. However, problems could arise when activities are linked together. Also when considering which counterparties and activities to adapt to. Problem can also be considered in how to handle the specific adaptations as well as how to influence the parties to make the right adaptation. Hence, it is imperative to manage these problems early on. To build relationships requires both time and effort; however, this is likely to increase revenues in the long run. This can be a problem for organizations since the outcome of the relations will not directly occur and thus might lead to lack of interest. To develop the relationship, the organization must respond to both external and internal interests. This is based on the idea that a company's interest is provided best if admitting and adapting to the interest of other actors in the long run. Whenever a relationship develops or changes it affects the company in a number of ways. It is crucial for the individuals to be aware of and benefit from those effects (Håkansson & Johnson, 1993).

Relationship management is a strategic process that involves, working with, against and in spite of the actions of customers. How the complex service is *communicated, discussed, adapted, brought to and integrated with the customer*, is crucial when meeting customer needs (Ford, et al. 1998). The development of the relationship is affected by activity structure, resource allocation as well as organizational structure. The handling of relationships is a broad learning and developing process, which allows for extending the company's competence, productivity and innovativeness. It is thus a valuable asset for the company (Håkansson & Snehota, 1995). Long lasting relationships develop from resource heterogeneity. The structure of the customer relationship is a measurement of numbers and types of customer relationships that a company has. Customer relations are expensive in terms of maintenance. Therefore, the company needs to maximize the rate of return from these relations. Business marketing involves establishing, developing and managing each of the relationships that the company's has. Another way to analyze and classify a customer relation is to examine the relationship's value, cost and return (Ford et al. 1998).

The performance of a company is depends on the functionality of its relationships. Volume, market share, profit and growth are influenced by how the relationships are handled (Håkansson & Snehota, 1995). One way to deal with customer's uncertainty and problems is to have a close personal contact between the supplier and the customer (Ford et al. 1998). A corporation's goal; to monitor and control personal contact, features a dilemma, it depends on the employees and the customers and their relation to each other. Crucial actions that arise in one relationship also affect others in the same network. Technology, knowledge, social relations, administration routines, systems and legal ties are examples of interdependencies in business relationships. The support from suppliers impacts the success of companies' customer relations. To be able to understand relationships better companies need to think about their language, understanding of variability and that relationships evolve over time (Håkansson & Snehota, 1995).

2.5 Strategies for customer relations

The relationship-based strategy deals with the relationship between a service provider and its customer. This involves a regular contact between two people. The buyer and the seller will establish a relationship which will result in that; the salesman will know, before they actually meet what the customer wants. Many relationships today have these connections an example can be hairdressers, see appendix 1. It is quite common that customers regularly purchase from to the same supplier not only because of good pricing or good products but also since they feel welcome when contacting the firm. Because the personnel recognize the customer and mankind appreciates recognition. Before a company can introduce a relationship-based strategy in customer relations, the whole organization, from management to staff, needs to understand what a relation means from its customers point of view (Barnes, 2000).

Over the years authors have developed different approaches of progressing relations between the companies and their customers. Buckingham (2001) developed tools which help to build life time relationships and thus to achieve loyal customers. Many companies do not realize the importance of retaining existing customers; instead, they just focus on the accusation of new customers. Buckingham's (2001) twelve tools are:

- Continually improve yourself as an consultant
- Properly prepare yourself to win the lifetime relationship
- Chasing the client, not the money
- Super serving the clients
- Building lifetime client rapport
- Hearing what the clients are actually saying
- Asking the right questions

- Systemizing the business
- Gaining valuable client feedback
- Converting complaining clients into lifetime clients
- Managing the client base properly
- Expanding the client base

To answer the purpose of this thesis seven tools are appropriate, since it is focused on retaining existing customers. These seven are chosen due to that Buckingham's definitions of these, are appropriate for our purpose and the five others are not that relevant for the authors' aim with the thesis. The chosen elements are; *build lifetime client relations, listen to what the client is actually saying, ask the right questions, gain valuable feedback from the client, chase the client not the money, manage the client base and convert complaining clients into lifetime clients*. Buckingham's (2001) structure will be used as base and other authors' writings will be applied to further support his theory.

2.5.1 Building lifetime customer relations

Retaining customers are crucial, although a company sometimes only care about its customers irregularly. The most common difficulties are to be aware of that customers are there all the time and need attention. To build a lifetime bond between a company and its customers, the salesmen must be aware of how they should treat the customers (example in appendix 1) (Buckingham, 2001). To get loyal customers the company has to exceed their customers' expectations frequently. However, a company cannot exceed customers' expectations on every dimension; instead they have to be selective about what is most important to the customer. The main dimensions are *value, service, and handling of complaints*. Companies should be aware of; which features of their business that have the most impact on their customers' satisfaction, what is the lifetime value of a typical customer and whose responsibility is customer service (Gould, 1995). Important aspects to consider are to genuinely compliment the clients and if it is not possible to genuinely compliment a client, it should not be done at all. The company must also show a real interest in the client which would generate in a closer interaction. Before the consultant meets the client the one should try to find similarities among them and gather information about the client's interests (Buckingham, 2001; Gerson, 1998; Roberts-Phelps, 2001). It could be the small details that creates the big opportunities; treat every customer as the most important one, the ability to deliver what the customer expects and naturally should the customer always be prioritized (example in appendix 1). To accomplice this consultant should listen carefully and give the client undivided attention, show a nice appearance and try to give the relation a personal touch. It is essential to have an open dialog about the customers needs. When creating this both parties need to speak the same language in terms of knowledge. Thus, it is not an advantage for the consultant to talk in complex terms with the customer, which can lead to confusing situations and ambiguity from the purchasing side. Owing to the requirement of a general language between the parties, the salesperson needs to learn about the clients' business and how it works (Buckingham, 2001; Gerson, 1998; Roberts-Phelps, 2001; Richardson, 1997; Timm, 2002).

Further, an easy way to end a relation is to immediately disagree with the client, better is to try to find out what the one actually means. On the other hand when a salesman agrees with the clients' idea the one should clearly point this out. The ability to read the client situation gains a lot of complementary information and a closer bond (Buckingham, 2001). To work with the client and incorporate the client's suggestions into the future service and make sure the customer notice this, is essential in a business relationship. Despite all this, Buckingham (2001) claims that use of humor always works, although only when it is appropriate. A smile and friendly communication are always rewarding in a relationship, however the quality of the service is important since it will be used (Roberts-Phelps, 2001).

Nevertheless, other theories claim that the relationship between the parties is not the most important factors. As both bad service and low quality generate unnecessary costs for both customer and seller, development of the service level and improving of quality are therefore showing to be a win-win strategy for both parties. Both parties can gain a lot from improving the quality of the service. The seller has the opportunity to increase the price over market average if the customer believes that the service has higher standards and qualities (Grönroos, 2003).

2.5.2 Manage the client base and chase the client not the money

To build a lifetime relation with the client is difficult therefore companies should not focus their entire business on the current customer base. Even though a company manage to retain the satisfied customers they may still leave them because since the customer might be purchased by another firm that has another supplier. However, if an organization manages to reach the level of relationship with their customers they need do preserve them. A company has to realize that a customer reacts and response to every move the company makes. The customers analyze a company's actions, for example how they present themselves in meetings and how the company's business idea is formulated. The company's contact person has according to Buckingham three steps work along with; to *analyze, propose and perform* and the customers *evaluate, accept and critique*. Companies have to release that, when they made a sale, they start a relationship. The company needs to maintain its contacts with their customer after the sales otherwise they may miss sales opportunities to this customer. Actually the best sales opportunity exists after the first transaction, since if a company has sold a product/service that has made the client satisfied, this customer will in all probability purchase from this provider again. If a company can turn these somewhat satisfied customers into loyal and long term clients the company will more likely achieve much higher and stable profits (Buckingham, 2001; Timm, 2002).

The goal for many businesses is to be available for the clients and exceed their expectations. This may sound simple, although it could be the one of the most difficult part to achieve, because in most businesses it is about ending up with a large profit. Many companies should ask themselves, how come we are in this business, are we here to make large profits or to make our customers satisfied. If a company's goal is to make large earnings they will only reach one level of success. However if it want to make their customers more than just satisfied a company will reach higher levels of success. This does not imply) that companies should not make profits; it means that they should prioritize

their customers and see this as their second focus. This creates loyal customers that will generate more earnings over a longer period of time. These loyal customers may in addition recommend the company to their partners and therefore attract more customers to the business. A company also has to be aware of the customers' definition of need. This is an important tool when companies ask themselves; are we satisfying our need or the customers need? The client's needs always have to be the first priority. If all departments in the organization follow this principle the company might achieve greater success (Buckingham, 2001; Gerson, 1998).

However, companies cannot let the goal to satisfy customers control their budget, given there is a risk that it can be costly for the company. Therefore it is quite common that companies prioritize their customers, some are more important than others and can in therefore cost more money. Some customers will not provide the company with enough financial return even though the company gives them lots of attention. To some extent companies must realize that even if they spend a lot of resources on the customer it may not be worth it. Since this may only generate some of the returns the company has invested into the customer. Therefore firms must possess good skills and knowledge to analyze the future payback a customer can generate. If a company strives for total satisfaction among its customers, it is important to put more energy on the customers that will be most valuable to the company's business. However the difficulty is to find out which customers will be most valuable in the long run (Barnes, 2000).

2.5.3 Listen to the clients and ask the right questions

The ability to listen to customers is critical to be successful in business. To build lifetime relationships with clients, the sales force must listen to what clients are trying to convey. Most clients do not exactly know what they want in the beginning; it is the consultants work to determine their exact needs. The natural way to find this out is to stop talking and start listening to the client. Observe the client's tone and body language since this will in many circumstances communicate more than their words. People are best persuaded by their own words so it is superior to repeat what is earlier said. Additionally it is central to observe not only what clients say but also what they do not say. Keeping eye contact is an excellent way to show respect as well as to keep the attention focused on the client. Salesmen should try to let the client know that they are listening. This can be done by nodding or commenting and asking relevant questions during the meetings. All these approaches will help the consultant to understand the client better (Buckingham, 2001; Gerson, 1998; Richardson, 1997; Roberts-Phelps, 2001; Timm, 2002). By asking the right questions at the right point the consultant is able to further develop the contact. In the initial phase, facts about the client's budget or price range should be sorted out. Otherwise the consultant may sell a service that the client cannot afford or the other way around, being able to sell a more expensive qualitative service. A further aspect to consider; (early on) who is the decision maker, to work with the right person from the beginning and recognize the criteria that the decision will be based on. Additionally information about special conditions or concerns should be mentioned. All these aspects help the consultant to convert the customers' requests into real services and products. When developing relations it is important to focus on other features than just the once you are working with right now and try to find out if the customer may need other solutions in the future that the company can offer and let them know which other services that can be provided. Moreover it is always good to know which companies are the main competitors, which

companies the client work with in the past and the feelings toward them (Buckingham, 2001; Richardson, 1997; Roberts-Phelps, 2001).

2.5.4 Gain feedback and convert complaints into opportunities

The technique to understand clients' needs is to have an ongoing dialogue. To keep the relations the company needs to retain them after they have completed the service or delivered the product, owing to the valuable information remains to be gained from this. Companies may have difficulties to improve their service unless they know how their clients experienced the service. Many companies do not pay enough attention into client research and even fewer expand the attempt to collect and analyze client surveys. This could be drawback for companies since every time they do not collect client research they miss a valuable opportunity to grow and develop further. Hence, it is the clients' perception that matters and not the company's. Companies conducting business today should request feedback or allow clients to give their opinions. Getting clients' feedback is simply to ask clients questions as; how are we performing and how can we improve? It is not of most importance how the company asks for feedback; the point is that they do it. It is also essential to receive feedback often. A good example to illustrate this; is that often a company's most profitable ideas come from either the company's associates or their clients (Buckingham, 2001; Hathaway, 1997; Roberts-Phelps, 2001; Timm, 2002).

Even if a company gather customer feedback there are occasions when the collected data are of no use. To avoid this, the company should identify the exact areas in which they want feedback, to get what they want. Companies receive more valuable response when they ask specific questions like; "How were our service in sales, customer service and accounting?" than if they ask more general questions. The survey should be kept simple, create interest and have space for general comments, since the general comments are usually the most valuable data for the company. After gathering of the data, the collected information ought to be analyzed and the company should share the information. Then suggested improvements should be implemented. Further on the company should continually improve and update the feedback mechanism, which is necessary to be successful (Buckingham, 2001; Hathaway, 1997; Roberts-Phelps, 2001).

While discussing client feedback, complaints should also be mentioned as a way of feedback for corporations. Mistakes done by many businesspeople are that they shy away from of dealing with complaints. Hence, they mistakenly believe that ignoring complaints is easier than facing them and solve the problems. According to Buckingham (2001) businesspeople categorize complaining clients as difficult and unreasonable. Thus, they do not spend time on listening what these people are actually trying to convey. As already mentioned clients have greater tendency to complain than to brag about good service. The consequence of this is that if a company does not perform well they should try to do whatever it takes to work it out. Therefore, when a company actually receives complaints they should take action, to address and solve the clients' concerns. Companies should look at complaints as an opportunity to improve their business, increase loyalty and earn a lifetime client (Buckingham, 2001; Gerson, 1998). Buckingham (2001) points out; for every client who complains there will be 26 customers who will take their business quietly, since most people never take the time to officially complain. This shows that if a company does

not hear from a client, it does not mean that the customer is satisfied. Companies should be concerned about clients who complain but they should be even more concerned about clients they do not hear from. These are the reasons why it is crucial to get constant client feedback (Buckingham, 2001; Richardson, 1997; Roberts-Phelps, 2001; Timm, 2002).

There are indications that more than two-thirds of the people who stop buying from a particular company do so because they distinguish that its employees are indifferent toward their needs and concerns. To know that price is often not the primary concern of clients, and that service, is a key principle in developing lifetime clients (Buckingham, 2001).

Strategies for turning dissatisfied clients into loyal, lifetime clients

Most lifetime relationships are won or lost based on how the company responds to feedback and complaints. Several businesspeople mistakenly believe that the critical point in developing a relationship with a client is the early stage, when both parties get to know each other. However it is often the unexpected events which can occur later that determine the length of the relationship. The company should not let clients leave instead let them express their feelings. Whatever the reason, the company will deal with a challenging client more effectively when they do not take complaints personally. A company should retain its most dissatisfied clients focused on the facts and on their desire to help them. Businesspeople should stay in charge and act professionally, be pleasant persistent and ask for other opportunities of how to serve the client. Companies should address clients' complaints immediately, empathize with clients and let the customers know that they understand how the client feels. This to ask complaining clients; "What they can do better for them?" When a client leaves, the company should determine exactly why the client is leaving and try to improve this for future clients. Companies ought to always keep the door open for departed clients to return (Buckingham, 2001; Gerson, 1998; Roberts-Phelps, 2001).

2.6 Summary

The first part in the frame of reference covered terminology that is relevant to describe to answer the thesis purpose. The different terminologies are service, quality, customer-needs, -satisfaction and -loyalty, CRM and business relations. Services are more difficult to sell than goods an important factor to consider is the behaviour of the firm. Defective products can be replaced or repaired, however services have already been consumed or completed and therefore a mistake cannot be restored that easily. The second part of the frame of reference is concerning different strategies on how to build life time relationships, thus to achieve loyal customers. To build a lifetime bond between a company and its customers the consultant should be aware of how they treat the customers; take real interest in the client, find similarities and gather information about the client's interests and the clients' business. The consultants should listen to what clients are trying to convey. Additionally it is central to observe not only what clients say but also what they do not say, listen for feelings and read the client's actions. Initially different facts should be sorted out about the client; their budget or price range, who the decision maker is, special conditions or concerns. These aspects help the consultant to convert the customers' requests into real services and products. The technique to understand clients' needs is to have an ongoing

dialogue. The company should maintain the relations after they have completed the service or delivered the product, owing to the valuable information remains to be gained. It is essential to get feedback often. When a company receives complaints they should do everything they can to address and solve them and look at complaints as an opportunity to improve their business and earn a lifetime client. Companies should be concerned about clients who complain but they should be even more concerned about clients they do not hear from. The data in frame of reference have been used to create the interview guide used for the interviews.

3 Method

The method will clarify the choice of method, a qualitative case study research and how the interview guide and the interviews were accomplished.

3.1 Introduction

A qualitative study was conducted to gather additional information and *examine how a company manages its customer relations (retain, deepen and develop) in comparison to the theory and its customers' opinions*. The qualitative study was carried out in cooperation with System MS Solution AB and its customers.

3.1.1 Qualitative research

Researchers have tried to find additional tools that facilitate dealing with specific situations. One way to perform this has been by discover insight, intuition, and subjective analysis back into the decision making process (Walle Alf, 2000). The main instrument in qualitative research is the researcher who closely engages in the people being studied. The study aims to investigate a wide range of interconnected activities, experiences, beliefs and values of people in terms of their context (Daymon, 2002; Zikmund, 2002). Thus, qualitative research focuses on words rather than on numbers. It concentrates on deep exploration in order to provide a broad and detailed view of the problem. By the high flexibility and the high answer frequency a depth in the result of the analysis is formed (Hollensen, 2004; Daymon, 2002; Zikmund, 2002). Problems with this approach are that the interviewer needs to handle the interaction with the respondent in a qualified way so as to make the respondent feel comfortable and willing to answer the questions more by feeling. Qualitative investigations are conducted in people's natural environments to observe how the respondents act in their routine activities and interactions (Daymon, 2002).

3.1.2 Why qualitative research

To answer the purpose of this thesis a deep understanding of customer relations is required. Qualitative methods tend to be related to the interpretive worldview, as they explore how people perceive their social environment and how they express these impressions through language, sound, imagery and personal style (Deacon, Pickering, Golding & Murdock, 1999). A great part of the research deals with understanding occurrences such as attitude towards change, sequence of events, behaviors and the transformation of cultures. Hence, the closer the researcher gets to the phenomena the clearer it will be (Carson & Coviello, 1996, Daymon, 2002). When using qualitative research the researcher gets an initial and qualitative understanding of the underlying reasons and motives, instead of generalizing data from a sample to the population as in a quantitative research study. The discussions in a qualitative research study are conducted by persons who are familiar with the problem (Hollensen, 2004). The conclusion and the analysis will therefore generate in a deeper understanding of the problem. It is consequently characterized by high a degree of flexibility and adaptation to the individual respondents and their background (Hollensen, 2004; Walle Alf, 2000).

3.2 Case Study

The investigation of case studies facilitates the collection of specific information across a wide range of dimensions, about a single case or a small number of cases (Zikmund, 2002; Brewerton 2001). This type of study, allows the incorporation of different theoretical and methodological studies. However, case studies differ from other qualitative approaches with respect to their detailed, in-depth focus on the actual subject. Case studies are intensive examinations owing to the use of multiple sources to confirm a single entity. The case can deal with an organization, a set of people, a community, an event, a process, an issue or a campaign. Consequently, the purpose of case study research is to increase knowledge about real, contemporary communication events in their context (Daymon, 2002; Bewerton 2001). This thesis investigates System MS Solution's AB customer relations and undertakes a detailed analysis of the particular case and its setting. This approach can be divided into a single case study or a collective or multiple case study (Daymon, 2002; Bewerton 2001). In this thesis a single case study will be used since it allows for undertaking a deep, but narrow, exploration of one particular or a few instances of a particular phenomenon. Therefore, the focus is on a modest amount of respondents, which are examined in depth at a single point in time or over a longer period (Yin 1994). A universe generalization of case studies is inappropriate. Instead a focus on the position of the case to provide a broad description of the complex processes and influences within a particular context is done (Daymon, 2002; Bewerton 2001).

3.3 How the interviews were conducted

The authors conducted interviews with two employees of System MS Solution and twelve in-depth interviews as well as five telephone interviews with System MS Solution's AB customers. This could be seen as a large amount of interviews considering that this thesis deals with a qualitative study. The authors decided to interview many customers in order to ensure the validity of the research. To get an overview of System MS Solution AB, meetings with two of the company's consultants took place. Hence, both the company's and its customers' concerns about their relation will be utilized to describe the case. To obtain depth of the research, personal interviews will be used, albeit the authors did not have the time and opportunity to conduct all of them as face-to-face interviews. Bewerton (2001) points out that interviews can be combined with other approaches, such as a questionnaire or observations, the authors do not see too much of implication about the validity between personal interviews and telephone interviews. The personal interviews took place at the customers' office and lasted approximately an hour. The goal of personal interviews is not only to ensure good quality and get in-depth answers, but also to observe the respondent's non-verbal behavior and how the respondent reacts to the questions. While observing, more conclusions can be drawn concerning the reliability of the answers and the respondent's feelings towards System MS Solution AB and its customers. Disadvantages of personal interviews are interview bias, different interview techniques among the interviews and lack of respondent anonymity which may lead to misrepresenting answers. To deal with these problems, two persons were present at each meeting. In addition, the interviews were tape-recorded to increase reliability. The advantages of a telephone interview in comparison to a personal interview are the time needed, the easy contact method and that there are no face-to-face problems which can affect the answers. However, telephone interviews have lack visual support and the opportunity to observe the

client (Zikmund, 2002). According to the authors for the research the advantages of using both approaches compensate the disadvantages for both personal and telephone interviews.

3.3.1 Interview guide

Adaptation of the interview guide will be applied for the special occasion at each interview. The order of questions may vary among the interviews, owing to the answers on the questions and the adaptation to the specific business and personal interaction. To decrease the variety among the answers the same interview guide was used for both personal and telephone interviews and a matching interview guide was developed for the meetings with System MS Solution AB. The two interview guides can be found in appendix 2 and 3. Some of the questions in the interview guide are required by the contractor and are not based on the theory. Question 8 in appendix 2 and questions 8 and 9 in appendix 3 are not relevant for the purpose of this thesis and will therefore not be covered. However, the authors decided to use some questions that are not totally based on the theory to fulfill the purpose. The interview guide is used to minimize uncertainty and differences that occur when using open questions. The intention with having specific questions is to reduce the dissimilarity between the answers that were collected among the clients. The questions were tested in advance to ensure that they are reasonable, to avoid misunderstandings and to get the best results possible in the end. The pre-testing of the interview guide aimed at investigating whether some questions are difficult to understand and whether the choice of words was appropriate (Zikmund, 2002). As already mentioned, the interviews were recorded and notes were taken during and after the interviews to ensure accurate results. All interviews were conducted in Swedish and then translated literally into English by the authors.

3.4 Selection of respondents

To get an appropriate view about the case MS Solution, both System MS Solution's AB consultants and their customers were interviewed. This was also done to get an objective observation about the case. In an ideal organization, all employees have the same view on the company, as mentioned in the chapter about CRM. That is why two of System MS Solution AB's consultants were interviewed. The selection of respondents was carried out by System MS Solution's AB customer base and out of these 17 respondents was selected. To ensure respondents' anonymity their names and companies will not be mentioned. Thus, no information about the specific customers will be given.

4 Findings at System MS Solution AB

In this chapter the results from the empirical study at System MS Solution AB is presented. By the introduction, the chapter will present the company the research is made on. Subsequently the answers of the survey are shown.

4.1 Information about System and System MS Solution AB

System is a service company, which concentrates on IT, that delivers hardware, software, management support and organizational development. The company was incorporated in 1984 by Stig-Olof Simonsson, Claes Rosengren and Arne Nilsson who saw business potential in serving the middle-sized market. The company's business concept is to manage and support the customers' business with sophisticated IT-based solutions. System is one of the fastest growing companies in Scandinavia and among the 500 fastest growing companies in Europe. The company's marketplace is made up mainly of medium sized companies that demand high competencies in terms of management, applications, and information technology in order to expand. Originally, System only had a single establishment located in Huskvarna but now System has branches on several locations both in Sweden and abroad. The headquarters, however, is still located in Huskvarna. Today System has grown to around 1000 employees and has subsidiaries and offices in more than fifty locations throughout northern Europe. System have about 3800 customers and these can be found within the following business areas; industry, trade, services and special areas (www.system.se; Vår kultur; System Kundskap; Årsredovisning 2003).

One of System's offices, in Sweden, is System MS Solution AB which works with business processes and development in business solutions. They offer the entire solution of business systems, from the product to installation. Further on in this thesis System MS Solution AB will be mentioned as MS Solution. System bought a company called Hands and that became MS Solution in 2003 before that Hands had bought different companies in IT. Thus, some of the customers that we have contacted did not purchase their business system from MS Solution, instead the company they bought the system from ended up in MS Solution. MS Solution's customers use three different business systems Formula, XAL and Axapta, and the selection of respondents includes customers that use the three of them. The business system that MS Solution sells today is Axapta, the other two are there only for version updates. In preparation for the millennium shift many companies changed their business system and most of those bought XAL. MS Solution has started user organizations, where their customers have the opportunity to exchange experience. There is a technical support department in Skellefteå that handles the support for all System companies, thus MS Solution do not provide support by themselves (www.system.se; Vår kultur; System Kundskap; Årsredovisning 2003).

4.2 Information from interviews at MS Solution

4.2.1 Building lifetime customer relations, (Question 1, 4a-e and 6a-d, appendix 2)

Customer contact

According to respondent 1 customer contact is really important for MS Solution since the firm earn money on its customers. System's business idea is to help the customers and to get as satisfied customers as possible. This makes the customer keep the existing system and they do not purchase a new one. Additionally respondent 2 points out that it is extremely important with a good customer relation due to that the customers are crucial for them as a firm. Thus the firm needs to have a good relation to their customers. In line with respondent 2 the customers that respondent 2 have visited are aware that MS Solution thinks that their relation is important. However the relation towards their customers has not worked properly in the past. Though, respondent 1 states the opposite, that their customers do not know that MS Solution thinks that a good customer relation is important. This, since it is not that important for the customers. Respondent 1 states that " *It is important to know what is occurring at the customer and to have information about the customers.*" However the company has no outlines for this today although they have a philosophy on the individual's responsibility.

Customers' response to contact

The customers' response varies, it is often a positive reaction when MS Solution contacts their customers however it depends on the prior relation between them. Generally they have good relations " *we loose dissatisfied customers and we get new customers, which takes out each other.*" Respondent 2 agrees, the customers are mostly positive when MS Solution contacts them, especially regarding personal visits. The most negative respondent 2 has met is that " *the customers did not have time to talk now and that they should comeback next week*". However, it can naturally depend on which person at MS Solution that contacts the customer. According to respondent 1 the customers want a specific consultant regardless which company the one works at. In other words if customers receives a good contact with a certain consultant or have had contact with a consultant throughout the years, the trust for this consultant increases. MS Solution wants to change this into more focus on the company instead of the certain consultant. From MS Solution's point of view the customers appreciate the contact with MS Solution, especially the user meetings. MS Solution wants to see that the customers appear at meetings and events. Sometimes it can though be difficult to make them present; since " *it is not that sexy with business systems*" according to respondent 1. Respondent 1 claims that the opportunity with the meetings and contacts can be seen as; if the customers earn money, MS Solution earns money, " *it shall actually be to deliver benefit.*"

What should be most valued?

The most important for the customers when doing business with MS Solution is the business system, the other aspects are not so relevant according to respondent 1. Their customers have hopefully chosen MS Solution since both the company and the system is

trustworthy. In contradiction respondent 2 wants MS Solution to be the most competent implementer of the business system Axapta at the market. The customer shall value MS Solution's knowledge, openness and proactivity. This should be prioritized more than the business system. The firm should sell knowledge and experience, not the system. *"If a consultant does not know this, he should not be a consultant."* The consultant's knowledge ought to contribute to developing the customer's business. At the implementation period of a system the customer does not obtain everything that the customer can have use of in the system. This must come afterwards and it is the consultant's job. The consultant should be there under the project and have ideas on further development for the customer.

4.2.2 Manage the client base and chase the client not the money, (Question 3a-c, 2a-d and 5, appendix 2)

Contact persons

According to respondent 1 MS Solution wants as few contact persons per customer as possible, between one to three employees. It is working well when there is not too many and not too few.

MS Solution contact frequency with their customers

Respondent 1 had no answer to this question, how often they meet their customers, it varies all the time. Sometimes they meet a customer three to five times per week and other times it is one to four times per year. Naturally the consultants meet some customers more regular than others and this has to do with the prioritizing. They do not contact a customer that they cannot sell to or if there is no opportunity that the customer will purchase. According to respondent 2 it is MS Solution that mostly contacts their customers. Many of the customers are passive except when problems arise. Then the customers call the technical support department in Skellefteå. This is negative for MS Solution, though both positive and negative for the customers, as there is a problem in communication between MS Solution and the technical support department. The technical support department does not inform MS Solution about their contacts with the customers and therefore MS Solution does not know what occurs to and with the customers.

Prioritizing

MS Solution prioritizes customers, especially the ones that have been in contact with the company for long. The priority is done by classifying the customers into customers that purchase more, customers that not purchase frequently and those that have purchased a system from MS Solution but do not have any demand for MS Solution's services anymore. Respondent 1 also points out that it is usually a connection between profitability and prioritizing. According to respondent 2 the prioritizing versus relation works bad today, the respondent wants consultants to be more active in the relation with the customers. The contact should be performed at the customers' office and not from the home office as it is today. Although it is under transformation but it takes time to adopt a new behavior. Respondent 2 points out that at present there is no official prioritizing, though they classify the customers into A-, B- and C-customers. The A-customers purchase regularly, and it is usually concern large purchases. Thus, the A-customers are more frequent buyers and therefore require much effort. B-customers have a reasonable potential in purchasing. MS Solution earns money on these customers in the short run, although according to the writers they will also make money on B-customers in the long run since they get the license

money. The C-customers are those that do not purchase, purchase from another supplier or do not have the economy to purchase. For the moment the A-customers are not official prioritized before the C-customers, although this will change in time. Since the customer base consists of 70 percent C-customers, this will imply that the consultant will focus and put more effort into A- and B-customers.

4.2.3 Listening to the customer and ask the right questions, (Question 2e and 4f, appendix 2)

Development and changes in the relations

Development and changes in the relation are done by IT-council, dispatch or throw user organizations. However *“all customers do not want to develop”* according to respondent 1. Respondent 2 states that it is important to tend relations that have been built up, and that it usually is a personal relation. To develop and change a relation the salesperson need to convene with the customer. Respondent 2 points out that it is important to have a general outline inside the company on how to handle customer relations. Today MS Solution only has an agreement like this for the existing customer base.

Listen to the customer

MS Solution listens and read their customers as good as possible, since customer relations are important. The firm has to help their customer to advance in their business. Thus, the customer returns and cooperates with MS Solution; the customers should want to do business with them again. According to respondent 1 MS Solution tries to be responsive and suggest improvements in the system for their clients. However, all customers do not want to develop their system, although still it is important to know what take place at the customers. MS Solution tries to care about their customers and are using customer development plans to analyze each customers' needs and budgets. MS Solution does their best in their customer relations as it is important that they help each customer to take a step forward. What is prioritized depends on where in the sales process the company is. Sometimes the customer has chosen the system and sometimes the supplier, *“since we know a bit more than others”*. The customer relation is vital for the company, as there are not so many new systems sold today, if the personal chemistry does not work, there is no business, therefore it is definitely important.

4.2.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 2)

Feedback and complaints

Respondent 1 asserts that MS Solution as a company should not have complains, it should not exist, and if problems would occur the firm should solve them over the time. MS Solution cannot just work out the problem, if the customers need extra services they have to purchase them. There is not so much to complain about. *“If you are not satisfied as customer with MS Solution then pick up the phone and complain to us”*. It is not often we receive feedback from our customers. The customers never call if they are pleased they just call if they are dissatisfied. Respondent 1 thinks that MS Solution can be better on handling customers. Respondent 2 is not certain on how the company deals with feedback and complains. At

first the customers call the CEO who promises that this mistake will not occur again. The respondent assumes that customers feel that they can tell the company if something is wrong. It is believed that the company gets the feedback needed, and it works okay although not good. MS Solution would probably need more feedback from the customers. It is assumed that the customers possess this information, and this implies both negative and positive response. The company tries to be proactive when working with their customers. Most of the time they solve the problems with their customers, although some customers complain just to be seen

Contact person problems

If the personal chemistry between the contact and the customers is not working, the respondents assume that the customer would call and complain. So the firm can replace that contact with another one. However, MS Solution does not contact the customers to ask if the relation works or not. Respondent 1 mentions that the customers are often legible on this subject. For the moment MS Solution uses NKI, (Nöjd Kund Index), “Satisfied Customer Index”, to see how their customers’ opinions are about them. Although, this does not give a deep understanding of the relations.

5 Findings at System MS Solution AB's customers

In this chapter the results from the empirical study at MS Solution's customers is presented. By the introduction, the chapter will present the customer the research is made on. Subsequently the answers of the survey are shown.

The customers of MS Solution that the authors have contacted for this thesis are companies with business's industries from manufacturing and engineering industry's to consulting and service companies. Some of them are fast growing and a few focus on rapid development on their products. Several of these companies have subsidiaries; factories outside Sweden and Scandinavia have customers in Sweden, Scandinavia, Europe and around the rest of the world. Few of the companies are old, while some are developed more recently. The employment rate in these firms is from around 20 to over 10 000 and the turnover for most of the companies is over 100 millions Swedish cronas. Interview with Andersson AB

5.1 Interview with Andersson AB

5.1.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

The firm Andersson claims that it is important with a close interaction with their suppliers, especially their IT supplier since the business system is crucial for this customer. Since MS Solution is their over-all IT-supplier of system and business system to the company it makes them critical for the business which makes MS Solution critical for Andersson. Because of this, it is important that the relation is good, to be able to get further on with the cooperation, otherwise maintenance and developments will be difficult. They think that MS Solution knows that it is important with a close relation for them.

Customers' response to contact

MS Solution often has contact with firm A via phone, not only when something has occurred. Because of this it is not any huge "ovations" from the company when MS Solution contacts them. "*Significant for a good relation, is that you have the daily contact, you call when driving home from work in the car on the way home from work this is an important part in attaining a good relation.*" The relation with MS Solution works well, both parties actively work together to develop the relation. Sometimes it dues long time before problems are corrected. In a good relation both parties should be able to be honest and let the other part know the other's opinion.

What should be most valued?

Andersson says that there is nothing that is better than the other at MS Solution. The system is not unique, however it is an integrated part in their business and therefore

important. MS Solution focuses on service which they are satisfied with, although it is a bit more important with competence than service.

5.1.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons & contact frequency with MS Solution

Company A has four contacts at MS Solution and these are; a sales manager, a project manager, a consultant and the technical support department. The company believes that it is good with these many contact persons. The firm has contact with MS Solution three to four times a week and this is through mail or phone. MS Solution and Andersson AB have meetings about three times per year. It is quite mutually who takes the contact; however it is often company A that contacts not MS Solution. Andersson states that *“as a customer you always want the situation to be better, but they are happy with the way it is handled today”*.

Prioritizing

Company A is normally prioritized and gets a lot of attention in large projects. When projects are finished, the notice from MS Solution becomes less and the priority decline which is normal. However, it is not perfect, sometimes the firm does not get the support that it wants, though there are always aspects that can be improved.

5.1.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

As customer you always want something better, but the relation between Andersson and MS Solution is good as it is right now. New versions of the different programs are launched regular as well as new editions without bugs. MS Solution corrects the programs when problems occur, however it is usually the customers that finds those. Firm A also claim that MS Solution is pro-active and listens to them as customer. Andersson states that it is important to have a good product as well as a good relation with the customer. Sooner or later problems will occur and at that time it is even more important to have a good relation and competence to solve this, therefore both are crucial.

5.1.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Firm A feel free to complain if something is not right and that this gives a result. In the relation Andersson strives to have an open relation, therefore so the firm feels free to state the company's opinion. They let MS Solution know if they have problems with their contact person and they feel that they can influence.

5.2 Interview with Bengtsson AB

5.2.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

It is important with a close contact since MS Solution control and runs the whole business system, which makes them enormously dependent on MS Solution. Bengtsson assumes that MS Solution is aware of this.

Customers' response to contact

Firm B thinks that it is positive when MS Solution contacts them and that is an opportunity for development. Bengtsson AB also believes that MS Solution finds these contacts important. In a good and open relation the supplier should not only look at daily problems but also look forward.

What should be most valued?

Bengtsson AB values the business system together with the personnel, their competence and the entirety.

5.2.2 Manage the client base and chase the client not the money (Question 3 a-c, 2 a-e & 5, appendix 3)

Contact persons

Bengtsson AB only has contact with the technical support department, although the firm feel that this is well functioning.

Contact frequency with MS Solution

Firm B has about one contact a week with MS Solution and meets in person at the annual user meeting.

Prioritizing

Bengtsson AB feels that they are prioritized as customer and assumes that MS Solution value them as a good customer. MS Solution is serious in their contacts.

5.2.3 Listening to the customer & ask the right questions (Question 2 f-g & 6 d-e, appendix 3)

Bengtsson AB states that the discussions are on the same technical level and that MS Solution listens to their needs.

5.2.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

Firm B feels free to give feedback and complaints if it is necessary, and that is a way of change and develops the relation. B also perceives an adjustment.

Contact person problems

Bengtsson think that they can influence and the firm let MS Solution know if they are dissatisfied with their contact person. Earlier the company has had problems with the personal chemistry and this has been solved.

5.3 Interview with Carlsson AB

5.3.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

According to Carlsson AB it is important with a close contact to their suppliers; *“you need to have an understanding for each other as partners”*. The respondent was not able to answer if MS Solution is aware of this but hope that they do, it would be odd otherwise.

Customers' response to contact

MS Solution does not take with Carlsson AB and claim that they meet each other too rarely.

What should be most valued?

Carlsson AB cannot give the company a good grade, this is a lot dependent on the business system is not MS Solution's own product, thus Carlsson AB does not value the product most. The customer also claims that the organization has been worse (?? Is worse since the organization has) as it has grown.

5.3.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

Carlsson AB has one major contact at MS Solution and also has a direct contact with 2-3 technicians. Although firm C they would rather have one contact person whom would manage all the contacts and that person would handle the connections with the others at MS Solution.

Contact frequency with MS Solution

According to Carlsson AB the meetings and contacts are too uncommon; they barely meet one time per year. It was more often before, Carlsson has the impression that MS Solution is not interested anymore; there is only contact through invoices. If there is another contact it is always from the respondent's part. The company claims that MS Solution should contact them more often, since it is a good way of building strong relationships.

Prioritizing

Carlsson AB answers that they are usually increasingly less prioritized. The customer furthermore claims that it probably depends on that MS Solution is such a large organization that is not focused enough.

5.3.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

MS Solution does not listen to the customer's needs and that there are great cultural differences between them. They also state that MS Solution's technical competence on the business system is low. Carlsson AB would appreciate if the company would listen to them as customer and tried to find their needs, however MS Solution does not do this. According to Carlsson AB it is more important with a good product than with a good relation. To have a good relation but a bad product does not end up with something positive.

5.3.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

Carlsson AB can give feedback and complain if it is needed which is done. When Carlsson did this, they did not perceive much of a difference. Carlsson states that it was probably difficult for the personnel to handle this, since nothing occurred.

Contact person problems

Firm C has changed their contact person at MS Solution, this although it did not improve the situation.

5.4 Interview with Danielsson AB

5.4.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

Danielsson AB answered; that as long as there are no problems it is not that important with a close contact. However when problems arise it is important with a close contact.

What should be most valued?

Firm D value the business system most and that this works, firm D argues that it is a very good system.

5.4.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

Danielsson did not even know that the firm had a contact person at MS Solution, although this as a problem.

Contact frequency with MS Solution

This Customer has not been in contact with anyone from MS Solution, although they have an office elsewhere, where Danielsson AB has a person whom has had a meeting with MS Solution.

Prioritizing

Prioritizing issues has not been a problem for firm D and do not feel as they have been increasingly less prioritized as customers.

5.4.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

Danielsson cannot say whether MS Solution listens to them as customer and did not answer whether if MS Solution gives suggestions or not. For firm D it is important with a good relation if it is problems with the product; however it is not that crucial if the product works well. Though, it is always good to have a contact to call.

5.4.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

Firm D asserts that the persons using the system call a person within the own company if problems arise initially and then this person contact MS Solution, and this works. Although sometimes this customer feels like MS Solution does not have the capacity to solve problems, for example the firm had to wait for a month to get a server repaired. The company does not know whether there it is a difference when feedback is given. Danielsson has not had any problems at this time and therefore no contacts have been made concerning this.

5.5 Interview with Eriksson AB

5.5.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

Eriksson AB states that it is always important with a close contact to suppliers. Without a close contact it is hard to find the contact when the customer really needs, therefore it is important for both parties. Firm E has mentioned this for MS Solution since this supplier is pretty bad at manage their relations.

Customers' response to contact

Ericsson calls directly to the contact person at MS Solution which is positive. Eriksson AB knows the employees well and it feels as contact with a friend, since the firm has had a long relation. The contact persons are good; they have a good and the both parties develop the system together. According to firm E the number times they meet is good enough. When they meet up, they usually go out for a beer afterwards.

What should be most valued?

Eriksson AB does not really know what was crucial when the firm purchased the system, probably the employees at the company, not the company itself. Thus, if the consultant would change firm, Ericsson would change supplier as well, since any firm could deliver the system.

5.5.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

Eriksson AB has one major contact but also some others that the customer can call and the company also have a direct contact with the programmers. Firm E feel that this is good and the contacts works well. Although the customer does not have a contact at the technical support department because this takes too long time to hand in complaints, the company does not like MS Solution's routines of doing this.

Contact frequency with MS Solution

Firm E feels that MS Solution has not managed the contacts that well lately, the contact occasions are less then before. Who takes the contact is equally between the two parties. In one way the Ericsson thinks that it is good that MS Solution does not call as regular as before, since it was often just annoying. Thus, the company does not think that MS Solution can manage their customer relations.

5.5.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

Eriksson AB states that is feels like MS Solution listen to them, but also claims that the company stresses their consultants too much. Additionally many of the consultants from MS Solution does not have satisfactory knowledge about the business system, at times it is definitely not good enough. It is a give and take situation between them as a customer and MS Solution about who suggests what is needed to be improved. The contact with MS Solution's consultants can sometimes be provoking since; *"the consultants are only focused on selling and cannot just have an ordinary dialog. As customer you want to talk to people who are not salesmen so you do not need to hear their sales talk all the time since it is pretty hard in the long run"*. It is important to focus and take care of what you have, which most likely will generate in long term profitability. Firm E states that it is important to have both a good product and a good relation otherwise it are no good cooperation.

5.5.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

According to Eriksson AB the firm can give feedback and complain if it is necessary. However this does not make too much of a difference, firm E claims that; *"everything is like it always have been"*. MS Solution can act like a big bureaucratic organization at times, when giving feedback it takes time before the result is seen.

Contact person problems

Eriksson AB feels that they can influence if there is problems concerning the contact person, however it works pretty well with the people they have at the moment.

5.6 Interview with Fredriksson AB

5.6.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

Fredriksson AB answers that it is important with a close contact with their suppliers. *“You contact the supplier more often if you have a good contact with them and not only when it is large problems.”* The company states that it is harder to call if the earlier contact is bad. Additionally they have no idea if MS Solution knows that they think that a close contact with them is important.

Customers’ response to contact

Firm F states that MS Solution should feel free to contact them however it is depending on what the supplier want. For the moment the technical support department contacts Fredriksson at regularly, however no consultant from MS Solution takes contact. The numbers of meetings they have are good, they meet more often now, and the company thinks that it is good, because it was too seldom before. Although, they cannot meet too often, since the firm also have other work to do, as the respondent claims. Fredriksson AB feels that MS Solution finds that these contact opportunities are good and important.

What should be most valued?

Fredriksson AB has not chosen MS Solution, the company bought the system of a company that later was purchased by MS Solution. It was due to that the supplier had the system that the firm wanted, as well as the support, adjustments, technical skills and development that they chosen to purchase from this specific company. It is hard to answer what firm F actually values most in MS Solution today, probably the competence. The company is satisfied with the supplier today.

5.6.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

It can vary, but it is often between three to five contacts at MS Solution, and these contacts are working quite well according to the company.

Contact frequency with MS Solution

Fredriksson AB has met MS Solution several times the last year, through different customer meetings. Additional contacts are not necessary since the system is working well today. If there is a phone contact today, it is because the customer has problems and takes the contact.

Prioritizing

Fredriksson AB does not really know if the firm is prioritized or not, the company is neither nor and that is probably on a good level for them as a customer.

5.6.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

MS Solution definitely listens to them as a customer and the discussions are on the same technical level. MS Solution helps them to solve the problems and suggestions that the company has, the supplier also see their actual needs. Customer F claims that it is important to have a good relation as well as a good product. It can be hard to get help when it is needed, if the relation does not work, thus the relation and product are a working parallel.

5.6.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

Fredriksson AB argues that it works fine to give feedback and complains. The customer thinks that MS Solution adjusts their business after this. The company gives feedback and complains indirect through the user organization and claims that the company listens to critics and tries to use it in a good way.

Contact person problems

Fredriksson AB was not certain about this issue, but said that as a customer you need to be able to influence if problems with the contact person arise. Firm F would change supplier if they did not believe that MS Solution does a good work.

5.7 Interview with Gustavsson AB

5.7.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

A close contact with MS Solution is important since a business system is a vital instrument for the business and needs to work. Firm G also thinks that MS Solution is aware of this and understands this.

Customers' response to contact

Gustavsson AB imagines that it would be seen as a nice gesture if MS Solution contacted them. If this would happen it would be appreciated. The customer can participate in user meetings which are very rewarding. This is also an opportunity to meet other users and share experiences. These meetings have been established when System bought the earlier supplier. The user meetings take place two times a year and Gustavsson finds this amount fine. Gustavsson AB argues that these contacts must be good even for MS Solution, since it gives them a good input.

What should be most valued?

The person interviewed at Gustavsson AB was not the right person to answer what the company values the most at MS Solution. But claims that MS Solution is an upcoming firm; "*back on track again*" and that MS Solution actively try to solve earlier problems that have not been worked out before.

5.7.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

Gustavsson AB has two contact persons at the technical support department, depending on what the issue is. The company feels that these two are good to deal with because they have different competences. Although the respondent points out that the firm does not have any contact persons situated at MS Solution.

Contact frequency with MS Solution

There is almost no contact between the company and MS Solution, at least not from the supplier. The entire firm's contact are with the technical support department, thus it is always the customer that takes contact.

Prioritizing

The firm G experience that the supplier prioritize them as a customer.

5.7.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

Gustavsson AB claims that MS Solution has become better at listening to them as customer; however the supplier does still not suggest how the customer can develop their system. The technical support tries to solve the company's problems, sometimes this is made rapid and at times the customer has to wait long. Firm G assumes that MS Solution listen to their needs, but is not sure. An advantage is that the company has few contact persons at MS Solution. This implies that Gustavsson gets to know each other and that the contact persons know the company. Thus the customer feels that the supplier listens to their problem. It could actually be more important to have a good relation than a good product. Since there is no IT-product without problems and with a good relation, problems are easier to solve.

5.7.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

Gustavsson AB can give feedback and complain if the system does not work. During the last six month, actions concerning feedback and complaints have gone rapider then before. The relation between MS Solution and the customer is better now then before; in addition the respond towards feedback has become better. This is probably due to that it is the same person that is working with this customer now, which was not the case before.

Contact person problems

Firm G would be able to influence if the contact with their contact person would not work.

5.8 Interview with Henriksson AB

5.8.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

A close contact with MS Solution is not important at the moment. Since Henriksson has had the same system during many years and only made some updates of the system, which have been done by a third part, that possesses this special competence. If the system works well, firm H does not need a close contact with the supplier.

Customers' response to contact

It is positive if MS Solution contacts them, even though it is many people calling. Many of the phone calls from salespeople do not reach the responsible person at the firm, due to the reception. A call from MS Solution is though something else as the firm is a supplier. If MS Solution would call and ask if the firm is satisfied it would be seen as positive. MS Solution take their contacts by mail and dispatch such as information letters, as well as information about customer meetings and user meetings, more physical contact do they only have with technical support department.

What should be most valued?

Henriksson AB claims that nothing is valued most at MS Solution as a firm. The support could the firm buy from someone else.

5.8.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

Henriksson AB does not have a current contact person at MS Solution, the recent one the firm had was three years ago, and the respondent does not even know if he still works there. The customer does not even have an updated list with contact persons at MS Solution. Henriksson AB does not show any interest at the information sent by MS Solution, since the respondent gets a lot of information and it is easier to read it.

Contact frequency with MS Solution

Firm H has almost no contact at all with MS Solution today. If there is any contact it is with the technical support department. A contact with MS Solution was a very long time ago. *"MS Solution never contacts us; it is always we that contact them"*. The company feels that MS Solution does not develop the relation; however it would be appreciated if they would.

Prioritizing

According to Henriksson AB the firm is neither prioritized nor increasingly less prioritized. There is no development of the business system that this company uses any more, although this does not make them feel neglected. The customer gets the needed help from the

technical support department, although not always right away, since *“you get what you pay for.”* However, the customer is not always satisfied with the help that they receive.

5.8.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

Henriksson AB does not feel that MS Solution listens to their needs. The company has to work out their problems by themselves since there has been no development within the system and MS Solution has not been able to offer any competence regarding this issue. Thus, the customer has not had any contact with the supplier. It is also crucial that the personal chemistry works the respondent claims. What company that delivers and maintains the system is of less importance. Focus is on the service and product which is connected to the consultant. Firm H states that the product and the relation are connected, since a bad relation leads to a bad service. The customer claims that a really good product is bought even though the relation is not good, and add that administrate a product are not the same as having a good relationship.

5.8.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

Henriksson AB has no problem to give feedback and complain when it is needed. This has been done through the years. *“A bad relation implies that both the customer as well as supplier loses money.”* Earlier some personnel within MS Solution had problems handling feedback.

Contact person problems

It is no problem to contact MS Solution if there are problems regarding the contact person, since as a customer one should be able to do that.

5.9 Interview with Ivarsson AB

5.9.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

According to Ivarsson AB it is important to have a close contact with their suppliers. *“If a problem arises and the supplier has been there from the beginning and knows your demands it is easier for them to help you.”* It is hard to tell if MS Solution is aware of this, although the company hopes that they are, because it is important with a close connection to be able to get everything to work.

Customers' response to contact

MS Solution has never contacted Ivarsson AB and the firm does not see an opportunity for developments when the both meet. MS Solution listens to their problems but does not solve them.

What should be most valued?

Firm I value the business system the most. Initially the customer chose the system and has kept it because of all the resources that have been put into it. Even though, the Ivarsson has considered changing supplier. Originally it was the system that made them select MS Solution, their competence and so on has not been impressive to this point.

5.9.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

For Ivarsson AB it can differ between the numbers of contact persons, but right now they have two people. The customer does not think that this is too few or too many, it is suitable. Not too good though, is that these two consultants do not seem to have contact with each other and do not know what the other one is doing. Thus, it is definitely a lack in the communication between these two.

Contact frequency with MS Solution

Ivarsson AB meets their consultant about every other month and they have phone contacts two or three times per month. However, it is always the customer that takes contact with MS Solution when a problem arises. This customer would like MS Solution to contact them more often and show more initiative. It feels as if MS Solution does not want to develop the relationship.

Prioritizing

Company I does not experience them as prioritized in any point, the firm has position among MS Solution customer base and there is no real development.

5.9.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

According to Ivarsson AB MS Solution does not listen to their needs and that firm I cannot discuss ideas with them without getting an invoice later or as said *"the bill arrives first and then the solution"*. The customer does not feel that the supplier is interested in solving their problems and does not discuss the problems with them instead; it is just money all the time. There is no suggestion on how to solve the problems at all from MS Solution. MS Solution does not help them with solutions and forecasts, and even though the customer has asked for handbooks and manuals, nothing is received.

5.9.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

Ivarsson can give feedback, but nothing happens, there is no dialogue between them or as said *"we say what we think, but MS Solution does not give a shit"*.

Contact person problems

If a problem with the contact person would arise the company would take contact with the responsible and try to get that person changed. The firm has changed contact persons in the past because it did not work.

5.10 Interview with Jonsson AB

5.10.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

Jonsson AB claims that it is important with a close contact to their suppliers. It is also about customer care, the customer should not be seen as one in the group. *“It is important to keep the relation alive, just to take a coffee together, a social part in the relation. MS Solution knows this, salesperson X calls regularly, they play golf together. It would be possible to change company if salesperson X would change firm.”*

Customers’ response to contact

It is always appreciated when MS Solution contacts Jonsson AB. However sometimes someone from another System firm calls and offers services and does not know that Jonsson AB already is customer to System. The opportunities with the meetings with MS Solution is maintaining of the relation and to get to know what is happening within the company, that they are still on the market. Jonsson AB thinks that it is important to know that the supplier is still in business *“to not gather all eggs in the same basket”*. Firm J thinks that MS Solution appreciate the contact opportunities, and hope that MS Solution appreciate Jonsson AB as a customer.

What should be most valued?

When Jonsson chose the system, the supplier was not the same company as today. At that time the competence was the most important and that the customer could trust them. The system itself could have been bought from any firm in the business. When Jonsson selected supplier it was important that it was a small actor to have a close contact with.

5.10.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

Jonsson AB has one contact person, and it is good. The contact person gladly stops by for just a cup of coffee, which is nice. The communication with the technical support department is also working well; they have one contact person there. This Company would like to point out that they like the fact that MS Solution has a bit older and more experienced consultants and programmers.

Contact frequency with MS Solution

They meet in person with MS Solution at least once a month and talk via phone in about once every week. In the beginning of their relationship both parties took contact, but today it is only the customer who does, when they have a question or a problem.

Prioritizing

Jonsson AB feels neither prioritized nor increasingly less prioritized, everything have worked fine up till now. *“If a company is experienced enough shall you as a customer not notice if you are prioritized or the opposite.”*

5.10.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

MS Solution listens to what Jonsson is trying to convey, this costs a lot though and therefore the firm sometimes does not contact the consultant. For them the product is number one, the relation is important as well.

5.10.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

According to Jonsson AB the firm can give feedback and out of that they can customize the system. However from the company's view, MS Solution does not follow up this very well though. The supplier they used before MS Solution bought them was positive towards feedback.

Contact person problems

Jonsson AB states that if the collaboration with the contact person does not work, the company has to solve that problem, call MS Solution and let them know.

5.11 Interview with Knutsson AB

5.11.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

Company K thinks that it is important with a close contact with MS Solution. It is always important with a good relation since everything is easier if there is a good relation. Knutsson does not know if MS Solution is aware of this.

Customers' response to contact

MS Solution never calls Knutsson AB; the firm gets newsletters by email.

What should be most valued?

Knutsson AB values quick service the most and to have good contact persons. Before MS Solution bought Hands, which was the earlier supplier, the service was deplorable.

5.11.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

Knutsson AB has three contact persons at the technical support department. This is enough and is working okay.

Contact frequency with MS Solution

According to Knutsson AB there is no point in having contacts with their system supplier, the firm barely even know about the company MS Solution. If there they have contact, the customer takes the initiative.

Prioritizing

Firm K does not see themselves as prioritized or increasingly less prioritized.

5.11.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

Knutsson AB states that MS Solution tries to listen and help. Although, MS Solution focus too much on the new systems and not enough on Knutsson's system which is older. The company does not feel that the supplier is pro-active and presents solutions before they have realized the problems themselves. The product that is most important and the best would if the system just worked all the time. It is important with a well-functioning system however it was not the company's own choice to use this system. The respondent does not think that the firm will have MS Solution as supplier in a couple of years.

5.11.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

The response toward feedback and complains was unpleasant during the Hands time that MS Solution bought. Firm K can wait days before something happens or that they get a reply.

Contact person problems

Knutsson AB has had problem with their contact person before and do not have problem to call and try to get the person replaced.

5.12 Interview with Larsson AB

5.12.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

According to Larsson AB the firm is not a customer to MS Solution anymore (which the list that the authors got from MS Solution indicated). It is important with a close contact with their suppliers especially regarding large and expensive products such as computer systems for them. Thus, that they can trust the supplier and that this one does what it shall, because it concerns so much money. It is about confidence and trust. A close relation implies that the customer can call when there is a problem. The firm believes that MS Solution know this or *“they know it by heart, but can sometimes forget it in the daily life with contacts to customers”*.

Customers' response to contact

The company finds it positive when a supplier contacts them although it depends on how often and how. This is an opportunity for development and changes.

What should be most valued?

Larsson AB chose supplier due to that MS Solution at that time Hands, was established in the whole Scandinavia. This due to, that the entire organization could have the same supplier. However this did not work, it almost got more complicated since the suppliers' offices in the different countries did not communicate with each other.

5.12.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

Firm L had one contact person when the company was customers at MS Solution, which was good. Although it is important that the contact person has good documentation so anyone else in the company can replace this person easily.

Contact frequency with MS Solution

Larsson AB had some contact with MS Solution when the firm was customers. The respondent cannot really say how often they were in contact, but the company points out that they always took the first contact. Firm L wishes that there would have been a more continuous contact with MS Solution.

Prioritizing

Firm L did not feel increasingly less prioritized when the firm was a customer and got an enough attention.

5.12.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

Larsson AB states that MS Solution listened to them, although not that much occurred after all. The company knows what it wants and tells that to its supplier. To have a good relation is important but the competence is the most important, since that gives a good solution.

5.12.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

Larsson AB felt that the firm could give feedback and this was positive and gave result. Thus, MS Solution was positive towards their feedback.

Contact person problems

Larsson AB thinks that this is a sensitive area. Thus, the firm does not think that it would take a discussion about problems with a contact person if it would result in a bad relation. *“Although, the customer might explain the problem over some beers.”* The firm would not take a discussion about something like this if it was not needed. However, this cannot affect the company.

5.13 Interview with Magnusson AB

5.13.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

A close contact to MS Solution is extremely important for Magnusson AB. Especially during the cooperation they have had together which has been pretty extant. The personal chemistry is also important. MS Solution has totally understood how important this is for them.

Customers' response to contact

Magnusson AB states that it is good and it is appreciated when MS Solution contacts them. The contact also consists of reports and follows up from former meetings. Thus, they develop together all the time. *“MS Solution never calls and ask how they are”* although it would be appreciated if the firm did.

What should be most valued?

According to Magnusson AB the knowledge of the single programmer is of most important. Even though the company cannot explain what they really want, the programmer understands what the need is and converts this into an actual service.

5.13.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

Firm M has one contact person at MS Solution today, which is a programmer and their contact is working very well. Before, the respondent also had a project leader as a contact, although that relation did not work at all and Magnusson had to end it if they were to stay as a customer at MS Solution.

Contact frequency with MS Solution

Magnusson AB states that they do not meet as much these days as they use to when the customer implemented the system. Today the contact is mostly via phone. Most often is it Magnusson that contacts MS Solution but the firm does not see this as a problem. The company thinks that it is perfectly okay the way it is now.

Prioritizing

The firm experience themselves as prioritized.

5.13.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

According to Magnusson, MS Solution listens to them as customer. The customer also feels that the both are on the same technical level during discussions. In addition, the programmer is always one step ahead concerning future needs, thus MS Solution gets a good grade from them. The customer furthermore claims that the product and the customer relation is equally important, maybe the relation is more important since this creates sales opportunities.

5.13.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

Magnusson AB utter that the firm can have an open dialog when it concerns feedback and complains and this results in changes.

Contact person problems

Magnusson AB would definitely let MS Solution know if the relation did not work with a specific person and the firm has done this in the past.

5.14 Interview with Nilsson AB

5.14.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

According to Nilsson AB it is important with a close contact to MS Solution. *“Because you want to have a long term relation with an IT-partner, you do not want to change often.”* The firm feels that MS Solution works together with them. Nilsson furthermore thinks that MS Solution knows that it is important for them.

Customers’ response to contact

It is positive if MS Solution contacts them, it shows that the supplier is a bit go-ahead and it is customer care; that is how the firm takes care of their own customers. MS Solution does not check if there is any problems, instead the supplier solve them when they arise. The company believes that there was more focus on new sales when the company was Hands. MS Solution has told them that this is going to change, toward more focus on the existing customers, *“This sounds really good but they have not noticed any difference so far”*. According to Nilsson AB they see each other too rarely, it would be enough just to take

contact via phone. The respondent believes that MS Solution thinks that as long that the customers do not contact them everything is fine.

What should be most valued?

Nilsson AB states that MS Solution has everything that a supplier should have, like competence and service. Though, it can be hard for this supplier to deliver all this to the final customer. MS Solution is good at responding to upcoming problems; however the quality of the solutions varies. The communication between the consultants and the technical support department is not superior, since problems easily got stuck between them.

5.14.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

Nilsson AB has one main contact at MS Solution and has also one or two contacts at the technical support department. This alternative has both positive and weaker aspects, according to the respondent. One aspect that firm N reveals is that the competence level between the different contacts differs a lot.

Contact frequency with MS Solution

Firm N has meetings with MS Solution in about three to four times a year and at least once a month through phone or email. Both parties take contact but it is often the company that calls MS Solution. Nilsson does not feel that MS Solution has in good control of there relations. *“Just a phone call before the weekend and ask how things are working and a wish for a pleasant weekend would make a big difference, this is some of the things they lack from MS Solution.”*

Prioritizing

Nilsson AB understands as the firm is a bit increasingly less prioritized since it is using an old business system with no further development.

5.14.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

According to Nilsson AB it is different from time to time, MS Solution listen but it also differs depending on which person the company has contact with. When new versions are launched, the company repair bugs, but the functionality for the user is not changed, which they lack. Earlier it was a lot of technical terms, but it has been better in the communication. The company claims that MS Solution suggests improvements within the system, most often is it existing problems that are upgraded. It is as important to have a good relation, as well as a good product, if there is good contact there is a good understanding about upcoming problems. It is also easier to solve these problems together. Additionally the products can always be improved.

5.14.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

Nilsson AB feels that they can give feedback, but it sometimes occurs, that MS Solution takes a defense position towards this, when receiving feedback and complaint. The company also has problems to understand what is important for the customer and that the arising problems have to be fixed quickly.

Contact person problems

Firm N has no problems into let MS Solution know if it is a problem with the contact person. Nilsson has been able to solve this earlier, when this kind of problem has arisen.

5.15 Interview with Olsson AB

5.15.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

According to Olsson AB it is important with a close contact to MS Solution and the firm feels that it can phone when is needed. The customer thinks that MS Solution is aware of the importance for them.

Customers' response to contact

The company and MS Solution do not have that kind of relation that MS Solution call and try to sell things to Olsson, which the firm likes and thinks is positive. They meet each other when they need to; otherwise it is just waste of time. It is not hard to arrange a meeting when needed. Firm O is not sure on how MS Solution see on these contacts, possibly as a way to help the customer further and as a sale opportunity although Olsson has never felt as MS Solution has tried to sell anything that is not wanted.

What should be most valued?

Olsson AB claims that MS Solution are good, the firm get the help that is needed, although there has earlier been problems on the contracts level. The company states that it has paid for more than it got, sometimes the both of them have argued about small details. These problems have MS Solution not been willing to work out, so instead of solving them the supplier has had dispute with the customer. It is competence of the people in the company that the firm values most today.

5.15.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

Olsson AB has three contact persons at MS Solution, one sales manager, one project leader and also a technician. The Company feels that this is a good combination, because of the difference between the problems that can occur, that the contact person has to solve.

Contact frequency with MS Solution

The company does not have any scheduled meetings with MS Solution, they meet when problems arise or need assistance. It is mostly the company that takes contact. The customer likes the relations the firm has with the technicians but not the relations with MS Solution as a firm. Olsson does not feel that MS Solution tries to develop their relation.

Prioritizing

Olsson AB does not totally feel increasingly less prioritized, sometimes the firm does, and if it is details the customer does not get as much attention as with larger problems.

5.15.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

Olsson AB asserts that MS Solution listen to them as customers, but it also depends on which person the firm gets in contact with. MS Solution helped them with suggestions during the implementation, but not anymore. Throughout the implementation period there were several consultants with different knowledge that helped them, some were truly creative and some were not good in any way. On the person level the both parties have a good contact now, they know who to talk to, but in total it does not workout too well. The respondent claims that the product is more important than a good relation.

5.15.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

Olsson AB can complain and give feedback if it is needed, and perceive a difference from this, maybe not too much of a difference.

Contact person problems

The company would tell MS Solution if they had problems with the contact between the companies.

5.16 Interview with Persson AB

5.16.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

From Persson's perspective it was necessary to have a close connection to MS Solution and a good personal chemistry between the parties at the implementation stage, today it is not that important.

Customers' response to contact

Persson AB does not have any formal contact with MS Solution, the dispatch is the only contact. The firm receives emails and notices from the support commissions, if there have

been problems. Firm P thinks that it would destroy more if MS Solution contacted them too often. Persson AB wants as little contact as possible.

What should be most valued?

The company thinks it is hard to say what is the most important within MS Solution, owing to the tough period they had during the implementation period. At the moment the firm is not satisfied.

5.16.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

Firm P has one contact person at the technical support department and two at MS Solution. If there are any problems the customer calls the contacts at MS Solution, but if it is a minor issue the firm call the technical support department, because it is too expensive to contact MS Solution all times.

Contact frequency with MS Solution

Persson AB does not have any contact with MS Solution, other than the annual user meeting and some phone calls when problems arise. Mostly it is the customer that takes the contact, the firm like this situation; *“if we do not have any contact with MS Solution then we know that the system works”*.

Prioritizing

The company mentions that there is a priority level on the technical support through an agreement, and Persson does not have a total support. Firm P does not answer if there is any priority on other things than the support.

5.16.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

Persson AB utters that the firm tried to gather all their needs into one system, but it did not work, the system was promised to work in the end of 1999. However it was working properly first in 2003, due to that parts of the system did not work until then. Firm B does not feel that MS Solution suggests developments and give advices in advance. Thus, the company contacts their supplier something. At the moment there are not that many updates and it becomes soon expensive if they want some help. The optimal is to have both a well-functioning product as well as good relation, but finally it is the product that is of most importance, a bad product leads to a bad relation.

5.16.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

They can definitely give feedback and complains, but imagine that it is hard for MS Solution to handle the feedback and complaint.

Contact person problems

The company makes their voice heard in this kind of circumstances. They have changed contact person before

5.17 Interview with Rikardsson AB

5.17.1 Building lifetime customer relations (Question 1, 4 and 6a-c, appendix 3)

Customer contact

For firm R it is important to have a close contact with their suppliers. Since, relations are about give and take, therefore it is important to have a good relation so this works. Earlier Rickardsson has been disappointed with one of the other firms in the System organization, however the customer likes the way that MS Solution works now, the supplier works constructive.

Customers' response to contact

Rikardsson AB claims that it is positive if MS Solution contacts them. The customer is satisfied with the numbers of meetings they have together, it is not too many.

What should be most valued?

Firm R continued to collaborate with MS Solution after System bought the supplier that Rickardsson already was customer at, it also had to do with that the customer had consultant hours left which already had been paid for. The business system is important for the firm and at that time this system was the only one that would manage the millennium bug. Rickardsson also investigated other organizations when before decided to purchase the system from MS Solution. The customer finds it hard to have contact with consultants since they only talk about sales and the new systems.

5.17.2 Manage the client base and chase the client not the money (Question 3a-c, 2a-e and 5c, appendix 3)

Contact persons

Rikardsson AB only has one contact person today, however the firm would like to see that there will be more in the future as the company is going to develop the business system.

Contact frequency with MS Solution

The both parties meet every other month and have frequently contact via phone and email, both parties takes contact but the customer points out that Rickardsson more often the one taking initiatives. Although the firm feels that this is a good and functional situation. One issue mentioned though, was that the employees at MS Solution have quite low knowledge on what the other parties in the company actually or doing.

Prioritizing

The company said that they are definitely not increasingly less prioritized. Although the firm had complications with their supplier before MS Solution purchased this firm, have influenced their present relation.

5.17.3 Listening to the customer and ask the right questions, (Question 2f-g and 6d-e, appendix 3)

Rikardsson AB argues that MS Solution listen to them as a customer and their needs, they also have good way of communicating. MS Solution does not give advises in advance yet, due to their cooperation has not reached that far. Firm R hopes that MS Solution will be a supplier that can find and solve their future needs and problems. The company also states that the relation is probably the most important, but no good relation is equal to no good product, therefore both are of importance.

5.17.4 Gain feedback and convert complaints into opportunities, (Question 7 and 3d, appendix 3)

Feedback and complaints

Firm R is positive towards MS Solution as company and can give feedback and that this gives a result.

Contact person problems

The company stated that it can influence, if a problem with the contact person would occur.

6 Analysis

Under this chapter the analysis of the study will be conducted. Distinguish similarities and dissimilarities from the interviews with the theory.

6.1 Building lifetime customer relations

To give the reader an easy understanding regarding question 1 in appendix 2 and 3, table 1 is constructed. This table summarizes what MS Solution and their customers think about the contact between them.

Table 1, Contacts in the relation

Question to MS Solution	Respondent1	Respondent 2
How important is customer contact to MS Solution?	Really important.	Extremely important
Do the customers know that MS Solution think that it is important?	No	Some of them

Questions to the Customers	Yes	Yes/No	Do not know	No answer
Is it important for the customers with a close contact with their cooperation partner/supplier?	Company; A, B, C, E, F, G, I, J, K, L, M, N, O and R, in total 14	Company; D and P, in total 2	Company; H	
Does MS Solution know that their customers think that it is important?	Company; A, B, E, G, J, L, M, N and O, in total 9		Company; C, F, I and K, in total 4	Company; D, H, P and R, in total 4

Both MS Solution and most of their customers claim that it is important with a close contact between them. The question is then how this works in reality. Two companies answered both yes and no on the question whether it is important with customer contact, one company answered that they do not know. This due to if the companies are in the implementation or in the user stage. Furthermore, these companies claim that it is important with a close contact if problems arise otherwise not. Respondent 2 points out that the customers are crucial for MS Solution and therefore customer contact is important for them. However respondent 1 claims that the company earns money on their customer and to obtain satisfied customers the company has to help them. This can be seen as similar answers, although the second respondent's corresponds closer to the theory (2.2.1) and the authors' beliefs, to set the customer first.

Interesting is; the customers' answers to why a close contact to their suppliers is important. A major reason is that business systems are often crucial within their business. Therefore the customers are dependent on MS Solution and that the customers can develop their business together with MS Solution. Another main aspect is the close contact with suppliers, the supplier gets an understanding for the business and can therefore easier help the customer and as well the supplier becomes trustworthy. As mentioned in the theory dependence and to gain trust develops the relation both ways, although some organizations do not want to be dependent on one supplier. Considering the second row in table 1, MS Solution does not think that their customers know that the supplier considers it important with a close customer contact, or that only some know. However, this is under progress at the moment, the firm is informing the customers, which is central if the company wants to develop their customer relations. Additionally, most of the customers think that MS Solution knows that it is important with a close contact for them.

The analysis concerning question 4a-e in appendix 2 and question 4 in appendix 3 is mainly about the customers' response when MS Solution contacts them. The respondents' answers vary that much so a table will not be given. Respondents 1 and 2 at MS Solution have similar opinions concerning this aspect; most customers find it positive when MS Solution contacts them, especially regarding personal visits. Naturally this varies depending on earlier relations. This is confirmed by the customers, since customers that do not have contact with MS Solution today, have had bad prior experience and find it more convenient to have no contact. However, this is a minor part of the customers most of them (seven) appreciate when MS Solution contacts them. The amounts of contacts per year are, regarding six out of eight customers rightly enough. While the other two find the occasions too rarely. On the other hand MS Solution has customers that the firm does not contact, although these would value if the company did. Four of the respondents claim that they have limited contact with MS Solution, for example only via email, dispatch or user meetings. The authors find it contradictory when the consultants at MS Solution stress that personal visits are highly valued and do not really perform this. Two customers point out that even that they find it positive when MS Solution contacts them; it depends on their motive with the contact. Many respondents argue that consultants contact them only for sales which they find irritating. The theory states that a cooperation shall make their customers feel satisfied, thus if their customers do not want regular contact the supplier should adjust, which hopefully will end up in satisfied customers. Even though, the client may not be loyal. Concerning low frequency among the companies, it is difficult to draw specific conclusions regarding the opportunities with the contacts. Hence, five of six respondents state that meetings are occasions for changes and development. While one argues that contacts with MS Solution do not help them to develop, they listen to the customer although no changes are done.

To analyze the result from the part about customer valuation, part 4.2.1 and 5.1.1 to 5.17.1, in an easy way a table have been constructed. The table is a summary of question 6a-d in appendix 2 and 6a-c in appendix 3.

Table 2, Customer valuation

Questions to MS Solution	Respondent 1	Respondent 2
What do MS Solution want their customers to value the most at them/what do the customers value the most at MS Solution?	The business system.	Competence, open to customer and proactive, Before the business system
Why this?		We sell knowledge and experience not the system

Questions to the customers	The competence and service at MS Solution	The business system	MS Solution as a firm, the system together with the competence and service	No answer
What does the customer value most at MS Solution?	Company; A, E, F, J, K, M, N and O, in total 8	Company; D, I and R, in total 3	Company; B, H and L, in total 3	Company; C, G and P, in total 3

The answers from the respondents at MS Solution are diverse, as can be seen in table 2. In the theory it is mentioned that a company needs to have a coherent position towards the environment. The respondents from MS Solution have different opinions about what the customers shall value the most at MS Solution, which show a lack in communication. This may lead to future problems in customer relations. From the authors point of view; this is owing to the mixture in culture. Thus, the different opinions in the way manage customer relations. A corporation needs to have a stable culture throughout the whole organization as mentioned in 2.1.6 and MS Solution needs to improve this according the authors. If the organization is not certain about what parts in the chain that adds value to the process, how can then the customer be aware of this? When the majority of MS Solution's customers ask for competence and service the authors can draw the parallel that respondent 2 has the right attitude to gain customer satisfaction and loyalty. Since customers want competence, MS Solution should focus on this aspect, to fulfill the customers' needs which also may end up with customer satisfaction and therefore customer loyalty. A business system is of course important since the whole organization is dependent on it, and that it works without interruptions. However, the business systems that MS Solution provides are not unique for this firm, as other suppliers possess the systems as well. Therefore it is important for MS Solution to have more than just the system to offer; for example competence, good service and being proactive.

6.2 Manage the client base and chase the client not the money

This part deals with question 2a-d in appendix 2 and 2a-c in appendix 3. How often MS Solution meets and have contacts with their customers varies, naturally the company has more regular contact with some customers than with others and this due to indirect prioritizing. Furthermore, some customers need more interest because of the phase they are situated in, it also depends on the customers requirements of supplier contact. Some customers meet MS Solution every month, while others only see them once a year. Additionally some clients have regular contact via mail and phone several times a week, whereas others have this kind of contact per month. From the authors point of view this cannot be seen as an actual problem, since the contact demand differs among their clients. Regarding who is actually taking contact, the answers are a bit contradictory between MS Solution and their customers. Respondent 1 at MS Solution claims that the firm most often takes contact with their customers, on the other hand a majority of the clients state the opposite, that they are the ones actually taking the contact. The customers argue that the contact is most often taken by them, when problems arise and some find this suitable and some not. However, the respondent from MS Solution claims that many customers are passive when problems arise. Customers emphasize that it would be appreciated if MS Solution contacted them regularly, thus the interaction between them do not only deal with problems. While other customers find it satisfying to be the parties taking contact, if needed. Concluding all this; changes and development from the view of MS Solution are made through IT-council, dispatch and user organizations. Whilst few respondents have comment that MS Solution does not develop their relation. With this mind the authors claim that MS Solution should consider other alternatives on how to develop their relations. As mentioned before and stated in the theory (2.5.2) this is crucial for the company's progress.

Regarding the interaction with contact persons question 3a-c in appendix 2 and 3 will be analyzed: According to MS Solution the firm wants few contact persons per customer, between one to three persons. From their point of view, it works well with this structure. Most of the customers agree on that it is working well with the number of contact persons. Some customers only have one contact person while some have more. Although three of the 17 pointed out that they do not have a contact person at MS Solution and that must be seen as negative for the MS Solution according to the authors. However, two of these customers do not think that a close contact with their suppliers is important. As can be seen the customers attitude towards their suppliers can differ and therefore the supplier should be aware of which customers that do not want a developed contact. Customer has also stated; that there is a lack in communication between different contact persons, the competence differs, it is good with older and more experienced consultants and programmers. However, this is not an general opinion among customers.

To be able to analyze the result from the part about prioritization, question 5 in appendix 2 and appendix 3, in an easy way we have constructed this table. The table is a summary of the result part 4.2.2 and 4.3.2 to 4.17.2.

Table 3, Prioritizing

Questions to MS Solution	Respondent 1	Respondent 2
Do you prioritize your customers?	Yes, into 3 classes. 1)Strong Purchase power, 2)Almost never purchase, 3)Clients with no demand	No official priority at present, it is under transformation. A-customers: purchase regularly. B-customers: reasonable potential in purchasing-customers: are those that not purchase.

Questions to the customers	We feel prioritized	We feel neither prioritized nor increasingly less prioritized as customer.	We feel increasingly less prioritized.(neglected)	No answer
Do you feel that you sometimes are prioritized or increasingly less prioritized?	Companies: B, G, M, in total 3	Companies: A, D, E, F, H, I, J, K, L, in total 9	Companies: C, N, O, in total 3	Companies P & R, in total 2

It is a bit peculiar that the two respondents from MS Solution that the authors contacted, have different views in how the prioritization works at MS Solution, although their answers are similar but not coherent. The respondents at MS Solution classify their customers in a comparable way, but have different opinions on if it is in use or not. This shows how the authors perceive procedures at MS Solution, the employees do not work after the same policies and therefore the conclusion can be done that; there is a lack of communication across the organization. The authors believe that the firm wants to be better at this aspect, but this is still under progress. Today the classification of customers is not official, although the consultants work along with this. As the theory states (2.3) it is extremely important for an organization to work against the same goals and have the same attitudes, from the employees to the management level. This is a basic way to begin the customer satisfaction and loyalty process. All this illustrates that MS Solution is not a united organization today and this have impact on their customer relations according to the authors. Respondent 1 points out that it is usually a correlation between profitability and prioritizing and this is also mentioned in the frame of reference. Earlier stated in the theory and by the respondents at MS Solution, it is a good to prioritize, because the firm should not spend money on customers that will not generate profit. However, the authors still believe that the customers should not feel that they are not prioritized or less increasingly prioritized, since the theory discuss that all customers should feel unique. There is a risk that increasingly less prioritized and dissatisfied customers, as mentioned in the theory, will spread their negative attitudes about MS Solution to other potential customers or partners as well as present customers. The authors find that there is a good spread between prioritized and increasingly less prioritized customers at MS Solution. Most of the customers feel that they are neither nor which the preferred situation is. Even if the

customers are prioritized and especially increasingly less prioritized by MS Solution, they should not sense that.

6.3 Listening to what the customer is saying and ask the right questions

To illustrate and get a clearer understanding of question 2e and 4f in appendix 2 and question 2f-g and 6d-e in appendix 3, table 4 is formed.

Table 4, Listening to the customer

Questions to the customers	Yes	Do not	No answer
Listen to you as a customer and your needs	Company; A, B, E, F, G, J, K, L, M, N, O and R, in total 12	Company; C, H and I, in total 3	Company; D
Discuss on the same technical level	Company; B, F, M and N, in total 4	Company; E	
Help, advice and guidance the customer	Company; A, E, F, M and N, in total 5	Company; G, H, I, K, O and P, in total 5	Company; D

The relation is as important as the product	Company; A, D, E, F, M and N, in total 6
The product is more important than the relation	Company; C, H, J, K, O and P, in total 6
The relation is more important than the product	Company; G, M and R, in total 3

Earlier discussed is in the theory (2.5.3) is the importance of listen to the customers and what they try to convey. By the use of this the consultant should be able to see their concrete needs and can therefore, advice and guidance the customer. MS Solution has to some extent followed the theoretical strategies, since claimed that they tries to listen to their customers and their needs, as table 4 illustrates. Most of the customers are pleased with MS Solution's way of doing this. Additionally respondent 1 state that the company seeks to be responsive, try to suggest improvements and help the customer, this is naturally depending on where in the process the customer is. Although, MS Solution has not really managed this approach, since the same amount of customers claim that the firm are pro-active as the opposite. Underneath chapter 2.2.3 the importance of the level of communication is stated, as it makes the customer trust the consultant and feel comfortable in the relation. Referring to table 4, four out of five companies assert that consultants use a good technical level of language. However frequency among the answers is low and therefore an appropriate conclusion is hard to draw. The frame of reference claims that a relation is as important as the service or product, if not even more important, especially regarding a service firm. Concerning the results from the study, six customers find the relation as important as the product. Three customers consider the relation to be more important than the product, while six clients claim that the product is of most importance. Respondent 1 and 2 declare the customer relation vital. From the authors view it is difficult to draw parallels between the theory and research in this question, depending on that the customers opinions varies. However, an organization should try to reach an appropriate combination between the service and the relation.

6.4 Gaining valuable client feedback and converting complaining clients into lifetime clients

Table 5 illustrates question 3d and 7 in appendix 2 and 3.

Table 5, The influence of feedback

	Yes/Positive	No/Negative	Do not
Can give feedback!	Company; A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P and R, in total 17.		
Is a change perceived?	Company; A, B, F, L, M, N, O and R, in total 8.	Company; C, E, I, J and K, in total 5.	Company; D.
What is the reaction towards the feedback?	Company; F, G, H, J and L, in total 5.	Company; C, N and P, in total 3.	
Can problems with contact person be influenced?	Company; A, B, C, E, F, G, I, J, K, M, N, O, P and R, in total 15.	Company; L.	Company; D.
There has been a change!	Company; B, C, I, K and N, in total 5.		

The theory states the importance of a well functioning feedback mechanism, due to the valuable information that a company can gain from this. This aims to help the company to further develop the relations with its customers. In the interviews with the respondents from MS Solutions respondent 1 claimed that the company should not have any complains and that complains should not exist. Although, if problems would arise the company solve them as time goes by, and MS Solutions cannot just unravel the problems. Furthermore, the respondent asserts that dissatisfied customers should complain, even if this does not occur often. Respondent 2 argues that many customers probably have a lot of response towards MS Solutions, which unfortunately are not given. All customers feel as they can give feedback, however almost one third utter that there is no change perceived. While eight experience the reverse. The authors think that it is alarming when as many customers cannot distinguish adjustments after the feedback. It shows the significance of a well functioning feedback mechanism and the use of this. As can be seen in table 5 most of the customers that answered the question of how the feedback is obtained, find a positive ness toward the feedback. Whereas three out of eight customers, feel as MS Solution find it negative and has problems to handle this. Earlier stated in the theory, companies should be positive towards feedback and see the opportunities regarding this. According to the authors MS Solution should try to improve and implement this within the organization, see this as positive information and try to struggle towards this.

When looking at table 5, most of the interviewed firms would have no problem to complain if there were difficulties with the contact persons. Respondents at MS Solution also point out that customers have no problem to contact them if problems arise. If this instead would have been a minor problem, the authors doubt whether the answers had

been the same. Almost one third of the interviewed customers has faced this problem earlier and has been able to solve it. Many customers do not have difficulties to complain when it concerns larger problems and MS Solution seems to handle them well. Although regarding problems of less importance the feedback mechanism appears to function improperly. Either the customers do not feel comfortable complaining, they complain but MS Solution do not obtain the data, or are not willing to receive the information.

7 Conclusions

The purpose of this thesis is to examine how a company manages its customer relations in comparison with the theory and its customers' opinions. When performing the interviews the authors' found a considerable difference between how MS Solution handles its customer relations and how the theory states this. In addition there were dissimilarities, within the company, how to treat its customers and differences in the way the firm believes and how it actually performs the customer relations. The authors believe that this company has a lot to improve concerning customer related questions. Today the consultants cannot expect that the customers will contact them, instead the consultants have to be the initiators which have not always been the case. Furthermore, the competition within this business rise. It is surprisingly, that the company states that it is okay to lose some customers, *"because we will gain some new customers"* (respondent 1). Instead MS Solution should try to retain the existing customers and making them satisfied as well as to attempt to gain new customers. Thus, in conclusion this will likely add up with more customers, and a more profitable business.

From the authors point of view it is a bit unexpected how the respondents at MS Solution handle their customer relations. Often it is the details that can make the difference between a good and a poor customer relation. An example could be; to make a phone call now and then, to drop by and show interest. The consultants at MS Solution do not pay attention to these details, which would not be too hard for them to do. These details would, according to the customers and the theory make a large difference for the customer relation. MS Solution tries to listen to its customers and their needs. However, unfortunately the firm does not suggest further developments for the customers; this would be appreciated by the customers. What the company needs to do first according to the authors; is to change the consultants' attitude towards their customers and their relations in general.

Throughout the thesis the importance of well functioning directions; how to handle customer relations have been clarified. Since, many companies lose customers without having knowledge about this and why this is case. Some of the interviewed customers seriously considered to change supplier, because of the lack in customer care at MS Solution. The authors think that MS Solution is not aware of this problem. The conclusion drawn is that the company needs a clear and a well stated strategy in their customer relation management. Every employee, throughout the entire organization, has to know how to position themselves towards customer related issues, has clear and well define routines on how to act and react to the customers.

Another observation is that there seems to be a large difference in how the company handles different customers. The authors found that there is a prioritizing among the customers. It is not clear whether this is done by purpose, although the customers can sense it. As one customer told the authors; *"if a company is good in prioritizing then the customers should not recognize if they are prioritized or not"*. The authors think that it might be the inaccurate customers that feel prioritized or increasingly less prioritized. Due to, how MS Solution seems to randomly treat their customers.

A majority of the interviewed customers claimed that they can give feedback. However the authors believe that there is a bias in these answers, due to that MS Solution does not receive that much feedback from the customers. It can also depend on that this type of question is easy to give a favorable answer to, while this might not reflect how the customers would act. The statement that it is difficult to give feedback is strengthened by respondent's 1 quote; *"There should not exist any complaints"*. The authors believe that attitudes like this can inhibit the environment for complaints.

8 Discussion and final remarks

8.1 Critics of the study

The results of this study are based on one small-and-medium sized service company in the Gothenburg area and a number of its customer base. Therefore the results are difficult to generalize, although, the aim with this study was not to create a general conclusion. The authors feel that the interviews could have been better prepared. Since, if the respondents found the questions unclear, the three interviewers probably replied differently. Sometimes leading questions were probably asked, which could lead to bias. Many of the interviewed customers referred to the technical support department; afterwards the authors felt that if the questions were asked in a different way this would not have been the situation. Thus, the respondents would not have referred that much to the technical support department or the authors might have done interviews with this department as well.

The literature used is mainly specialist literature about management, service, marketing and encyclopedia literature as well. The authors have tried to use as recent literature as possible to get reliable sources. Most books are based on the American business environment and culture, thus a lack in the theory can be that the American and Swedish environment differs.

8.2 Evaluation of the interview

Due to three interviewers, bias might occur, since the questions could have been positioned in different ways. Additionally the respondents may understand the questions differently. Even if the interviews were recorded, misunderstandings might occur. Furthermore, when the interviews were translated into English misinterpretations could arise. However this has not created any larger problems in the empirical part, the main opinions have been stated according to the authors. From the authors' point of view; the amount of customers that were interviewed was not too few since saturation was met. To fulfill the purpose even less interviews could have been done.

To interview two consultants at System MS Solution proved to be a good idea since there answers differ. However the authors claim that it would have been good to interview even more employees, although the opportunity was not given. In the collection of empirical data a mixture between personal interviews and telephone interviews were used. Afterwards it can be stated that it had not too much influence on the reliability of the data and did therefore not affect the end result. Anonymity was promised to the respondents and this gave both positive and negative aspects. A positive aspect was that the respondents felt free to give their true opinion, while the analysis could have been more specific if there had been no anonymity.

8.3 Suggestions for further studies

The authors believe that it would be interesting to compare the results from this thesis with other companies in the same size and business, to show if this thesis reflects a general picture. To return in four or five years to the same company and make a similar research is also a suggestion from the authors. Because this could be seen as an evaluation, to find if any improvements in the work with customer relations has been done, with this thesis as an outline. It would also be interesting if a similar research would be made with fewer customers and more respondents at these company's. In this sense the research would find a deeper knowledge to why the problems have occurred and maybe better answers on how to solve them. Another suggestion is to interview more consultants at MS Solution to obtain a deeper understanding, to be able to draw deeper conclusion.

An additional suggestion for further studies is to do this kind of research on other companies within the System group, to see how the different companies at System deals with their customer relations. Hence, similarities and differences in the way the firms handle customer relations could be found.

8.4 Final remarks

As a final remark the authors' would like to express their gratitude to System for letting them visit MS Solution and make interviews with their customers. The authors would also like to express that they enjoyed writing and working with this thesis. It has created a deeper understanding of the importance with customer relations and has also been an interesting experience.

However, the authors feel that the firm MS Solution has not handled the relation towards the authors in a good way. The contact has not been reciprocal, even though the authors have called and sent emails about information that was needed, MS Solution has not responded to this. Hence, the analysis and conclusion could have been more detailed if this information had been posted. Albeit, the authors are not customers to this company, they believe that how they have been treated reflects how the firm treats its customers.

Even though MS Solution's actions differ from the theory regarding different aspects, the authors claim that everything in a company cannot be perfect, or according to the literature.

References

- Almeroup-Cooper, B., & Edvardsson, B (1998). *Tjänstemarknadsföring I teori och praktik*. Studentlitteratur.
- Barnes, J. G. (2000). *Secrets of Customer Relationship Management : It's All about How You Make Them Feel*. Blacklick, USA: McGraw-Hill Professional Book Group.
- Boshoff, C. (1997) An experimental study of service recovery options. *International Journal of Service Industry Management*, 8, 2, 110-130.
- Bowen, J. T., & Chen, SL. (2001). The relationship between customer loyalty and customer satisfaction. *International Journal of Contemporary Hospitality Management*. Vol 13: pp. 213-217.
- Brewerton, P. M. (2001). *Organizational Research Methods: A Guide for Students and Researchers*. London: Sage Publications Ltd
- Brown, S. W., Cowles, D. L., & Tuten, T. L. (1996). Service recovery: its value and limitations as a retail strategy. *International Journal of Service Industry Management*, 7, 5, 32-46.
- Buckingham, R. (2001). *Customer Once, Client Forever : 12 Tools for Building Lifetime Business Relationships*. Washington: Kiplinger Books.
- Carson, D.J., & Coviello, N.E. (1995). Researching the marketing/entrepreneurship interface. *Research at the Marketing/Entrepreneurship Interface*.
- Carson, D.J., & Coviello, N.E. (1996) Qualitative research issues at the marketing/entrepreneurship interface. *Marketing Intelligence & Planning*, Vol 14: pp. 51-58
- Daymon, C. (2002). *Qualitative Research Methods in Public Relations & Marketing Communications*. Florence, USA: Routledge.
- Deacon, D., Pickering, M., Golding, P., & Murdock, G. (1999) Researching Communications: A Practical Guide to Methods in Media and Cultural Analysis. London: Arnold.
- Ford, D., Gadde, L-E., Håkansson, H., Lundgren, A., Snehota, I., Turnbull, P., & Wilson, D. (1998). *Managing Business Relationships*. West Sussex, England: John Wiley & Sons Ltd.
- Gerson, R. F. (1993). *Measuring Customer Satisfaction : A Guide to Managing Quality Service*. Menlo Park, USA: Course Technology Crisp.
- Gould, G. (1995). Why it is customer loyalty that counts (and how to measure it). *Managing Service Quality*. Vol 5: pp. 15-19.
- Grönroos, C. (2003). *Marknadsföring i tjänsteföretag*. Malmö: Liber Ekonomi.

- Hathaway, P. (1997). *Giving and Receiving Feedback : Both Critical and Positive*. CA, USA: Course Technology Crisp.
- Hollensen, S. (2004). *Global Marketing a decision-oriented approach* (3rd edition). Harlow: Pearson Education Limited.
- Humby, C. (2004). *Scoring Points : How Tesco Is Winning Customer Loyalty*. London: Kogan Page, Limited.
- Håkansson, H., & Johansson, J. (1993). Industrial Functions of Business Relationships. *Advances in International Marketing*, Vol 5: pp. 13-29.
- Håkansson, H., & Snehota, I. (1995). *Developing Relationships in Business Networks*. London: Routledge.
- Juran, J. M. (1998). *The quality control process*. Blacklick, USA: McGraw-Hill Professional.
- Kasper, H., Helsdingenn, P. V., & Wouter de Vries jr (1999). *Service Marketing Management, an international perspective?*. Chichester: John Wiley
- Kotler, P., Armstrong, G., Saunders, J., & Wong, V. (2002). *Principles of Marketing* (3rd European edition). England: Pearson Education Limited.
- Lee, J., Lee, J., & Feick, L. (2001). The impact of switching costs on the customer satisfaction-loyalty link: mobile phone service in France. *Journal of Services Marketing*, Vol 15: pp. 35-48.
- Macdonald, J. (1994). Service is different. *The TQM Magazine*, Vol 6: pp. 5-7.
- Nationalencyklopedin no 11 Bokförlaget Bra Böcker, Höganäs 1993
- Nationalencyklopedin (2005). Collected 2005-06-02 from http://www.ne.se/jsp/search/article.jsp?i_art_id=O220517
- Newell, F. (2002). *Loyalty.com : Customer Relationship Management in the New Era of Marketing*. Blacklick, USA: McGraw-Hill Professional Book Group.
- Nordström, K.A., & Riddarstråle, J. (2003). *Karaoke Capitalism. Management for mankind*. Bookhouse Publishing AB.
- Reynolds, J. (2002). *Practical Guide to CRM; building more profitable customer relationships*. New York: CMP Books.
- Richardson, L. (1997). *Stop Telling, Start Selling : How to Use Customer-Focused Dialogue to Close Sales*. Blacklick, USA: McGraw-Hill Professional Book Group.
- Roberts-Phelps, G. (2001). *Customer Relationship Management : How to Turn a Good Business into a Great One!*. London: Thorogood.

Ruyter, d. K., & Wetzels, M. (2000). Customer equity considerations in service recovery: a cross-industry perspective. *International of Service Industry Management*, 11, 91-108.

Stone, M. (2001). *Successful Customer Relationships Marketing, New thinking, new strategies, new tools for getting closer, to your customers*. London: Kogan Page, Limited.

System Kundskap: Koncepts beskrivning.

TePeci, M. (1999). Increasing brand loyalty in the hospitality industry. *International Journal of Contemporary Hospitality Management*. Vol 11: pp. 223-229.

Timm, P. R. (2002). *Powerful Ideas You Can Use to Keep Your Customers*. Franklin Lakes, USA: Career Press, Incorporated.

Toh, R.S., Hu, M.Y., Withiam, H.. (1993). Service: the key to frequent guest programs. *Cornell Hotel and Restaurant Administration Quarterly*. Vol 34: pp. 66-72.

Vår kultur. System

Walle Alf, H. (2000). *Qualitative Research in Intelligence & Marketing : The New Strategic Convergence*. Westport, USA: Greenwood Publishing Group, Incorporated.

Whalley, A. (2001). *Obtaining and Retaining Customers*. Broadstairs, UK: Scitech Educational.

System (2005). Collected 2005-04-30 from <http://www.system.se>

Zigmund, W. G. (2002). *Exploring Marketing Research*.

Yin, R. (1994). *Case Study Research: Design and Methods (2nd edition)*. Newbury Park: Sage.

Årsredovisning 2003, System

Appendix 1

“A successful hairdresser’s salon. An example of a business employing a good relationship management strategy can be found in most high streets. In fact many businesses do it without even really thinking about it. Some hairdressers are able to generate extraordinary levels of loyalty from their customers. This loyalty transcends such things as price differences and the convenience of their location. Many people will have their favorite hairdresser, someone they will return to again and again. Even when they have moved house or job, making that hairdresser less convenient, they may well still drive past dozens of other similar establishments to go there. Once they are there, only their favorite member of staff will do, even when the owner has trained that person. Once a salon has such loyalty from a customer it can charge increasingly more for its service. Consider for a moment what this hairdresser might do to generate such loyalty – and profitability – from key customers. Their ability to cut, style and color hair outstandingly is a given and usually not unique ability. The secret lies in their ability to manage every aspect of the relationship with the customer in such a way that the customer is always satisfied. At the most obvious level the salon is always clean, stylish and attractive. Attention to detail ensures that first impressions become lasting impressions, from the coffee cups to the lack of coffee stains. The real differences between this and a less successful salon can be understood by looking at the business from the customer’s perspective” (Roberts-Phelps, 2001).

Appendix 2, Questions to System MS Solution AB

1a. How important is customer contact to System MS Solution AB?

- b. Why is this important?
- c. Do your customers know that you think that it is important?

2a. How many contacts do you have with your customers per month?

- b. How does this contacts look like?
- c. Who take the contact, your or they?
- d. Is it too rarely?
- e. How do you develop/change these relations? Is this done by a company outline or on a personal level? Would you personally like to change System way of working?

3a. How many contact persons do you have at your customers?

- b. How are they and why these once?
- c. Is it too few or to many?
- d. If you notice that the contact (contact person) between you and the customer do not work, how would you solve that? How would you notice that a "relation" do not work?

4a. How do the customers respond when you contact them?

- b. How does the contact between you and your customers work?
- c. Do they appreciate this contact and see it as an opportunity for development?
- d. Do you appreciate the contact, do you see the opportunity with customer meetings?
- e. What kind of opportunities do you see? Add sales?
- f. Do you "listen" to your customers and read them?

5a. Do you prioritize your customers?

- b. How does this prioritizing work?
- c. Kan prioritering vara ett alternativ?

6a. What do you want your customers to value the most at System MS Solution AB

- b. Your service, competence, customer relation, the business system or something else?
- c. Why should they prioritize this the most?
- d. Do you prioritize this on sales?
- e. Är kundrelationen lika viktig som produkten eller tjänsten?

7a. How does System MS Solution AB handle complains?

- b. Do you think your customer feel that they can complain?
- c. Do you get feedback from your customers? If not, is that something you miss?

8a. How do you want your customers to see System MS Solution AB?

- b. What kind of spontaneous picture shall your customers have of you?
- c. How do you think they see you as today?

- d. Does distinguish from what you want?

Appendix 3, Questions to System MS Solution AB customers

1a. Is it important with a close contact with your cooperation partner/supplier (System MS Solution AB)?

- b. Why is it important?
- c. Do your cooperation partners/suppliers know this?

2a. How often do you see your cooperation partners/suppliers? (System MS Solution AB)

- b. How does this contacts look like?
- c. How take the contact, you or System MS Solution AB? Always or mostly?
- d. Would like this to occur in some other way?
- e. Is there something you would like to change? Do you think that System MS Solution AB develops the relation?
- f. Do you feel that the company listens to your needs? Do you feel that the salespeople/company speak on the same technical level as you?
- g. Does the company give you advice and guidance before you have realized that/problem arises?

3a. How many contact persons do you have at System MS Solution AB?

- b. How are they and why these once?
- c. Is it too few or to many?
- d. If you notice that the contact (contact person) between you and the customer do not work, how would you solve that? Do you feel that you can influence this?

4a. How do you react when your suppliers contacts you? (System MS Solution AB)

- b. Do you appreciate these contacts? Do you see that as an opportunity for development and change?
- c. What kind of opportunities do you see with these meetings?
- d. Do you see them too rarely/often?
- e. How do you think that System MS Solution AB looks at these contacts?

5a. Do you feel that you sometimes are prioritized or increasingly less prioritized?

6a. What do you value the most at System MS Solution AB?

- b. Their service, competence, customer relation, the business system or something ells?
- c. Why do you value that the most? Do you feel that the sales people/company focus on what you prioritize?
- d. Do you feel that they listen to you as customer? Do they read your needs? How would you like them to do instead?
- e. Is the ability to have a good customer relation as important as the product or service for you?

7a. Do you feel that you can give feedback and complains to System MS Solution AB?

- b. Does it change when you have been given feedback? Does it give anything?

- c. Do you feel that the company takes in your feedback/complains, positively or as something tough?

8a. How do you see System MS Solution AB?

- b. What is your spontaneous picture about the company? (An IT company, a service company or something in between?)
- c. How do you think that System MS Solution AB want you to see them as a company?

9a. How do you look at System as a company?

- b. Other parties of the company? What do you know about the company?
- c. Do you see System MS Solution AB as a supplier or a cooperation partner?
- d. What is your picture about a cooperation partner? What do you claim from a company to see them as cooperation partner?

Appendix 4, Frågor till System MS Solution AB

1a. Hur viktigt är kundkontakt för System MS Solution AB?

- b. Varför är det viktigt?
- c. Vet era kunder att ni tycker det är viktigt?

2a. Hur många kontakter har ni med era kunder i månaden?

- b. Hur ser dessa kontakter ut?
- c. Vilka är det som kontaktar, ni eller dom?
- d. Sker detta för sällan?
- e. Hur utvecklar/förändrar ni dessa relationer? Gör ni det enligt företagets riktlinjer eller på personlig nivå? Skulle ni personligen vilja ändra Systems sätt att arbeta?

3a. Hur många kontaktpersoner har ni hos era kunder?

- b. Vilka är dessa? Varför är det just dessa?
- c. Är det för få eller för många?
- d. Om ni märker att kontakten (kontaktpersonen) mellan er och kunden ej fungerar, hur löser ni det? Hur märker ni om en "relation" ej fungerar?

4a. Hur tas ni emot av era kunder när ni kontaktar dom?

- b. Hur fungerar kontakten mellan er?
- c. Uppskattar de kontakten och ser de tillfället som möjlighet till utveckling?
- d. Uppskattar ni kontakten, ser ni möjligheterna vid kundträffar?
- e. Vilka möjligheter ser ni då? Merförsäljning?
- f. "Lyssnar" ni och läser av era kunder?

5a. Prioriterar ni era kunder?

- b. Hur går prioritering till?
- c. Kan prioritering vara ett alternativ?

6a. Vad vill ni att era kunder skall värdera högst hos System MS Solution AB?

- b. Är det er service? Er kompetens? Er kundrelation? Affärssystemet? Något annat?
- c. Varför skall detta värderas högst?
- d. Prioriterar ni detta även vid försäljning?
- e. Är kundrelationen lika viktig som produkten eller tjänsten?

7a. Hur fungerar er klagomålshantering?

- b. Tror ni att era kunder känner att de kan komma med klagomål till er?
- c. Får ni mycket feedback från era kunder? Om inte är det något ni saknar?

8a. Hur vill ni att era kunder skall uppfatta System MS Solution AB?

- b. (Vad skall era kunder spontant ha för bild av er?)
- c. Hur tror du ni att de uppfattar er som idag?
- d. Skiljer det sig mot vad ni vill?

Appendix 5, Frågor till System MS Solution AB Kunder

1a. Är det viktigt med nära kontakt med era samarbetspartners/leverantörer (System MS Solution AB) för er?

- b. Varför är det viktigt?
- c. Vet era samarbetspartners/leverantörer om detta?

2a. Hur ofta träffar ni era samarbetspartners? I detta fall System MS Solution AB

- b. Hur ser dessa kontakter ut?
- c. Vilka tar kontakten, ni eller System MS Solution AB? Alltid eller oftast?
- d. Skulle ni vilja att detta skedde på ett annat sätt?
- e. Är det något ni skulle vilja förändra? Och tycker ni att System MS Solution utvecklar relationen?
- f. Känner ni att företaget lyssnar på de behov som ni har? Uppfattar ni att säljaren pratar på samma nivå som er?
- g. Kommer företaget med råd och tips innan ni insett det/problemet uppkommit?

3a. Hur många kontaktpersoner har ni hos System MS Solution AB?

- b. Vilka är dessa? Varför är det just dessa?
- c. Är det för få eller för många?
- d. Om ni märker att kontakten (kontaktpersonen) mellan er och företaget ej fungerar, hur löser ni det? Känner ni att ni kan påverka detta?

4a. Hur reagerar ni då era leverantörer kontaktar er? I detta fall System MS Solution AB

- b. Uppskattar ni de kontakterna? Ser ni dem som tillfällen för utveckling och förändring?
- c. Vilka möjligheter ser ni med dessa möten?
- d. Träffas ni för dem sällan/ofta?
- e. Hur tror ni System MS Solution AB ser på dessa kontakttillfällen?

5a. Känner ni att ni ibland blir prioriterade alternativt nedprioriterade?

6a. Vad värderar ni högst hos System MS Solution AB?

- b. Deras Service? Deras Kompetens? Deras kundrelationsförmåga? Affärssystemet i sig? Något annat?
- c. Varför värderar ni detta högst? Känner ni att säljarna fokuserar på det som ni prioriterar?
- d. Känner ni att de lyssnar på er som kund? Och läser av era behov? Hur skulle ni vilja att de gjorde istället?
- e. Är förmågan att ha en god kundrelation lika viktig som produkten eller tjänsten enligt er?

7a. Känner ni kan att ni komma med feedback och klagomål?

- b. Sker det en förändring när ni har gett feedback? Ger det något?
- c. Känner ni att företaget feedback/klagomål tar detta positivt eller tas det bara som något jobbigt?

8a. Hur uppfattar ni System MS Solution AB?

- b. Vad har ni för spontan bild av företaget? (Kallt IT företag? Varmt tjänsteföretag? Något däremellan?)

- c. Hur tror ni att System MS Solution AB vill att ni skall uppfatta dem som företag?

9a. Hur ser ni på System som företag?

- b. Alltså övriga delar av företaget? Vad vet ni om företaget som sådant?
- c. Uppfattar ni System MS Solution AB som en leverantör eller samarbetspartner?
- d. Om inte som en samarbetspartner: Hur ser en sådan ut enligt er och vad skulle krävas från företaget att bli en sådan?