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Customer relationship management in business operations of trading companies in Bosnia and Herzegovina

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The article analyses the presence of certain elements of customer relationship management (CRM) in trading companies in Bosnia and Herzegovina (BiH) and their influence on the realisation of the set marketing goals of business operations. The analysis of the influence of certain aspects of CRM on the level of realisation of marketing goals of business activities is made by the multivariate analysis of variance (MANOVA). It has been established that there is a significant effect of the analysed elements of CRM on the level of realisation of certain marketing goals.

Keywords: customer relationship management (CRM); customer satisfaction research; loyalty system; key account management (KAM); marketing goals

JEL classification: M31

1. Introduction

All proportions of trade and retail sector development are best reflected in the global expansion of retail chains. A significant increase in the scope of trading operations worldwide has been noticed in the last 20 years. Trading companies' supply is significantly broader when compared to, for example, the supply by manufacturing and service companies. It includes not only the merchandise but also a set of other factors such as: service process, shopping environment, work hours, informing customers on certain aspects of supply, etc. which requires additional efforts made by marketing managers to create an appropriate offer to buyers that is, customers. Stimulated by the wealth power at their disposal, buyers constantly expand the scope and content of their requests regularly addressed to retailers. Many of the requests are related to unacceptable prices, flexibility, emotionality and creativity in creating and delivering the offer. Namely, a buyer would be equally disappointed if his retailer constantly offered him/her a uniform offer and the same content which is offered to all the other buyers. A buyer wants to experience the shopping as an event rich in an emotional tone. He does not want to be an 'X buyer' to his retailer, but to feel as if he has a special value to the retailer. He wants the shopping process to inspire a certain emotional condition. He wants to be seen as an individual person with unique needs and a personal way of experiencing things.

For a long time, domination of retailers over buyers was on the scene. However, in the last 20 years this relation has significantly changed to the benefit of buyers, which is partially explained by the model of asymmetric information. This model is considered

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to be the origin and the basic framework of modern economics. It was developed by three scientists: George A. Akerlof, A. Michael Spence, and Joseph E. Stiglitz who won the Nobel Prize in Economics for it in 2001. The basic postulate of classic economic theory, the law of supply and demand, is based on the assumption that all the participants in the exchange process are equally informed. However, in most cases, the buyer cannot know the characteristics of the exchange subject equally or better than the retailer. This way of analysis led to the concept of asymmetric information. Although for a long time it was perceived that this problem cannot have a significant influence on the relation between supply and demand, the abovementioned scientists proved the opposite. According to their research and concepts they reached, the participant in the exchange who has more accurate/complete data on a specific relevant aspect of the economic relationship enjoys a privileged position in regard to the other interested party. Most often, it is the supplier (retailer). However, development of modern information-communication technology and wide accessibility of its solutions enabled to a large extent a wide range of customers to have a quality insight into the largest portion of the market and replaced their subordinate positions with their dominant role in the exchange process.

For this reason, retailers primarily (since the retail spot is mainly *the exchange arena*) need to be aware of the changes that emerged. The suppliers, retailers in particular, need to aim their efforts at developing relations with buyers, whereby they would treat them with maximum respect and try to have a prompt and efficient response to their requests. Therefore, CRM is a very important instrument of strengthening the competitiveness of trading companies.

2. Literature overview

Previously, it was all about finding the buyer. Nowadays, in the time of striking competence, it is more important to hold the existing buyer. The lost buyer is not only the lost sale. By losing a buyer the company loses profit which it might realise in the future had it been able to retain that buyer. In addition, there are also costs for finding and attracting new buyers. Certain research revealed that the acquisition of the new buyer is five times more expensive than holding the existing one. One must also bear in mind that it would take some time for the new buyer to reach the level of shopping of the previous buyer. Besides this, the buyer shall share his personal reasons for leaving with other existing or potential buyers, who can then spread it further. These are all the reasons why the present companies do not regard themselves as the manufacturing or service companies. They see themselves as the companies that create buyers thus making profit (Kotler, 2007, p. 162).

Activities in customer relationship management (CRM) are aimed at achieving customer loyalty. On the way of achieving loyalty, it is necessary to follow customer satisfaction constantly. The most common and influential model for measuring the satisfaction of buyers (end users) is the *American Customer Satisfaction Index (ACSI)*. It has been calculated since 1994, as an independent measure of household experiences of shopping.

This newly emerged situation forced the retailers to change their relationship to customers drastically. The managers who understand the need for *creating a special relationship with their buyers* have the chance to survive on the market. The chairman of the board of American Airlines D.J. Carty understood these new circumstances and stated: 'All the geniality of the free market lies in the fact that the buyer decides on who wins and who loses. In any case, the buyer is the one who is the biggest winner.' Lou Gerstner, the CEO of IBM at the time, had a similar opinion. In 1999, at the OECD conference in Ottawa he said: 'control ... is slowly passing into the hands of

dozens of millions, and soon hundreds of millions of users worldwide'. (Nordström & Riderstråle, 2002, p. 99).

The origins of the CRM concept are 50 years old. The principles which serve as the basis of this concept are not new. Namely, long ago, company managers who had a very good opinion of themselves and wanted to develop a more qualitative relationship with their environment practiced activities such as: registering/memorising the names of their buyers, their habits and shopping preferences, as well as registering other relevant information on them and their families. These data were used for adapting the offer to customer demands (improving the existing products and services and promotion of the new ones, adapting their business processes to these demands). In the times when the initial forms of CRM were developed, people's lives were rather simpler and less dynamic, and the selection of goods at offer was lower. Everything that people then needed for life and their households could be found in smaller shops that were usually placed at the corners or in their streets. All the people in the neighbourhood knew the storekeepers who worked in those shops, and the storekeepers knew them as well. The storekeeper, if he was a bit more careful, was able to know the rhythm of their lives, when buyers could come to pick up their goods and which goods they would take, and they had the opportunity to plan their offers with a high level of certainty.

However, the emerging trend of city spreading and significant growth of population, leads to the changes in this relationship of storekeepers and the residents in their streets. This becomes especially prominent with the appearance of globalisation. These changes also bring the expansion and growth of sales places, so shops at the corners are replaced by supermarkets, and later hypermarkets, and finally shopping centres. These new sales formats are adapted to the growing needs of the ever developing consumer society. Also, development of information communication technology enabled the offer of goods from all over the world at one place. As life becomes more dynamic, buyers especially appreciated the fact that these new sales formats enabled them to enjoy a wider selection of goods, to compare the products of different manufacturers at one place with significantly different price levels, without the need to lose time visiting a higher number of smaller shops. The position of new shopping centres was dominant in the chain of goods and services sales.

On the other hand, the pleasant atmosphere and closeness which previously existed in the relationship between shopkeepers and their customers from the neighbourhood cannot be kept in the newly emerged environment. The reason is that a large number of people visit new sales formats on a daily basis, which required the staff numbers to grow. In such a situation, it was no longer possible to remember the names and faces of buyers, let alone their preferences and tastes. The aspiration is that the staff behaves professionally towards buyers, but such a relationship became official and cold. Joy, compassion and understanding that once could be seen in shopkeepers' faces when they would meet the people from their neighbourhood, is now replaced with forced kind smiles, but the warmth ceased to exist. The situation in this relationship changes relatively quickly. The kindness and warmth that existed in small shops in the neighbourhood relatively soon turned into its opposite.

Customer relations can be observed at various levels. Three basic levels are: tactic level (emphasis on sales improvement activities), strategic level (focus on building partnership relations with buyers), and philosophical level (includes the essence of marketing philosophy whereby the entire organisation is aimed at delivering total satisfaction to buyers with development of one's own business activities) (adapted from Berry, 1995, pp. 4–6).

In order to properly create and implement the concept of long-term relations, it is necessary to pay equal attention to both assumptions and stages of customer relations development (Buttle, 2009, pp. 19–20). Wider assumptions of customer relations development, enable the identification of eight key elements that need to be coordinated and aimed at target customers: culture and value of company, management, strategy, organisation structure, people (primarily the employees that are on the first line of contact with customers), technology, knowledge, and process (business process aimed at customers) (adapted from Gordon, 1998, pp. 22–25).

If the company is unable to identify end-users, or the identification is not rational due to the selection of offer, its activities in CRM need to be focused on the mediators in the chain of offer, whereby end users must not be overlooked. This approach divides the creation of long-term relations strategy into four stages: identification of buyers (consumers), their differentiation, establishment of constant interaction with buyers, and adaptation of offer in terms of observed demands (adapted from Peppers, Rogers, & Dorf, 1999, pp. 151–158).

The most significant effects which the company accomplishes through the implementation of the CRM concept can be seen in the following:

- recognising *real buyers*, that is, recognising most useful, key buyers for the company, so that special attention could be paid to them;
- identification of *real offer*, determining the content of the offer which shall satisfy buyers' expectations as completely as possible;
- determining the *proper channel of communication* with customers, that is, finding ways and content of communication which is most suitable for the buyers (existing and potential), in order for them to have as complete information on company's activities as possible;
- recognising the *right time* in which buyers want to engage in communication with suppliers, so that maximum effects could be achieved from that communication;
- increasing the *level of buyer usefulness* for the company, so as to motivate buyer to make maximum turnover at a given retailer.

By analysing customer loyalty management, it is possible to identify four types of loyalty programme (see Lovreta et al., 2010, p. 442):

- programme members get additional discounts at the check-out counter;
- programme members get one unit of goods for free if they buy n units;
- programme members get discounts or points based on cumulative shopping;
- programme members receive offers and announcements.

Putting customers (there may be hundreds, thousands, and sometimes even millions of them) in the centre of company's attention is not possible without appropriate information-communication infrastructure and modern software solutions. They enable collecting, processing, storing, keeping, and analysing a large number of data which is an integral part of the process of customer relationship development. Manipulation of a large quantity of data, which follows this process, as well as a full use of information potential carried by the data which are aimed at better knowing customers and creating appropriate marketing decisions, is possible only if assisted by appropriate information-communication solutions based on OLAP technology.

3. Research methodology

The aim of the research: To determine the level of presence of the CRM concept in business practice of trading companies in Bosnia and Herzegovina (BiH), and the influence of certain aspects of the implementation of this concept on the level of realisation of set marketing goals of business.

Research hypotheses:

Hypothesis 1. *CRM implementation is not present to a large extent in business practice of trading companies in BiH;*

Hypothesis 2. *There is statistical significance of the influence of certain CRM aspects on the level of realisation of marketing goals of business activities in trading companies in BiH.*

Data collection: The data presented in the following part of the article are the result of the primary research (field research). They are collected by method of examination (technique of written structural survey, the form of data collection is the questionnaire). The data were collected from a sample of 60 subjects (trading companies) selected by the principle of proportional stratified sample. The questionnaire was filled in by top marketing managers in trading companies. The size of the trading company, determined by the number of employees, served as the criterion for the population stratification. The trading companies in BiH are divided into three groups (stratums): small companies (20–50 employees), medium-sized companies (51–250 employees), and large companies (over 250 employees). Then, using a random selection, out of each group a number of units was selected proportional to the group size. The selection of the company's size, as the criterion of stratification, is based on the results of the survey which included the experts (marketing managers) in five largest retail chains in BiH and two account managers from one of the world's leading research agencies active in BiH. The results of the empirical research confirmed experts' hypothesis which postulated that the company size is a key variable which affects the differences in subjects' responses regarding the research topics. The members of the expert sample did not assess other criteria such as the store type, turnover value, etc. as the primary criteria for sample structuring, concerning their influence on the flow of information, decision-making procedures, and work place organisation in trading companies. The referential framework for the selection of sample units included the data from the register of the *Indirect Taxation Authority of Bosnia and Herzegovina* (ITA). This institution, along with the *Agency for Statistics of Bosnia and Herzegovina*, has the data on all the business subjects in BiH. A total number of companies in the ITA register on January 31, 2010 was 199,865. The three-step screening was used as follows: first, inactive companies were eliminated; then the companies in which trade is the primary activity were selected (more than 50% of the revenue in the structure of total revenue is realised in trade); finally, trading companies with 20 or more employees were selected to represent a sample. A selection fraction of 6.5% assured that the sample belongs to the category of large samples. Data collection started at the end of February 2010, and it was over in mid November 2010. The rejection level was 25%. The collected data were first entered in the excel tables, and later imported into SPSS Statistics 19.0 for the multivariate analysis of variance.

4. Result analysis and discussion

Variables analysed in the article are related to the presence of the following CRM elements in the business practice of trading companies: customer satisfaction research, company's image research, activities in sales improvement, loyalty system, key account management (KAM), as well as the presence of software solutions to CRM. These variables are independent, and besides the analysis of their presence, their influence on the realisation of marketing goals of business activities is also examined. Marketing goals include dependent variables: market growth, sales volume, positioning in regard to competition, business profitability, expanding into new branches, expanding into new markets within the main branch, and customer loyalty.

4.1. Customer satisfaction research in trading companies in Bosnia and Herzegovina

Trading companies in BiH do not pay much attention to research into the satisfaction of their customers. Out of the total number of subjects, only 26.67% of trading companies conduct market research in order to determine their customer satisfaction. Out of the total number of subjects, such research is constantly conducted in 13.33% of the cases, once a year in 8.33% and twice a year in 5% of the cases. This issue is mainly addressed by large trading companies, as 83.33% of them conduct this type of research: in 50% of the cases constantly, while the percentage for once and twice a year is identical -16.67%. The situation with small companies is completely different, as in this segment 87.18% of the subjects do not conduct any type of research in order to determine customer satisfaction. The situation with medium-sized companies is somewhat better when compared to small companies, but not satisfactory, as 60% of the subjects do not conduct market research. A more detailed structure of the data on market research for determining customer satisfaction is given in Figure 1.

4.2. Image research in trading companies in BiH

The frequency of market research for determining the image of trading companies from the perspective of customers is given in Figure 2. Out of the total number of subjects,

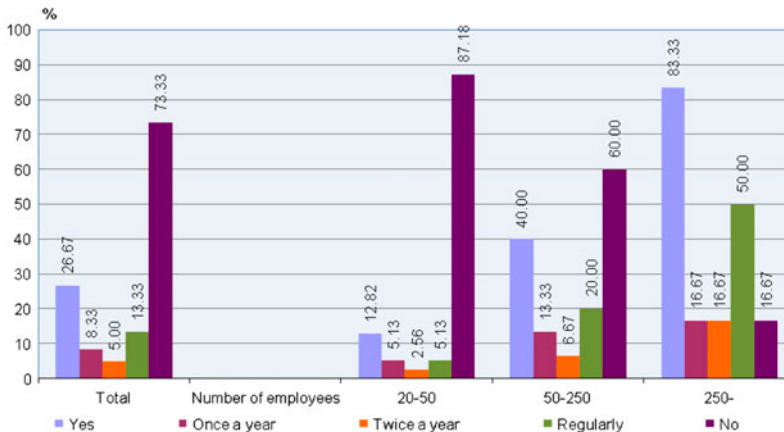


Figure 1. Customer satisfaction research in trading companies in BiH.
Source: Author's research.

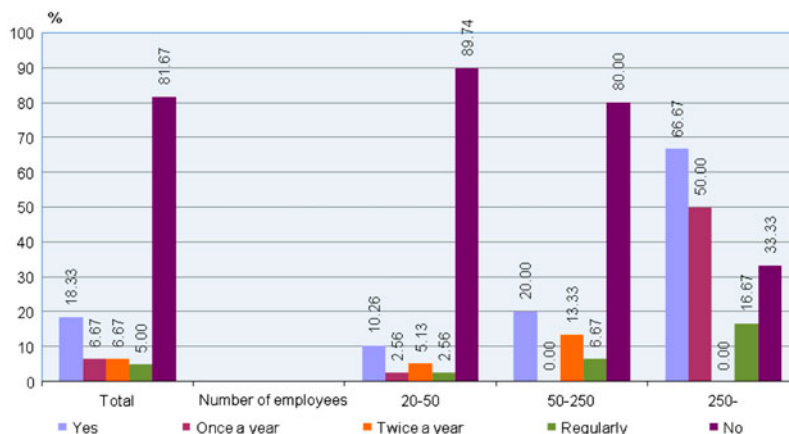


Figure 2. Image research of the market for evaluating the image of trading companies in BiH.
Source: Author's research.

only 18.33% of trading companies in BiH conduct such type of research, while 81.67% have not carried out such research so far. When such research is conducted, the figures are as follows: 6.67%, 6.67% and 5% for once, twice, and four times a year respectively. Such research is mainly conducted by large companies, while for small- and medium-sized companies their presence is rather small. All the subjects from the segment of small- and medium-sized companies that stated that their companies conduct such research aimed at determining their image are either the companies with foreign capital, or they have close business connections with foreign companies (exclusive or authorised dealers). In 90.91% of the cases where subjects confirmed that they conduct such research, they are usually made by hiring external specialised agencies for market research, and in 9.09% of the cases by company's staff.

4.3. Activities in sales improvement and systems of support to customer loyalty in trading companies in Bosnia and Herzegovina

A significant percentage of trading companies in BiH carry out the activities in sales improvement and persuading buyers to shop. Two thirds of the subjects carry out these activities, and the situation is similar in both small and large companies. The retailers in the segment of medium-sized companies lead in these activities with 73.33% compared to the other two segments of subjects (Figure 3). In terms of the activity content, award games reward customers for the loyalty. Award games are organised by trading companies to encourage the loyalty of their customers. Then follows the distribution of free samples at sales spots and organisation of events. Tasting products and direct marketing are present to a smaller degree, and they mainly appear with retailers that make business in B2B segment. On the other hand, the subjects that are confirmed to have carried out certain sales improvement activities rated, on a 1–5 scale (1 – the worst, 5 – the best), product tasting to be the most successful activity of persuading customers to shop, with the average grade of 4.8; then the following: award games (4.3), events (4.21), and distribution of free samples (4.17).

Over one fifth of the subjects have an established system of awarding the trust and loyalty of customers. A more detailed structure is presented in Figure 4. The system of

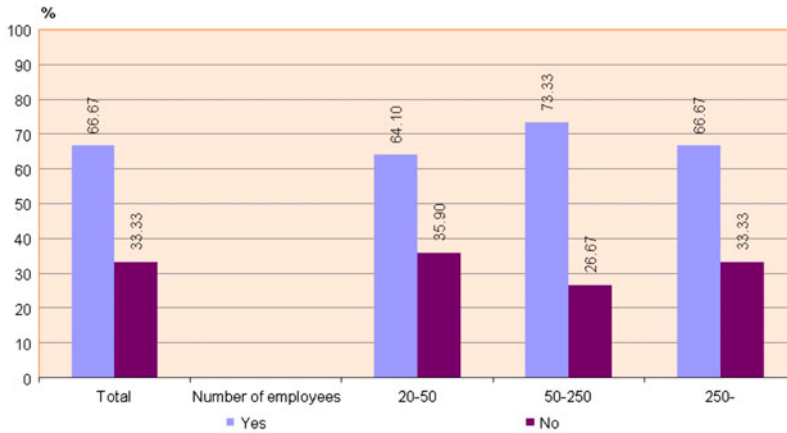


Figure 3. Activities in sales improvement and encouraging customers to shop.
Source: Author’s research.

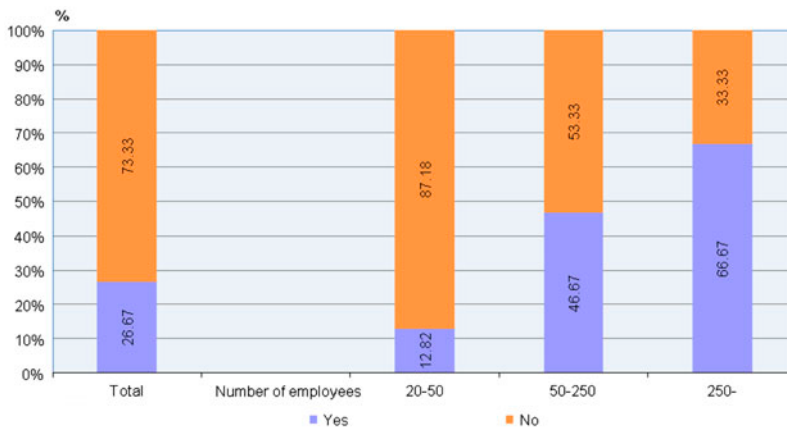


Figure 4. Existence of the established system of awarding customer trust and loyalty (loyalty system).
Source: Author’s research.

awarding customer loyalty and trust is mostly present in the segment of large companies (two thirds in this segment have this kind of system), while their presence is significantly lower in the segment of medium-sized, and especially in the segment of small-sized companies. What is particularly important for marketing management of trading companies is the fact whether, and to what degree, the data collected via loyalty system are used in marketing planning, and what kind of data marketers most frequently collect in this way. The data on the frequency of buying certain products have the primacy here, followed by the contents of the so called market basket with the structure of loyalty system users (where age and gender structure of users/buyers is dominantly monitored). It should be emphasised that only 13.33% of the subjects integrate their data collected via loyalty system with the data present in the primary information

systems (such as ERP systems), and use them further in the process of marketing decision-making. In 8.33% of the subjects, these data are separately analysed (without their integration in the data in the central information system). What is particularly worrying in terms of future development of marketing processes in trading companies is the fact that 78.34% of the subjects do not pay any attention to the data obtained via loyalty systems in the process of developing their marketing strategies.

4.4. Presence of the key account management in trading companies in Bosnia and Herzegovina

Figure 5 presents the structure of the implementation of the KAM concept in trading companies in BiH. Over one tenth of the trading companies surveyed implement this concept in their business practice.

A small number of trading companies (10%) started the implementation of this concept, but it is yet to take hold. Out of the total number of subjects, 75% do not implement the KAM concept, whereby small- and medium-sized companies dominate again. The most frequent form of KAM is the integration of subjects' business processes (wholesale merchants) and their buyers (retail merchants) into mutual promotional activities and award game organisation. Only 3.3% of the subjects mentioned integration of business activities of partners in the mutual market research and creation of common market appearance.

However, it is evident that out of those subjects that started the implementation of the KAM concept (the subjects responded to the previous question with *yes* and *partially*, Figure 5), 69.23% of them are satisfied with the implementation of this concept and the effects it brings (Figure 6). In the segment of small and medium-sized companies 33.33% and 20% respectively, are not satisfied with the effects of the concept implementation. Namely, it is a realistic assumption that smaller companies, while arranging business cooperation with the key customers, failed to reach the expected results. In the segment of large companies (for the subjects that confirmed the implementation of KAM), they did not express dissatisfaction by the implementation of the

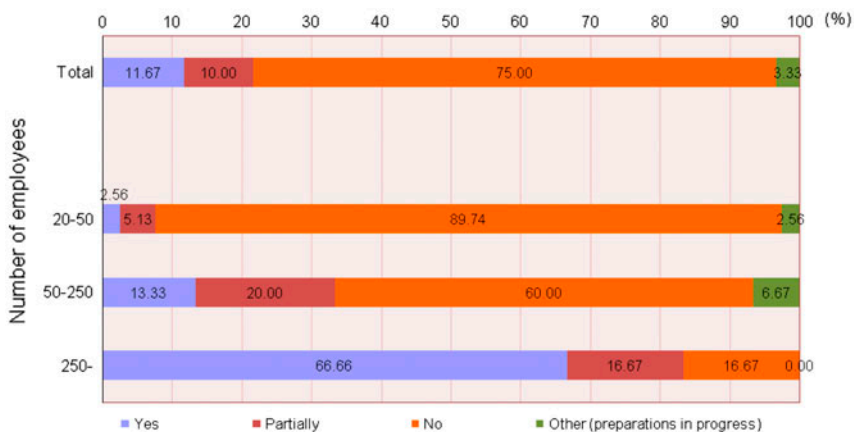


Figure 5. Implementation of key account management.
Source: Author's research.

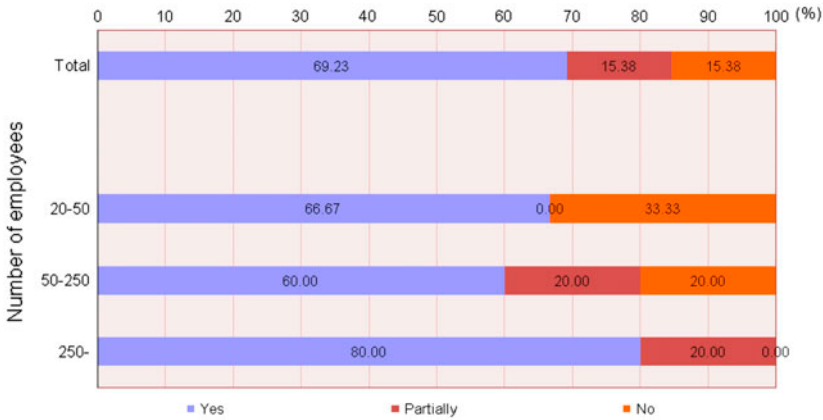


Figure 6. Satisfaction of trading companies by the implementation of key account management. Source: Author’s research.

KAM concept. It is obvious that the management of these companies found the formula to success in the implementation of this concept.

4.5. Application of software solutions to CRM in trading companies in Bosnia and Herzegovina

Besides the low level of conducting research in order to determine customer satisfaction, poor dedication to the CRM issue by trading companies’ management is reflected in the fact that a very small number of trading companies possesses some of the software solutions to CRM (Figure 7). In fact, 83.33% of the subjects do not possess any software

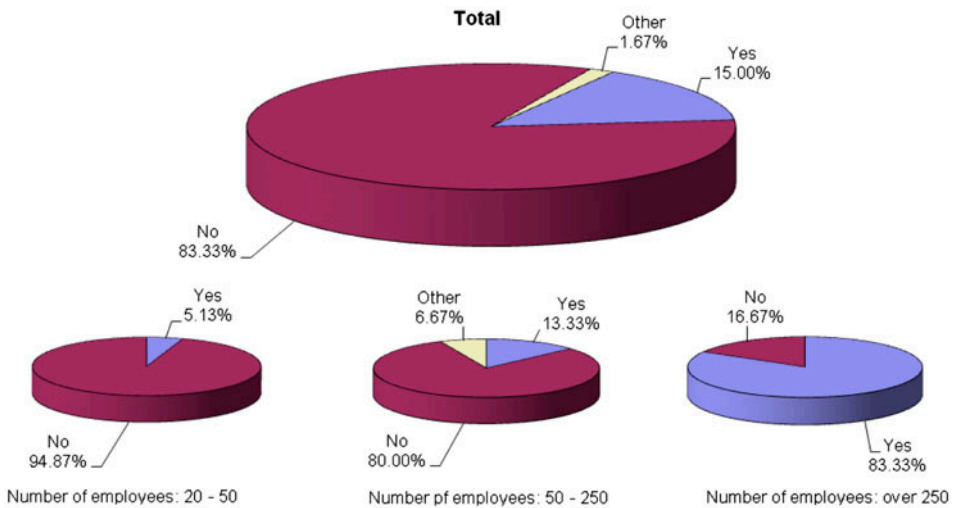


Figure 7. Application of software solutions for CRM. Source: Author’s research.

solution for monitoring customer satisfaction elements, while 1.67% of them are in the preparation stage or they have already created certain solution but have not started its implementation yet. Only 15% of the subjects use some of the software solutions to CRM, whereby the SAPP CRM is most present. In the segment of small companies, the level of software support to customer satisfaction management is rather low (94.87% of the small companies surveyed do not use any CRM software support). The situation is equally bad in the segment of medium-sized companies as only 13.33% of the subjects in this segment use some CRM software support in their business activities. Large companies pay most attention to this issue, as a large portion of the subjects in this segment (83.33%) use some CRM software solution.

4.6. Analysis of the effect of certain aspects of customer relationship management on the realisation of marketing goals of business activities

The multivariate analysis of variance (MANOVA) was used to analyse the effect which the presence of certain aspects of CRM in trading companies has on the realisation of their marketing goals of business activities: market growth, sales volume, positioning in regard to competition, business profitability, expanding into new branches, expanding into new markets within the main branch, and customer loyalty. The realisation level of marketing goals of business activities compared to the planned ones was rated by marketing managers in trading companies on a 1 to 5 scale (1 – marketing managers absolutely dissatisfied with the realised goals; 5 – marketing managers absolutely satisfied with the realised goals). The average grade of the level of realisation of the marketing goals examined in certain segments is given in Table 1.

Concerning the total number of subjects, it is evident that marketing managers are satisfied the most by the realised sales volume (whereby the average grade is 4.08), while they are less satisfied by the realised market growth (the average grade is 3.91). One of the key reasons for this certainly lies in the fact that customers in BiH still do a large portion of their shopping in small individual shops, which is also confirmed by the independent research made by world's leading research agencies. On the other hand, this also shows that the competition among larger trade chains is getting tougher, and that it is not easy anymore to make a breakthrough against competitors in a specific

Table 1. Average grade of realised marketing goals of business activities (1 – absolutely dissatisfied with the goals realised; 5 – absolutely satisfied with the goals realised).

Ordinal number	Marketing goals	Average grade for the total sample (on a 1 to 5 scale)
1	Market growth	3.91
2	Sales volume	4.08
3	Competitive differentiation	3.80
4	Sales improvement effects	3.75
5	Profitability of business operations with the key customers	3.98
6	Expanding into new branches	3.55
7	Expanding into new markets within the main branch	3.69
8	Customer loyalty	4.00

Source: Author's research.

Table 2. MANOVA test.

Multivariate tests ^d effect	Value	F	Hypothesis df	Error df	Sig.	Noncent. parameter	Observed power ^b
Intercept	.992	497.757 ^a	8.000	33.000	.000	3982.054	1.000
Wilks' Lambda	.008	497.757 ^a	8.000	33.000	.000	3982.054	1.000
Hotelling's Trace	120.668	497.757 ^a	8.000	33.000	.000	3982.054	1.000
Roy's Largest Root	120.668	497.757 ^a	8.000	33.000	.000	3982.054	1.000
N_1	.485	3.883 ^a	8.000	33.000	.003	31.068	.967
Wilks' Lambda	.515	3.883 ^a	8.000	33.000	.003	31.068	.967
Hotelling's Trace	.941	3.883 ^a	8.000	33.000	.003	31.068	.967
Roy's Largest Root	.941	3.883 ^a	8.000	33.000	.003	31.068	.967
N_2	.551	5.054 ^a	8.000	33.000	.000	40.433	.993
Wilks' Lambda	.449	5.054 ^a	8.000	33.000	.000	40.433	.993
Hotelling's Trace	1.225	5.054 ^a	8.000	33.000	.000	40.433	.993
Roy's Largest Root	1.225	5.054 ^a	8.000	33.000	.000	40.433	.993
N_3	.455	3.450 ^a	8.000	33.000	.005	27.603	.942
Wilks' Lambda	.545	3.450 ^a	8.000	33.000	.005	27.603	.942
Hotelling's Trace	.836	3.450 ^a	8.000	33.000	.005	27.603	.942
Roy's Largest Root	.836	3.450 ^a	8.000	33.000	.005	27.603	.942
N_4	.426	3.058 ^a	8.000	33.000	.011	24.463	.908
Wilks' Lambda	.574	3.058 ^a	8.000	33.000	.011	24.463	.908
Hotelling's Trace	.741	3.058 ^a	8.000	33.000	.011	24.463	.908
Roy's Largest Root	.741	3.058 ^a	8.000	33.000	.011	24.463	.908
N_5	.508	4.267 ^a	8.000	33.000	.001	34.136	.980
Wilks' Lambda	.492	4.267 ^a	8.000	33.000	.001	34.136	.980
Hotelling's Trace	1.034	4.267 ^a	8.000	33.000	.001	34.136	.980
Roy's Largest Root	1.034	4.267 ^a	8.000	33.000	.001	34.136	.980
N_6	.645	7.485 ^a	8.000	33.000	.000	59.880	1.000
Wilks' Lambda	.355	7.485 ^a	8.000	33.000	.000	59.880	1.000
Hotelling's Trace	1.815	7.485 ^a	8.000	33.000	.000	59.880	1.000
Roy's Largest Root	1.815	7.485 ^a	8.000	33.000	.000	59.880	1.000

N_1*N_2*										
N_3*N_4*	Pillai's Trace	3.287	2.146	104.000	320.000	.000	223.185			1.000
N_5*N_6	Wilks' Lambda	.006	2.508	104.000	238.224	.000	211.979			1.000
	Hotelling's Trace	9.068	2.725	104.000	250.000	.000	283.361			1.000
	Roy's Largest Root	3.390	10.432 ^c	13.000	40.000	.000	135.615			1.000

^aExact statistic.

^bComputed using alpha = .05.

^cThe statistic is an upper bound on F that yields a lower bound on the significance level.

^dDesign: Intercept + N_1 + N_2 + N_3 + N_4 + N_5 + N_6 + N_1 * N_2 * N_3 * N_4 * N_5 * N_6.

Source: Author's calculation based on the primary research.

market segment, while the market itself is not expanding; on the contrary, it shows the signs of stagnation. This is also showed by the fact that marketing managers are least satisfied by the realisation of their goals which are related to the expansion of their business activities into new branches and into new markets within the existing branches (the average grade 3.55 and 3.69 respectively).

Table 2 brings brief results of the multivariate analysis. All the independent variables had two modalities – Yes/No, meaning whether a given aspect of CRM is present in trading companies or not (independent variables: N_1 – research in customer satisfaction; N_2 – image research; N_3 – activities in sales improvement; N_4 – customer loyalty monitoring system; N_5 – formalised system of KAM; N_6 – CRM support software). All the dependent variables were rated on a 1 to 5 scale (dependent variables: Z_1 – market growth; Z_2 – sales volume; Z_3 – competitive differentiation; Z_4 – sales improvement effects; Z_5 – profitability of business operations with the key customers; Z_6 – expanding into new branches; Z_7 – expanding into new markets within the main branch; Z_8 – customer loyalty).

While discussing the results presented in Table 2 we shall focus on four various multivariate tests ('Sig.' column), whereby we examine the influence of every individual independent variable on a set of all dependent variables together, meaning on the realisation of the set marketing goals of business in total. For all six independent variables examined, the *p*-values for multivariate tests (marked values in the 'Sig.' column) are lower than 0.05. This means that all analysed aspects of implementation of CRM, if observed individually, have a significant effect on the level of realisation of marketing goals of business activities. The same conclusion can be reached if we analyse the common effect of all analysed aspects of CRM on the realisation of marketing goals of business activities. In order to determine the existence of common/total effect of all analysed elements of CRM on the realisation of each individual marketing goal of business activities, we shall discuss the data presented in Table 3.

Due to a large number of possible combinations of effects, Table 3 shows only a summary effect of independent variables on individual marketing goals. This is actually a set of eight univariate ANOVA tests, whereby the *p*-values in the 'Sig.' column ($p < 0.05$) show that all analysed aspects of CRM observed together have a significant effect on the realisation of marketing goals of business activities related to: market growth, sales

Table 3. Univariate ANOVA test (a separate part).

Source	Dependent variable	Type III sum of squares	df	Mean square	F	Sig.	Noncent. parameter	Observed power
				(...)				
N_1 * N_2 * N_3 * N_4 * N_5 * N_6	Z_1	48.265	13	3.713	2.463	.015	32.023	.932
	Z_2	12.636	13	.972	2.824	.006	36.716	.964
	Z_3	55.741	13	4.288	2.002	.047	26.027	.857
	Z_4	41.348	13	3.181	2.101	.036	27.307	.877
	Z_5	45.051	13	3.465	1.327	.238	17.255	.645
	Z_6	38.119	13	2.932	1.859	.067	24.164	.823
	Z_7	45.115	13	3.470	2.105	.036	27.370	.878
	Z_8	55.505	13	4.270	2.024	.044	26.306	.861

Source: Author's calculation based on the primary research.

volume, competitive differentiation, effects of sales improvement, expansion to new markets in the main branch, and customer loyalty. This analysis also shows that all dependent variables observed together in the examined trading companies do not have a significant effect on the realisation of marketing goals related to profitability of business operations with the key customers and expansion to new branches.

5. Conclusion

Experiences of successful business practice show that investment into building customer relationship is justified and brings numerous benefits to companies in the long run. The same is showed by this research conducted in BiH. In other words, the trading companies that implemented certain activities on building relations with their customers experienced better realisation of their marketing goals of business activities. A significant correlation of these variables has been proved by the multivariate analysis of variance.

When the total sample is observed, a general conclusion can be reached regarding the low level of practice of market research aimed at determining customer satisfaction (26.67%) and company's image (18.33%). The use of systems for monitoring and support to customer loyalty (loyalty systems) is also at a low level in trading companies in BiH (26.67%). As these are the basic prerequisites for building successful relations with customers, non-existence of these activities in trading companies does not provide a possibility for a systematic and planned approach to a high-quality establishment and function of customer relations. The implementation of the KAM is at an even lower level (11.67%), as well as the use of appropriate software solutions as support to CRM activities (15%). This confirms the first research hypothesis that CRM does not have a wider usage in business practice of trading companies in BiH.

It is therefore understandable why marketing goals of business activities are realised with significant difficulties. Satisfaction of marketing managers with the realisation of the set marketing goals is at a relatively low level (the average grade ranges from 3.55 to 4.08). On the other hand, marketing goals of business activities are directly determined by customer relations, which is confirmed by the results of the MANOVA. In other words, a significant individual effect has been confirmed of the analysed aspects of CRM on the realisation of marketing goals of business activities. On the other hand, a significant collective influence has been established of all the observed elements of CRM on six out of eight analysed marketing goals of business activities. This part of the analysis confirms the second research hypothesis that there is a statistically significant effect of the implementation of the CRM concept on the realisation of marketing goals of business activities in trading companies in BiH.

Of all the aspects of CRM that were observed, only the activities in sales improvement and stimulating customers to shop have a high level of presence in the business practice of trading companies in BiH (66.67%). It can be concluded that marketing managers in trading companies are primarily focused on this segment of communication with customers, whereby they neglect numerous other aspects which also have a significant role in the development of marketing operations of trading companies. It is proved by the analysis of business practice by subject segments, where it is evident that the subjects in the segment of *large trading companies* apply the analysed aspects of CRM at a high level, which results in a higher level of realisation of the set marketing goals, while the situation is practically opposite for the subjects in the segment of small trading companies.

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