

## CRM AND ITS RESULTS IN CZECH SMALL AND MEDIUM COMPANIES

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**Abstract.** The objective of this article is to present partial results of primary research, which was carried out on the basis of questionnaire survey that was focused on the issue of customer relationship management in small and medium-sized companies. The basis is brief theoretical debate focused on the specifics of small and medium-sized companies and customer relationship management. The sample consists of 736 companies from the Moravian-Silesian Region. The research findings focus on CRM awareness, what CRM means to companies and what are the long term results of CRM utilization. The final part of the article presents the established and verified statistical hypothesis reflecting the nature of the relationship between respondents and their answers.

**Keywords:** customer relationship management, small and medium-sized enterprises, CRM awareness, CRM definitions.

**JEL Classification:** L26; M15; M31.

### 1. Introduction

Small and medium-sized enterprises (hereinafter SMEs) play an important role in the economy of many developed countries as well as in the Czech Republic. SMEs contribute to economic growth, especially job creation, even in times of economic crisis. SMEs co-create the business environment and play an important role, especially at the regional level. But despite all that, position of SMEs on the market is not optimal. Recent trends, in particular the concentration and the market dominance of large enterprises, accompanied by the globalization of market supply and demand side, is in a way threatening. This process is reflected in almost all sectors of the national economy (hereinafter NE). Successful are those companies that take advantage of spatial and operational concentration and realize economies of scale. How can SMEs respond? Can they still be successful in the market? They must rethink their strategy and their relationships with customers. In a strongly competitive environment, which was empowered by the process of globalization, it is important to attract customers and retain them so a company can benefit long-term with good economic results. SMEs are relatively close to their customers, they can take care of them, build stable long-term relationships that will be reflected in the financial results of the company. Customer relationship management (hereinafter CRM) can contribute to the stabilization of their

market position. Utilization of the CRM system can be beneficial for the companies, but also for society in general, and also for customers due to higher level of their needs satisfaction.

This article aims to present the partial results of our primary research focused on CRM awareness, definition and utilization, which was carried out on the basis of quantitative research using questionnaires and was thematically focused on the issue of CRM in SMEs. The basis is a brief theoretical debate about the current state of knowledge regarding the specifics of SMEs and their utilization of the CRM. The practical part deals with questions regarding the perception of CRM by SMEs, preferences in CRM definitions and the results of its utilization. The results of current research are compared with the results of our research department from 2005.

### 2. Customer Relationship Management in SMEs

SMEs, as already mentioned in the introduction, have a significant position in the NE. Their market position is unique.

#### 2.1. Specifics of SMEs

SMEs play an important role in various sectors of NE. Our focus is on manufacturing and services. SMEs are defined by the number of employees,

turnover, balance sheet total and independence criteria. For the purposes of our research, we divided the SMEs by number of employees. According to the EU, the smallest are the micro businesses that have fewer than 10 employees. Small businesses employ fewer than 50 employees and medium-sized businesses less than 250 (applying the SME definition according to Businessinfo 2016). There are other breakdowns but those are irrelevant to our research. SMEs are in the centre of focus of a number of scientific literature, both domestic (Czech) and foreign. The authors are addressing the essential needs of SMEs, how to start their business and build their position (Weller, Hughes 2015). Havlicek (2014) presents the basic processes of SMEs management, based on an interdisciplinary approach to business. Others address the issue of increasing the competitiveness of SMEs, their importance and specifics, including their marketing and other activities (Veber, Srpova 2012). Number of professional publications for the management of SMEs, including marketing approaches has been published by Hatten (2015). SMEs are characterized by independent management associated with the ownership of the company. They are relatively limited by complexity of production and technology. Financial ownership is in the hands of one or a few owners. The process of management is usually a simple control system with a simple and flexible organizational structure. Companies are small in comparison with competitors in the industry, the sector in terms of number of employees, annual turnover of a company's assets (Stoklasa *et al.* 2013).

Economic and social contribution of SMEs are based on their abilities. They help to mitigate the negative effects of structural changes of the NE. They act as suppliers of large enterprises and create jobs at low capital cost. They absorb redundant workers of large companies and thus saving benefits of the aid, which would have to be paid from the state budget (Mulacova, Mulac 2013). SMEs adapt faster than large enterprises to the changes on the market and demand. Important is also their business activity in the development of economically weak regions and smaller towns and villages (Stoklasa *et al.* 2013).

## **2.2. Customer Relationship Management Definitions**

The individual elements of marketing tools are not only a means to satisfy the customer, but also opportunities to differentiate from the competition and achieve competitive advantage. Marketing can

be understood in this context from different perspectives – it is a business philosophy, it is a system of corporate functions, and ultimately it is marketing of relationships. Customer relationship management is described by many Czech (Kozak 2011) and foreign authors (Kumar, Werner 2006). Relationship marketing and CRM are in the centre of attention in a number of publications by marketing gurus Kotler and Keller (2012).

How can we understand the concept of CRM? In the beginning, there were definitions with different meanings, and sometimes even different meanings of the CRM acronym, which ranged from Customer Relationship Management to Customer Relationship Marketing (Buttle 2009). According to Lehtinen (2007) CRM emerged along with the development of marketing, which gradually became more personal until it turned into direct customer marketing, also known as one-to-one marketing focusing on individual customers. Therefore, the implementation of CRM requires companies to change their view on marketing. Transactional marketing is becoming a thing of the past and the new trend is relationship marketing, which is defined by Dohnal (2002) as: the process of identifying, maintaining, improving, and if necessary a timely termination of economic relations with customers and other stakeholders to the mutual benefit of all stakeholders, which is achieved by mutual fulfilment of duties and values.

Kotler (1992) introduced relationship marketing for the first time only as part of a personal sale with a statement that: the seller who knows how to build a strong relationship with customers will reach many successful businesses in the future. One of the first definitions of CRM according to Kotler and Armstrong (2004) defines customer relationship management as: “special programs and analytical techniques that are used to integrate and use vast amounts of data about individual customers stored in databases”. CRM consists of sophisticated software and analytical tools that categorize customer information from all sources, make a thorough analysis and use these results to strengthen customer relationships.

The trend of CRM evolving into something bigger can be seen from the definition by Dohnal (2002): CRM includes employees, business processes and IS / IT technology with the ultimate goal to maximize customer loyalty and hence company profitability. It is part of our corporate strategy, which makes it a part of corporate culture. Lehtinen (2007) further elaborates on the issue of customer with the idea that the purpose of CRM is to create long-term relationships with customers,

not trying to maximize short-term income, but to identify strategic customers. According to Kumar and Werner (2006), CRM is a strategic process of customers selection that a company can serve the best, and shaping the interaction between the enterprise and these customers. The aim is to optimize current and future value of customers for the company. According to Starzyczna and Pellešová (2007), the basis for CRM are two things: customers that are unique to each company and corporate culture.

CRM involves personnel, business processes and technology, IT, in order to maximize customer loyalty and consequently the profitability of the company (Vodacek, Vodackova 2004). These three main components of CRM must be in harmony. It is a shift from a product-oriented company to a market-oriented. Benefit for participants of a relationship is bidirectional. A complete description of how CRM works in a company would be too complicated. For this reason, the authors describe only the basic division into parts and their characterization. Buttle (2009) uses describes this as “types” of CRM. CRM systems are most commonly divided into three basic parts – analytical, operational and collaborative CRM. We must not however forget the strategic concept of CRM and it being long-term requiring planning, as has been confirmed in our previous studies. Therefore, it is necessary to add the fourth part of the CRM – strategic CRM (Starzyczna *et al.* 2007). Analytical CRM is about evaluating client data, modelling and predicting customer behaviour and measuring their satisfaction etc. Operational CRM is supporting the contact with customers and automating customer processes. Information from operational CRM are readily available to every employee through collaborative CRM, which enables enterprises functioning around one distribution channel, as well as all departments in the enterprise to collaborate and share information about customers (Dohnal 2002). Information technology plays an important role in the concept of CRM. Without its smooth functioning, modern CRM would be unimaginable. Many experts (Kozák 2011), however, warn against overestimating the role of IT in the CRM system and its force in the implementation process. The company must be willing and able to accept a philosophy that puts the main emphasis on the customer. It is necessary to adopt a strategy aimed at creating and supporting long-term relationships with customers. Failure to follow this philosophy and strategy leads to failure in the implementation of CRM (Dohnal 2002). Some authors suggest CRM in connection with BSC or an-

other method of management, for example Lostakova (2009). The modern concept of CRM is a business philosophy, with all business processes subordinate to it. Some authors disagree that CRM is a new way of marketing (new marketing concept), and conclude that for successful CRM company needs only employees having customers as their primary objective.

In parallel with the development of CRM definitions was the development of CRM strategies, ranging from mass personalization, to mass customisation and strategy of differentiated customisation (Best 2005). With mass personalization, customer is identified by his previous behaviour. The information is used for creating personalized offer and marketing communications with target customers. Although the customers receive the standard goods, they have the feeling that they were given individual care. Mass customisation is based on the finding that the customer is willing to pay more for example for additional services and benefits. It is desirable to involve the customers in making of the product (service) with respect to their needs. With differentiated customisation, the offer is “tailor made. Adapted is the entire marketing mix. Customer value is unique and is created by the customers and the company jointly. The last strategy is a differentiated customer relationship management according to their value (Lostakova 2009). Selection of strategy depends on the significance of the customer. Segmentation based on standard customer benefit and lifetime customer value for the enterprise can facilitate decisions about which target markets to operate on (Lostakova 2009). Providing high customer value affects his satisfaction and loyalty. His lifetime value (CLV – Customer Lifetime Value) is based on the requirement to maximize his long-term profitability. Company can combine all the above-mentioned strategies.

As already mentioned, CRM is present in the theory of marketing for the last two decades, but only in the last decade its perception made a huge shift from highly specialized use and focussing on the technical side, to the widespread use in all areas of corporate governance and focus on philosophy, which really puts the customer at the centre of business activities. Trend in theoretical definitions confirms this idea. This shift is particularly evident in the Czech Republic for several reasons: the deregulation of the market related to the EU accession, new business models, internet and technological progress. It should also be emphasized that CRM is an interdisciplinary issue which concerns all workers and all company departments.

Around 2005, the debate in the academic literature shifted from the discussion about whether CRM systems are suitable or not, to the debate what should such a system ensure in the company. Tremendous commercialization of CRM occurs around that time, where many companies offer some form of CRM. Originally paid versions of software gradually begin to emerge as an open-source, therefore free. The debate about the use of CRM is moving into commercial publications and targeted ads for different CRM solutions appear more often. With all these pressures, CRM gradually penetrates into more companies and starts to be used even by smaller ones. But this adaptation is mostly based on specific personnel in the company or its aims, if it is a high-tech company or a company already using some form of database software and the move to CRM is a just a natural evolution.

### 2.3. SMEs and CRM

A question that resonated through some academic circles is whether marketing management is useful for SMEs? According to Blazkova (2007) it's not a waste of money. SMEs need to attract new customers and retain them. People in small companies are perhaps more aware of who is keeping their business alive. Therefore, they are increasingly caring about their customers and subsequently utilizing the principles of CRM (Veber, Srpova 2012). Especially in SMEs customer require personal approach and excellent service. That is why it is so important for SMEs to apply CRM philosophy in their management. The rate of utilization of CRM systems is differentiated in various sectors, as well as in various sizes of enterprises, e.g. in banking and finance the rate of utilization is well over 40% while in accommodation and food services it is only around 5%, small enterprises 14%, medium 32% and large 37% (CSO 2014).

Specific are high-tech SMEs, which adopt new technologies relatively easy. Because of this fact, we can observe a greater focus on customers in these companies. This is confirmed for example by research comparing market oriented tools, where the tools focusing on the end customer were the second strongest category (Chalupsky *et al.* 2008). SMEs are also becoming more involved in the electronic trading.

If we want to differentiate from the competition, we need to understand our customers. If SMEs want to use CRM as a source of competitive advantage, they must build long-term relationships with their customers. How to build re-

lationships with customers has been thoroughly described by Lehtinen (2007). Initially, the introduction of CRM processes can cause a decline in short-term profit, so it is really necessary to perceive CRM in the long term, where the company may be rewarded by the existence of a stable long-term potential for increasing profits (Stoklasa *et al.* 2013). Matusinska (2009) considers it positive that the CRM contributes to customer satisfaction, helps to sell more products, optimize the cost of communications, ensures the smooth running of business operations, increases employee motivation and effective teamwork.

Matusinska (2009) also describes the next "evolutionary" form of CRM. It can be VCRM (Value Customer Relationship Management), which is essentially a CRM based on values, or VKCRM (Value Key Customer Relationship Management), which is a CRM favouring communication with key valuable customers. There are also other types of CRM, for example DCRM (Difference Customer Relationship Management), meaning differentiated management of customer relationships, or ECRM (Electronic CRM) and SCRIM (Social CRM), which expresses the relationship management with customers through social networks.

The authors nowadays perceive CRM as a process of careful management of detailed information about customers collected at all the contact points with each other, striving to maximize loyalty.

## 3. The research methodology

Our department has been dealing with customer relationship management in various projects and unspecified research utilized in the educational process since 2005. The last primary quantitative research took place at the turn of the years 2014–2015 mostly in the Moravian-Silesian region, where our Silesian University and the School of Business Administration (hereinafter SBA) are located. Students specialized in marketing, business management and economics in business and services participated in the research. The selected sampling technique was the random choice.

### 3.1. The extent and characteristics of the sample of respondents

Primary research was conducted via questionnaire. The sample consists of 736 respondents. It includes micro enterprises (40.9%), small (31.3%) and medium enterprises (27.9%) in terms of number of

employees. All the companies are from Moravian-Silesian Region. According to the Czech Statistical Office, in 2014 there were 24 371 companies in this region. Unfortunately there are no statistics for the different size categories of companies in each region, which limits us in providing a truly representative sample. Such statistics only exist for the whole country, but that sample would be severely skewed because more than half of companies have Prague as their place of residency although they are doing their business elsewhere.

### 3.2. Research focus

The questionnaire survey consisted of two dozen questions and had a wider scope. Because of the focus of this article, only a few questions are selected to analyse the responses concerning perception of CRM by SMEs, preferences in CRM definitions and the results of its utilization.

To evaluate our research, we used the approach of descriptive and causal research. Individual issues were assessed using both absolute and relative frequencies, hypothesis was formulated and sought a dependency relationship between phenomena. For statistical calculations, MS Excel and IBM SPSS have been used. Specifically, the researchers determined two research premises relating to the first two questions and one statistical hypothesis related to the third question. The hypothesis was formulated with regard to the size categories of SMEs.

### 3.3. Research premises

P1 – The lowest share of understanding of the CRM concept and its importance can be expected in micro-enterprises.

P2 – All categories of enterprise size will prefer option A of CRM definition CRM – Creating lasting relationships with customers, which deliver long-term value to the both parties in this relationship.

The basis for these premises was the secondary research done by our team on articles about CRM in various sectors of national economy, both domestic and foreign, as well as our own experience from previous long-term research and its results. The reasoning for the first premise stems out of the fact that micro-enterprises in the EU are the largest share of all companies, amounting to well over 90%, in the Czech Republic it is 96%. We can assume that in micro-enterprises the owner is also the manager and usually has a technical education (Heczko 2014). The greatest lack of competent

skills was expected in managerial skills. The management of a micro-enterprise can be done intuitively without the proper skills (and education). The second premise is based on our research results from 2005, which showed that the option A of CRM definition was accepted by majority of our respondents (Starzyczna *et al.* 2007).

### 3.4. Hypothesis

$H_{01}$  – The CRM results are independent on the category of SME size.

The alternative hypothesis:

$H_{11}$  – The CRM results depend on the category of SME size.

For hypothesis testing and to evaluate the dependence of one factor on the other, we used the Pearson's chi-square test, also known as the chi-square goodness-of-fit test or chi-square test for independence, which is based on the difference between the empirical (observed) and theoretical (expected) frequencies. The significance level used is 5%. If the test criterion and critical value fall within the expected results at this significance level, we reject the null hypothesis  $H_{01}$  and accept the alternative hypothesis  $H_{11}$ , otherwise we do not reject the null hypothesis.

The following chapter will describe the research results with following discussion and hypothesis verification.

## 4. Research results

In this chapter, three questions will be evaluated.

Question 1: Have you heard about CRM and do you know what this term means?

From the perspective of the entire sample of SMEs, the majority of respondents (73.7%) agreed that they know the term CRM, and understand what it means. More than half of micro enterprises (54.5%) confirmed that they had heard about the concept of CRM and know what it means (see Table 1). Size category of small businesses reported a positive answer in 83.8%. The largest share (89.7%) was represented by medium-sized enterprises.

Table 1. CRM Awareness (Source: authors)

Option	Frequency	Micro	Small	Medium	SME
A	Absolute	164	191	182	537
	Relative	54.5	83.8	89.7	73.4
B	Absolute	137	37	21	195
	Relative	45.5	16.2	10.3	26.6

The lowest share of understanding of the CRM concept and its importance was therefore recorded for micro enterprises (45.5%). The first assumption is thus confirmed. Related with this may be the lower rate of use of CRM systems by micro-enterprises, which also applies to the Czech Republic (CSO 2010 study clearly shows the dependency of enterprise size on CRM utilization with micro enterprises 19% and large 62%, reasons being technical, financial and personel restrictions that are easily overcome by large companies).

Question 2: Which definition best describes the essence of CRM?

Options were:

- A. Creating lasting relationships with customers, which delivers long-term value to both the parties in this relationship.
- B. Software solution that supports communication with customers.
- C. Company shift from a product-oriented business strategy to oriented on their customers and their needs.
- D. Providing the necessary information to employees who are in direct contact with the customer.
- E. A matter of fashion.

Table 2. Perception of CRM definitions (Source: authors)

Option	Frequency	Micro	Small	Medium	SME
A	Absolute	180	171	126	477
	Relative	70.3	76	62.1	69.7
B	Absolute	21	12	17	50
	Relative	8.2	5.3	8.4	7.3
C	Absolute	34	27	53	114
	Relative	13.3	12	26.1	16.7
D	Absolute	10	6	7	23
	Relative	4.3	4	0	2.9
E	Absolute	11	9	0	20
	Relative	4.3	4	0	2.9

According to all respondents (whole SME sample) the option A best captures the essence of CRM, it won with 69.7% (see Table 2). Option C placed second with a much lower share (16.7%). The option B, associated with information technology and software, still deserves our attention although the overall share was only 7.3%. If we look at how various size categories responded, the situation is as follows. Option A amounted the largest share in small enterprises (76.0%), followed by micro-enterprises (70.3%), and medium-sized enterprises with a slightly smaller percentage

(62.1%), probably in favor of Option C, where the proportion of votes compared to other size categories is higher by more than 13 pp than for micro and small enterprises. Shares of answers for option B are comparable for micro and medium enterprises, lower for small enterprises. Other options that are related to the perception of CRM as a fashion issue or only as a means of providing information to first line workers received a negligible number of votes.

Based on the existing results, the second premise can also be considered confirmed. All size categories favoured Option A of the CRM definition. If we compare the whole sample of SMEs with research from 2005, it can be stated that the share of preferences of option A increased by about 10 pp (Starzyczna *et al.* 2007). On the contrary, the proportion of preferences for option C decreased by approximately 12 pp, compared to 2005. A reason for the preference of option A in our opinion is its clarity and concreteness, which has also been confirmed by respondents in 2005.

Question 3: What are the results of CRM utilization in your company, if you utilize it long-term?

Options were:

- A. Increase in overall rentability.
- B. Increase in the number of loyal customers.
- C. Increase in costs for the total number of customers.
- D. Decrease in costs for the total number of customers.
- E. CRM did not manifest required effect.
- F. CRM increased employee dissatisfaction.
- G. Gaining competitive advantage.
- H. CRM failed.

Long-term CRM utilization has been confirmed by 499 companies, representing 67.8% of our sample. More than half of companies (60.5%) indicated that CRM has increased the number of loyal employees. The other two options have reached far smaller percentages. Competitive advantage through introduction of CRM system was chosen by 13.2%, increase of profitability only by 10.3%. Certainly noteworthy is the fact that CRM according to some companies (9.3%) did not bring the desired effect that was expected. The question is what was expected? Other options amounted to only small percentages, as seen in Table 3. We can consider a positive outcome that only 1.2% of the companies asses their CRM as a failure. The fact is that it could not fail completely because businesses nowadays can no longer be successful without a focus on the customer and relationships. So some form of customer relationship is apparently being

built everywhere, even when using only certain partial activities and not the more complex form of a whole CRM system.

Table 3. Long-term CRM utilization (Source: authors)

Option	Frequency	Micro	Small	Medium	SME
A	Absolute	17	12	22	51
	Relative	8.6	7.9	15.2	10.3
B	Absolute	117	112	70	299
	Relative	59.1	74.2	48.3	60.5
C	Absolute	4	5	8	17
	Relative	2	3.3	5.5	3.4
D	Absolute	4	5	8	17
	Relative	2	3.3	5.5	3.4
E	Absolute	21	8	17	46
	Relative	10.6	5.3	11.7	9.3
F	Absolute	0	1	1	2
	Relative	0	0.7	0.7	0.4
G	Absolute	32	9	24	65
	Relative	16.2	6	16.6	13.2
H	Absolute	3	2	1	6
	Relative	1.5	1.3	0.7	1.2

The structure of answers with the largest percentages for various size categories of SMEs has its differences. Increasing the number of loyal customers has been confirmed mostly by small businesses (74.2%). Gaining competitive advantage is manifested mainly in micro and medium enterprises (16.2% and 16.6%). Increasing the overall profitability has mostly been experienced by medium-sized enterprises (15.2%).

In 2005, respondents were also asked this exact question. Only 54.1% of them stated that CRM is utilized in their company long term. Also, the results were less pronounced. Most small and medium enterprises (16.4%) stated that the introduction of CRM lead to an increase in the number of loyal customers, which was by 44.1 pp less than the latest research in 2015, which we consider as a significant positive trend. Three options ranked on the second position with 8.2%, an increase in overall profitability (-2.1 pp), cost reduction for the total number of customers (+ 4.8 pp) and gaining a competitive advantage (-5.0 pp). Trend of the indicators was bidirectional. Although 2005 and 2015 were relatively comparable in terms of economic conditions for business, in 2005 all the former businesses of all sizes agreed that CRM did not fail in either case, which is not true for 2015. In the period between the realized researches the eco-

nomical crisis occurred that could worsen the position of the firms in the market.

## 5. Discussion

Our research team has been engaged with Customer Relationship Management since 2005. The focus of research may appear to some experts from established market economies as too elementary or even obsolete. Yet our results justify it, with many companies still not knowing CRM, not understanding its benefits and very low long-term CRM utilization.

It must be said that marketing as a science began in the Czech Republic only after 1989, which is about 40 years later than in developed market economies. Relationship marketing (CRM) dates back roughly to the 90s, which is the beginning of the transformation of the national economy in the Czech Republic. The period for "absorption" of the whole marketing concept and the development of modifications compared to the established market economies has been for us so much shorter.

The other trend is even faster development of CRM adoption through new cloud options. There are several variants, the most frequently used are (Hwang, Li 2010): Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS). The latter option offers the possibility to use the CRM system in any web browser, so it can be managed from the computer, but also from a tablet or mobile phone. With low or zero cost, these systems have penetrated into many companies. These technologies enabled the evolution of CRM and we can now start to use the term "CRM 2.0", which incorporates social tools and strategies for the twenty-first century social customers (Greenberg 2010). But as the outcomes of our research suggest, Czech companies have little chance of utilizing these new possibilities because they lag behind even in adoption of the CRM 1.0.

Questions were formulated with regard to the first research performed by Czech teams in order to compare the trend. From the theoretical point of view, we consider beneficial our focus on the subject of research by business type and determining whether there is a correlation between the business type and level of customer relationship management and CRM results. This has been argued by Garrido-Moreno and Padilla-Meléndez (2011) who found out that organizational factors impact CRM success and serve as intermediaries for the impact of other factors, our research confirms this.

These partial results of the research will be followed by further research, which should allow generalization of research results according to the typology of the company. The research results have contributed to the enrichment of the educational process at the faculty subjects focused on strategic marketing within the master's degree or directly on the subject Marketing and Customer Relationship Management for doctoral studies. We have also disseminated these results to our cooperating companies and municipal bodies with the intention of introducing CRM education for micro companies as a free course at our university. Based on the research results, we have prepared a structure of the course and so far it was met with very positive reactions.

Also due to the above mentioned reasons, the statistical hypothesis was formulated to address the relationship between company size (business type) and the results of the CRM system implementation.

### 5.1. Verification of the hypothesis

The 3<sup>rd</sup> research question is connected with our statistical hypothesis, which evaluates the relationship between company size and the results of the CRM system implementation.

$H_{01}$  – The CRM results are independent on the category of SME size.

The results of the Chi-square test are: the test criterion  $F$  36.087 and the critical value of 23.685. It can be stated that at the significance level of 5% we reject  $H_{01}$  null hypothesis of independence of the individual characters and accept the alternative hypothesis  $H_{11}$ , which states that there is some relationship between the SMEs size category and the results of CRM functioning, which can be considered a contribution to the development of the theory of relationship marketing. Furthermore, with our follow-up results of our research we could form a division of expected and acquired benefits based on these categories and utilize it for the free CRM courses designing the tutorials for different segments (size categories).

### 6. Conclusions

In the Czech Republic, SMEs represent more than 1 million economic subjects, i.e. 99.84% of all entrepreneurs. At the same time employ more than 1.8 mil. employees, participate on export with a share of about 51% and about 56% of imports. They are also significantly entrepreneurially and socially connected with the given region and form

the backbone of the regional business. Their importance is indisputable, and therefore the continuous improvement of their position in the market with the use of modern management methods is needed. However, SMEs in the Czech Republic are unfavoured compared to SMEs from developed economies around us in regard to adoption of new trends, such as customer relationship management with all its benefits.

In our 2015 research, SMEs demonstrated significant knowledge of the CRM concept (73.4%). However, the lowest was for micro-enterprises with up to 10 employees (54.5%). The reasons have been previously explained in the article. The perception of CRM in its definitions has had a growing trend (total of 69.9%, for micro and small enterprises this percentage was even higher). Companies preferred the option A, which declared benefits for both parties of the relationship. Respondents believed that if they have to implement something, it is necessary that it brings sufficient effect to them and their customers. Option C, which in comparison with 2005 lost points, cannot be judged as inadequate, but for respondents is less specific and less comprehensible than Option A, which is characterized by simple formulation. The last question was devoted to the results of CRM functioning long-term. Increasing the number of loyal customers received the largest share of votes (60.5%). It has also been the favourite in our 2005 research, however with only 16.4%.

Selected issues dealt with in this article are only partial areas of customer relationship management. However, we can state that over the past years since our first research, there is a significant positive shift, with more companies understanding CRM and what benefits it can bring, even though our latest research found a few companies where CRM has failed totally and the rate of adoption is still not on par with developed economies.

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