

Artificial Intelligence Improving CRM, Sales and Customer Experience

An Analysis of an International B2B Company

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Abstract

Artificial Intelligence Improving CRM, Sales and Customer Experience

Nowadays, the area of customer management strives for omni-channel and state-of-the-art CRM concepts including Artificial Intelligence and the approach of Customer Experience. As a result, modern CRM solutions are essential tools for supporting customer processes in Marketing, Sales and Service. AI-driven CRM accelerates sales cycles, improves lead generation and qualification, and enables highly personalized marketing. The focus of this thesis is to present the basics of Customer Relationship Management, to show the latest Gartner insights about CRM and CX, and to demonstrate an AI Business Framework, which introduces AI use cases that are used as a basis for the expert interviews conducted in an international B2B company. AI will transform CX through a better understanding of customer behavior. The following research questions are answered in this thesis: In which AI use cases can Sales and CRM be improved? How can Customer Experience be improved with AI-driven CRM?

Keywords: Artificial Intelligence, Customer Relationship Management, Customer Experience, Sales, AI use cases

Kurzreferat

Künstliche Intelligenz zur Verbesserung von CRM, Vertrieb und Customer Experience

Heutzutage strebt der Bereich des Kundenmanagements nach Omni-Channel- und modernen CRM-Konzepten unter Einbeziehung künstlicher Intelligenz und dem Ansatz der Customer Experience. Daher sind moderne CRM-Lösungen unverzichtbare Werkzeuge zur Unterstützung von Kundenprozessen in Marketing, Vertrieb und Service. KI-getriebenes CRM beschleunigt die Verkaufszyklen, verbessert die Lead-Generierung und -Qualifizierung und ermöglicht ein hoch personalisiertes Marketing. Der Schwerpunkt dieser Arbeit liegt auf der Darstellung der Grundlagen des Customer Relationship Managements und den neuesten Erkenntnissen von Gartner zu CRM und CX, sowie der Veranschaulichung eines KI Business Frameworks, welches KI-Anwendungsfälle vorstellt, die als Grundlage für die Experteninterviews in einem internationalen B2B-Unternehmen dienen. KI wird die CX durch ein besseres Verständnis des Kundenverhaltens transformieren. In dieser Arbeit werden die folgenden Forschungsfragen beantwortet: In welchen KI-Anwendungsfällen können Vertrieb und CRM verbessert werden? Wie kann die Customer Experience mit KI-gesteuertem CRM verbessert werden?

Keywords: Künstliche Intelligenz, Customer Relationship Management, Customer Experience, Vertrieb, KI-Anwendungsfälle

Preface

My motivation to explore the field of Artificial Intelligence for CRM, Sales and Customer Experience is due to the fact that its importance is increasing because of the currently apparent trend within this area. In my opinion, this topic will gain more and more importance for companies internationally because of the promising business opportunities. In my point of view, companies should follow the latest developments in Artificial Intelligence and be aware of its potential for improvement in CRM, Sales and Customer Experience in order to benefit from the resulting business advantages.

To put it in a nutshell: The reason why I decided to do research in this field is because this current topic has been evolved strongly in the last years and will certainly become even more relevant for companies in the near future. It is therefore essential to ensure transparency about the effects AI has on CRM, Sales and Customer Experience. I also consider it important to ensure practical relevance by the analysis of an international B2B company which will provide insights about the current situation and prospective plans regarding the usage of AI to improve CRM, Sales and Customer Experience.

At this point, I want to express my special thanks to all those who supported me during the whole period of my studies, especially in the last months. First and foremost, I would like to thank my supervisor Tom Fleerackers who provided me with valuable feedback and therefore facilitated continuous improvement of my work. My thanks go in second place to all interview participants who enriched my thesis with their professional expertise. Due to the provided information the research questions could be answered. Above all, I want to thank my family, friends and closest colleagues who supported and encouraged me during the whole time of my studies.

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List of Abbreviations

AI	Artificial Intelligence
ANZ	Australia and New Zealand
ASEAN	The Association of Southeast Asian Nations
ATX	Austrian Traded Index
B2B	Business-to-Business
BPM	Business Process Management
C/4HANA	The SAP Customer Experience suite
CAGR	Compound Annual Growth Rate
CEE	Central and Eastern Europe
CEM	Customer Experience Management
Cf.	Compare with (used to refer a reader to another written work)
CIO	Chief Information Officer
CLV	Customer Lifetime Value
CPO	Chief Process Officer
CRM	Customer Relationship Management
CX	Customer Experience
DAM	Digital Asset Management
DXP	Digital Experience Platform
E2E	End-to-end
Ed.	Editor
e.g.	exempli gratia (for example)
ERP	Enterprise Resource Planning
etc.	et cetera
HR	Human Resources
iBPM	Intelligent Business Process Management
IDC	International Data Corporation
IoT	Internet of Things
IT	Information Technology

MDM	Master Data Management
ML	Machine Learning
n.d.	no date
NLG	Natural Language Generation
NLP	Natural Language Processing
No.	Number
OLAP	Online Analytical Processing
p.	Page(s)
ROI	Return on Investment
RPA	Robotic Process Automation
SAP	Name of the European software company standing for Systems, Applications, and Products in Data Processing
SAP HANA	SAP's in-memory database for digital business and Intelligent Enterprise
SAP S/4HANA	SAP's intelligent ERP business suite
SCM	Supply Chain Management
UK	The United Kingdom
URL	Uniform Resource Locator
USA	The United States of America
USD	United States Dollar
VCAs	Virtual Customer Assistants
VOC	Voice of The Customer
Vol.	Volume
VP	Vice President
WWW	World Wide Web
3D	Three Dimensional

1. Introduction

The chapter of introduction gives an overview about the research background and shows the research objectives. The general structure of the work is described at the end of this chapter.

1.1 Background

Customer Relationship Management (CRM) is a valuable tool for sales management, contact management and productivity enhancement with the aim to enhance commercial relationships.¹ 'In a nutshell, customer relationship management (CRM) is about process efficiency, reducing operational costs, and improving customer interactions and experience.'² CRM is an eminently important element for establishing and enhancing customer relationships in a dynamic competitive landscape, in which big and strongly growing companies run their business. Despite the fact that a wide range of solutions exist, there is enormous potential for improvement in times of increasing digitalization.³ According to the results of surveys conducted amongst sales reps by Great Sales Force, sales staff would be able to increase sales productivity on average by 42% if perfect conditions are present.⁴ Not only can improved conditions be achieved among employees, but also Customer Experience can be improved. Companies can gain major competitive advantages by putting emphasis on customer orientation with an end-to-end view on experiences and business processes.⁵ CRM aims to collect customer data in order to gain insights which help enterprises to establish exceptional customer experiences at each contact point of interaction.⁶

Companies are facing various problems when using common CRM systems. For example, salespeople are supposed to concentrate on profitable activities, but in reality, the majority has to devote a lot of time to record data. In that regard, another challenge for enterprises is the efficient handling of information relevant for fulfilling customer care demands.⁷ But not just Marketing and Sales can benefit from CRM, also other business functions like, for example, Customer Support, SCM and HR would be able to enjoy the same advantages resulting from consolidated data flows. The aim of CRM is to get a holistic overview about Marketing, Sales, Service etc. by cross-channel information flow management.⁸ CRM is highly connected to a company's strategic direction as it has an impact on the entire organization. The presence of a CRM strategy is intended to give guidance to departments being in touch with customers.⁹

¹ Cf. Salesforce.com 2019

² Fatouretchi 2019, p. 9

³ Cf. ERP Solutions oodles 2019

⁴ Cf. Künzl 2019, p. 31

⁵ Cf. MIT Technology Review 2016, p. 13

⁶ Cf. Baker; Hart 2016, p. 464

⁷ Cf. ERP Solutions oodles 2019

⁸ Cf. Salesforce.com 2019

⁹ Cf. Peelen 2005, p. 6

'According to Gartner, the global CRM market is predicted to grow at 13.7 percent Compound Annual Growth Rate (CAGR) by 2021.'¹⁰ The growing attention to CRM as a strategic business concept results from a variety of trends: change in business emphasis to relationship marketing instead of transactional marketing, structure of organizations focuses more on processes than functions, awareness about the advantages of utilizing data and knowledge in a pro-active way, increased use of technology helping to improve knowledge about customers, greater relevance of social media and digital marketing.¹¹

The positive market development for CRM is connected to the increasing integration of automation and Artificial Intelligence, which will create competitive advantages for the early using companies.¹² Already many companies have identified the potential and benefits of AI-driven CRM, which will affect not just employees, but most important also customers. The aim is to use Artificial Intelligence to build customized experiences, thus engaging customers.¹³ 'Gartner estimates that by 2020, 30% of all B2B companies will employ some kind of AI to augment at least one of their primary sales processes.'¹⁴ The above-mentioned problem faced by the usage of usual CRM systems can be solved by the combination of CRM and Artificial Intelligence, which facilitates companies to improve practical application from sales staff as well as customer relations.¹⁵

In 2018, the major technological trends were assigned to AI, automation and CRM.¹⁶ Nowadays, the meaningful use of automation solutions is key to facilitate sales departments with regard to administrative and recurring operations.¹⁷ People request an exceptional experience and do not 'want to be treated like a generic customer or employee'¹⁸. Artificial Intelligence will have presumed impacts on CRM activities like, inter alia, accelerating the selling cycle, generating more qualified leads, remedying customer service issues quicker. AI is able to enhance Customer Experience by connecting intelligence and automatization.¹⁹ Providers are already offering systems that use this knowledge to help companies trigger automated actions to not only react to customer behavior, but to predict it by using AI. This helps companies to improve their ROI and customer experiences. AI can review data floods and support costumers in their purchasing decisions with suggestions.²⁰ AI-driven CRM intends to change customer experiences and make them customized, predictive and respond in real-time. This will have an influence on the customer journey, making it a seamless experience.²¹ As a result, companies gain a 360-degree view of the customer by collecting data like client, product or behavior data.²²

¹⁰ ERP Solutions oodles 2019

¹¹ Cf. Baker; Hart 2016, p. 439

¹² Cf. Clear C2 2019

¹³ Cf. MIT Technology Review 2016, p.1-2

¹⁴ Goasduff 2019

¹⁵ Cf. ERP Solutions oodles 2019

¹⁶ Cf. Borth 2018

¹⁷ Cf. Künzl 2019, p. 31

¹⁸ MIT Technology Review 2016, p. 4

¹⁹ Cf. Atif 2019; Gantz et al. 2017, p. 9

²⁰ Cf. EXKLUSIV HARVARD BUSINESS MANAGER 2019, p. 12-13

²¹ Cf. Thiel 2020; MIT Technology Review Custom 2017; MIT Technology Review Insights 2017

²² Cf. ERP Solutions oodles 2019

*'When AI is applied to CRM, the possibilities seem endless. AI-powered virtual assistants will automate sales and service tasks. Chatbots will help customers complete simple tasks. AI-powered content-generation tools will create one-to-one personalized marketing materials. AI will make data entry and data cleansing easier. AI-powered internal and customer training will become the norm.'*²³

The increasing digitalization of business processes has resulted in some newly offered solutions on the market, which will have positive effects on the evolution of Customer Relationship Management.²⁴ 'The new standard for every customer interaction is a smart, fast, seamless customer experience engagement.'²⁵ Customer Experience Management and Analytical CRM are becoming more and more important for companies. According to a study, around 6 out of 10 respondents describe these as important trends within their own CRM strategy.²⁶ The major reasons why companies focus on improving CX are enhancing customer retention and satisfaction, as well as boosting cross-selling and up-selling opportunities.²⁷ According to Dickie, AI will play a major role for Sales in the near future and sales experts are supposed to be prepared for the changes AI will imply. The expectations about AI improving some parts of Sales within the coming 3-5 years promise to make it easier to determine clients and deal and interact with them.²⁸

My personal motivation to explore this issue is due to the increasing importance of the topic in the business world. It is exciting to analyze which AI use cases future-oriented companies should be aware of and research what leading CRM providers offer with the help of AI in order to improve Sales and CX. Because changes are expected to happen soon, it is eminently important to explore this topic now and be aware of the upcoming developments.

1.2 Research Objectives

The situation analysis described above raises 2 questions. The first question is: In which AI use cases can Sales and CRM be improved? The second question is: How can Customer Experience be improved with AI-driven CRM?

In order to answer these questions, it is important to reach the following research objectives. First of all, the author will provide a comprehensive theoretical overview about all relevant aspects, which covers definitions and explanation of terms, CRM perspectives and components, latest models from Gartner like CRM Application Functionality Groups and The 8 Building Blocks of CRM. In addition, the AI Business Framework will make a major contribution to clarify the first research question, as it contains the necessary use cases for Sales and CRM. Then, 2 leading CRM vendors, namely SAP and Salesforce, will be analyzed with regard to their solutions and features offered within each CRM system in order to analyze how they promise to improve CX. The most relevant and up-to-date information about AI within CRM will round off the theoretical part of this thesis.

²³ Goldenberg 2019

²⁴ Cf. Künzl 2019, p. 31

²⁵ Salesforce.com 2016, p. 2

²⁶ Cf. Bayer 2019, p. 17

²⁷ Cf. Genesys 2014

²⁸ Cf. Dickie 2019

After the theory sections, the research methodology is described, followed by the analysis of an international B2B company. The current status of the company regarding the use of Artificial Intelligence to improve CRM, Sales and Customer Experience will be analyzed. The aim of the practical analysis is to investigate the situation of the company by means of interviews with employees who have expert knowledge on the topics of CRM and Customer Experience due to their position within the company. The defined experts should have at least some basic knowledge about AI. Since this scientific work is enriched with the knowledge of the interviewed experts, practical experience can be thankfully included in this master thesis. The objective of gaining valuable research results for the company is achieved by conducting expert interviews to review AI use cases for Sales and CRM, and check the desire or disinterest of the experts regarding AI-driven CRM. The demonstration of possible differences of opinion between or within Sales and IT will indicate if opinions of responsible experts are divided within the company or whether consensus of opinion prevails.

To sum up, the main research objectives of this thesis are to show in which AI use cases Sales and CRM can be improved and how Customer Experience can be improved with AI-driven CRM. By means of a literature research, use cases will be identified in which AI can improve the business layers Sales and CRM, as well as solutions from 2 leading CRM vendors promising the enhancement of Customer Experience, will be demonstrated. A detailed critical reflection on the theoretical findings is achieved by the review of experts within a specific organization.

In summary, this master thesis deals with the following **research questions**:

(1) In which AI use cases can Sales and CRM be improved?

(2) How can Customer Experience be improved with AI-driven CRM?

1.3 Structure of the Work

The chapter of introduction gives an overview about the research background and shows the research objectives. The introduction points out the relevance of the research topic and demonstrates how companies can benefit from the usage of Artificial Intelligence due to improvements in CRM, Sales and Customer Experience. Additionally, the general market development for CRM is summarized briefly.

The chapters 2-6 deal with relevant theoretical aspects of the research area. Within chapter 2 important terms are defined and explained. Chapter 3 covers the CRM perspectives and components. Chapter 4 deals with Gartner insights about CRM and Customer Experience. It presents the CRM Application Functionality Areas and The 8 Building Blocks of CRM. Chapter 5 makes a significant contribution to answer one of the above-mentioned research questions, as the AI Business Framework is presented. This framework states relevant AI use cases for the business layers Sales and CRM. Chapter 6 examines the topic of Artificial

Intelligence within CRM by comparing the vendors Salesforce and SAP. It also presents general information about the trend AI-driven CRM.

Chapter 7 looks at the research methodology and introduces the methodological approach and research method. Furthermore, the interview guideline, as well as sample and selection requirements for the interviews are described. The explanation regarding the execution and transcription of the interviews, as well as the evaluation model are provided afterwards.

In chapter 8, the analysis of an international B2B company takes place. After an overview of the company, especially Sales and IT, the research results are presented.

The final chapter 9 concludes this scientific work with a summary of the research results and the answering of the research questions. Finally, recommendations are derived, and an outlook completes this master thesis.

2. Definitions and Explanation of Terms

This chapter aims to define and explain fundamental terms in order to achieve a common understanding of terminologies. In addition, some of the main terms are also incorporated in several subchapters listed subsequently. Hence, a relation between the different terms can be established if necessary. For the purpose of this thesis, the choice of a particular definition is not conducive. The author of this paper sees a greater benefit in presenting a clear summary of common definitions.

2.1 Customer Relationship Management (CRM)

The term CRM can be found many times in literature, but a general and uniform definition of Customer Relationship Management is missing. According to a literature overview from Rababah et al., 3 divergent views can be identified, namely: company philosophy, corporate strategy, technology. The majority of the examined definitions (48%), can be allocated to CRM defined as a corporate strategy.²⁹ The authors were able to identify 1 definition which complies with the 3 views:

*'CRM is the building of a customer-oriented culture by which a strategy is created for acquiring, enhancing the profitability of, and retaining customers, that is enabled by an IT application; for achieving mutual benefits for both the organization and the customers.'*³⁰

Peelen mentions an IT-driven definition, a process-oriented definition, a definition categorized to the corporate strategy approach and a future-oriented approach. The various definitions of the mentioned approaches are summarized hereafter.

The IT-driven definition of CRM is

*'the automation of horizontally integrated business processes involving front office customer contact points (marketing, sales, service and support) via multiple, interconnected delivery channels.'*³¹

The pure process-oriented definition explains that Customer Relationship Management stands for

*'a process that addresses all aspects of identifying customers, creating customer knowledge, building customer relationships, and shaping their perceptions of the organisation and its products'*³².

The CRM definition from Gartner which can be assigned to the corporate strategy approach is as follows:

*'an IT enabled business strategy, the outcomes of which optimize profitability, revenue and customer satisfaction by organizing around customer segments, fostering customer-satisfying behaviours and implementing customer-centric processes'*³³.

²⁹ Cf. Süphan 2015, p.133

³⁰ Süphan 2015, p. 135

³¹ Peelen 2005, p. 3

³² Peelen 2005, p. 4

³³ Peelen 2005, p. 4

The future-oriented definition of McKenna is described by Peelen as

*'the building of an infrastructure which may be used to develop long-term customer-supplier relationships [...] [and] as a result of this infrastructure, the walls between company and customer are torn down.'*³⁴

In this context, the increasing exchange of information between companies and customers is emphasized.³⁵

Peelen summarizes a holistic definition of CRM and says that CRM can

*'be regarded as a business strategy from the start, one that is aimed towards developing long-term, mutually profitable, individual customer-supplier relationships and is based on an IT infrastructure to be developed, one that enables well-defined and controlled processes, and places capable personnel in a position to function optimally.'*³⁶

Fatouretchi provides the following definition, which implies enhanced Customer Experience: 'In a nutshell, customer relationship management (CRM) is about process efficiency, reducing operational costs, and improving customer interactions and experience.'³⁷

Within The Marketing Book published by Baker and Hart,

*'Customer Relationship Management [...] is a management approach that seeks to create, develop and enhance relationships with carefully targeted customers in order to maximise customer value, corporate profitability and thus shareholder value. CRM also involves utilising information technology (IT) to implement relationship marketing strategies.'*³⁸

Another comprehensive definition is provided by Payne and Frow, which states improved CX as an outcome:

*'CRM is a cross-functional strategic approach concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. It typically involves identifying appropriate business and customer strategies, the acquisition and diffusion of customer knowledge, deciding appropriate segment granularity, managing the co-creation of customer value, developing integrated channel strategies, and the intelligent use of data and technology solutions to create superior customer experiences.'*³⁹

A definition which connects CRM with Customer Experience is this one from Chandra:

*'Customer relationship management (CRM) is necessary for enhancing the customer's experience. It refers to the set of practices, principles, and guidelines which an organization follows during their interaction with customers.'*⁴⁰

To sum up, the overarching goal of CRM is to increase customer satisfaction with customized products and services or personalization management.⁴¹

³⁴ Peelen 2005, p. 5

³⁵ Cf. Peelen 2005, p. 5

³⁶ Peelen 2005, p. 6

³⁷ Fatouretchi 2019, p. 9

³⁸ Baker; Hart 2016, p. 439

³⁹ Payne; Frow 2013, 207

⁴⁰ Chandra 2019

⁴¹ Cf. Biesel; Hame 2018, p. 173

2.2 Artificial Intelligence (AI)

Gentsch emphasizes the difficulty of providing the one and only definition of AI. However, the definition of Rich is proposed in the context of his book: 'Artificial Intelligence is the study of how to make computers do things at which, at the moment, people are better'⁴².

According to Trzupsek, 'Artificial Intelligence (AI) applies across a spectrum of technologies including machine learning, predictive analytics, natural processing, and robotics.'⁴³ The results of a survey presented in the IDC White Paper show that enterprises have in mind to research or utilize the following kinds of AI: advanced numerical methods (31%), automatic language recognition (30%), text mining (27%), machine learning (25%).⁴⁴

Salesforce defines the term as 'the concept of having machines "think like humans" – in other words, perform tasks like reasoning, planning, learning, and understanding language.'⁴⁵ 'At a high level, AI is both understanding historical data and applying what is learned to current contexts to make predictions.'⁴⁶

A definition of AI which incorporates CRM is the following:

*'It refers to a set of technology capabilities (e.g., machine learning, predictive analytics, next-best action guidance and automation) that are incorporated within technology platforms such as CRM, ERP and contact center. These capabilities help employees across businesses more effectively and efficiently manage, use, and analyze data needed to meet and exceed customer needs.'*⁴⁷

2.3 Customer Experience (CX)

Lemon and Verhoef have examined a multitude of definitions for the term Customer Experience and the generally recognized definitions are presented subsequently.

Schmitt shows 5 forms of experiences corresponding to his multi-faceted perspective: 'sensory (sense), affective (feel), cognitive (think), physical (act), and social-identity (relate) experiences.'⁴⁸

Lemon and Verhoef summarized that in science and practice, Customer Experience is no one-dimensional model because it contains 'cognitive, emotional, behavioral, sensorial, and social components'⁴⁹. All these elements can be responsible for a certain customer reaction throughout the customer journey. The authors say that customer experiences take place along the purchase cycle and at various touchpoints, which means that no static process lies behind it. CX occurs in the pre-acquisition, acquisition and post-acquisition stage. Lemon and Verhoef divide Customer Experience contact points into 4 groups⁵⁰: 'brand-

⁴² Gentsch 2018, p. 18

⁴³ Trzupsek 2020

⁴⁴ Cf. Close-Up Media 2017

⁴⁵ Salesforce.com 2020-a

⁴⁶ Salesforce.com 2016, p. 3

⁴⁷ Afshar 2019

⁴⁸ Lemon; Verhoef 2016, p. 70

⁴⁹ Lemon; Verhoef 2016. P. 70

⁵⁰ Cf. Lemon; Verhoef 2016, p. 71, 74, 76

owned, partner-owned, customer-owned, and social/external/independent. The customer might interact with each of these touch point categories in each stage of the experience.⁵¹

According to Metz,

*'customer experience can either be small (one single transaction) or big. It can refer to the entire customer life cycle, from the beginning stages (awareness, discovery, attraction), to the middle stages (interaction, purchase, use), to the later, most advanced stages (cultivation and, hopefully, advocacy).'*⁵²

Within the book Building Great Customer Experiences, CX is described as 'a blend of a company's physical performance and the emotions evoked, intuitively measured against customer expectations across all moments of contact.'⁵³

Customer Experience is usually linked to the external customer, which is defined as a company or person buying products or services. But some sources mention the internal customer as well and differ between internal and external Customer Experience. The internal customer is someone from inside the company, mostly employees. As the internal customers have an influence on how an external customer perceives the service or product, it is important to be aware of the internal CX too.⁵⁴

Another definition of Customer Experience is that CX is the combination of a persona, individualized customer journeys and customer lifecycle⁵⁵ (see appendix 1).

2.4 Customer Experience Management (CEM)

Although academic literature on Customer Experience Management is more limited, the most prevalent information is summarized below.

A short definition of Customer Experience Management is provided by Schmitt: 'the process of strategically managing a customer's entire experience with a product or company.'⁵⁶ 'The foremost concern of CEM is the external (customer) experience. [...] However, CEM is also concerned with the "internal customer" (the employee experience).'⁵⁷

According to Schmitt,

*'customer experience management consists of five steps: (1) analyzing the world of the customers, (2) building the experiential platform, (3) designing the brand experience, (4) structuring the customer experience, and (5) engaging in continuous innovation.'*⁵⁸

Metz mentions that the 'idea of Customer Experience Management is to take a customer from being a satisfied customer, to a loyal customer, to an advocate.'⁵⁹

⁵¹ Lemon; Verhoef 2016, p. 76

⁵² Metz 2012, p. 117

⁵³ Shaw; Ivens 2002, p. 6

⁵⁴ Cf. Lotich 2018

⁵⁵ Cf. Stadelmann; Pufahl; Laux 2020, p. 154

⁵⁶ Schmitt 2003, p. 17

⁵⁷ Schmitt 2003, p. 41

⁵⁸ Lemon; Verhoef 2016, p. 82

⁵⁹ Metz 2012, p. 117

Lemon and Verhoef used the definition from Homburg et al. (2015) in order to specify the term CEM like follows:

*'the cultural mindsets toward customer experiences, strategic directions for designing customer experiences, and firm capabilities for continually renewing customer experiences, with the goals of achieving and sustaining long-term customer loyalty'*⁶⁰.

In the same article, the difference between CEM and CRM has been clarified. The major emphasis of CRM lies on exploiting value, whereas CEM is more concerned with the value generation.⁶¹

⁶⁰ Lemon; Verhoef 2016, p. 82

⁶¹ Cf. Lemon; Verhoef 2016, p. 83

3. Customer Relationship Management

'The market for CRM services is expanding, representing a significant growth sector.'⁶² As a result, vendors launch a multitude of custom-tailored CRM systems or standardized solutions.⁶³ These CRM systems are used to administer and summarize the customer information flood. At every customer touchpoint, customers leave personal information behind, which are ideally centrally managed. The underlying software of CRM systems is used to collate and analyze client data from available sources by means of analytical tools. The data is usually from the departments Marketing, Sales and Service in order to have a single view of the customer. Thus, the company benefits from the ability of determining the value of particular customers. This enables the organization to focus on the most profitable and most important customers. The CRM market is booming because a company gets individual views and insights into the world of the customers, and therefore it is able to serve the specific needs of each individual customer with customized offers. Consequently, a company using CRM can gain a competitive advantage by serving each customer in the best way possible and based on the information advantage.⁶⁴ CRM covers managing customer relations and aims to increase customer loyalty, and hence enhancing the customer value. Finally, a company is able to achieve sales growth and shareholder value.⁶⁵

Moreover, the IT department is not solely responsible for CRM because other departments like Marketing or Sales are included and work closely together with the IT department in order that all actions are perfectly aligned. For this reason, CRM is not just an information tool, but a management tool. Organizations expect achieving the following key success factors with Customer Relationship Management: customer-oriented processes considering and including all aspects of Customer Experience, analytical services revealing sales opportunities, and an embedded client database.⁶⁶

Customer Relationship Management strives for generating, at best, outstanding customer experiences. Companies and customers will develop a good business relationship if they can communicate across channels in a seamless manner.⁶⁷ This is achieved by an omnichannel CRM, which 'is characterized by an orchestration among the channels instead of an isolated management per channel.'⁶⁸ Nowadays, customers expect a company to provide an omnichannel approach because they want to have a seamless buying experience across all contact points (see figure 1).⁶⁹ Especially in the context of this customer-oriented approach, a CRM system has to work cross-channel because it manages all customer information. Due to the usage of 1 central storage location for customer data, CRM enables the creation of detailed customer profiles, the understanding of individual customer journeys and the filtering of tendencies for the various channels.⁷⁰

⁶² Baker; Hart 2016, p. 439

⁶³ Cf. Biesel; Hame 2018, p. 64

⁶⁴ Cf. Kotler 2011, p. 437

⁶⁵ Cf. Böckenholt; Mehn; Westermann 2018, p. 57

⁶⁶ Cf. Winkelmann et al. 2015, p. 6-8

⁶⁷ Cf. Carnein et al. 2017, p. 69

⁶⁸ Carnein et al. 2017, p. 69

⁶⁹ Cf. Blankenship 2019

⁷⁰ Cf. Böckenholt; Mehn; Westermann 2018, p. 57

*'However, the true value of CRM in an omnichannel world is to infuse customer interactions with personality and empathy, which are crucial differentiators for the modern customer who has already come to expect convenience, speed, and consistency.'*⁷¹

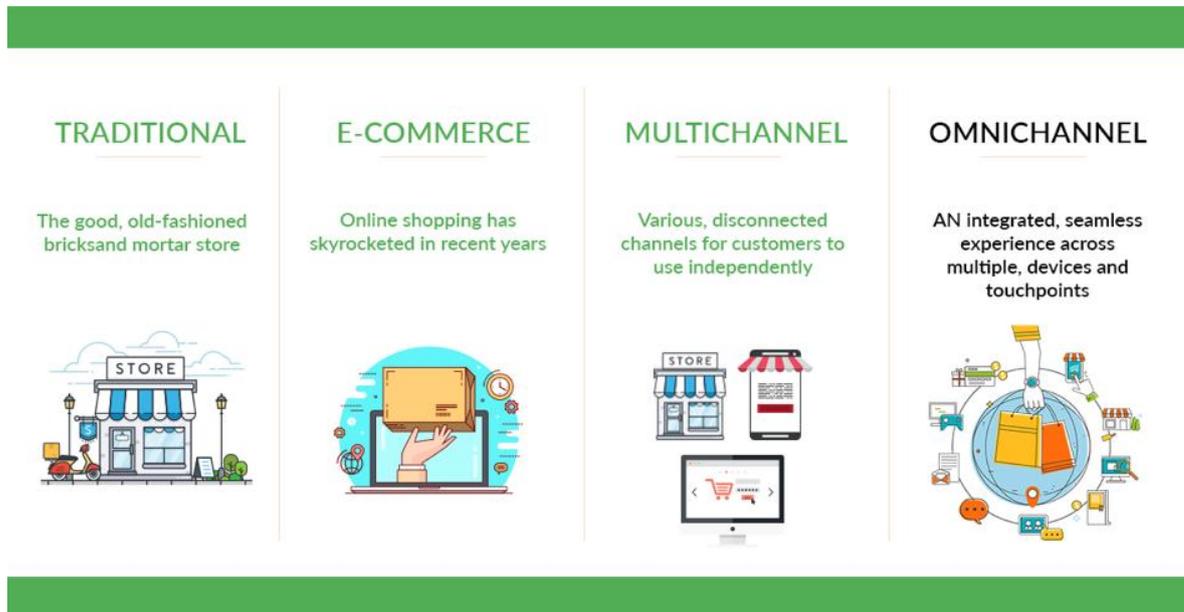


Figure 1: Omnichannel marketing – the approach for a seamless buying experience
Source: Kaushik 2020.

The basic theoretical knowledge is described hereafter, starting with the CRM perspectives, followed by the components of a CRM system.

3.1 CRM Perspectives

CRM comprises 3 perspectives, namely the functional, customer-oriented and strategic level.⁷² The mentioned perspectives are briefly described below.

3.1.1 Functional Level

In short, CRM on the functional level relates to all processes which are needed to carry out jobs relevant for customers, like Sales Force Automation or campaigning. The functional level is commonly linked with a heavy technological focus, which happens due to the fact that providers have to position specific products in the market. Indeed, several providers and even vendees associate the term functional CRM with the term technology.⁷³

⁷¹ Yonatan 2018

⁷² Cf. Kumar; Reinartz 2012, p. 35

⁷³ Cf. Kumar; Reinartz 2018, p. 34

3.1.2 Customer-oriented Level

In sum, the customer-oriented level considers CRM as a range of activities enabling a 360-degree customer view through every available channel of communication. The requirement for this concept is standardized availability of Customer Intelligence in departments dealing with client-oriented activities, such as Service, Sales or Marketing, etc.⁷⁴ 'Customer intelligence [...] is the collection and analysis of detailed customer data in order to understand the best ways to interact with each individual customer.'⁷⁵ Another significant aspect is 'coordinating information across time and contact channels to manage the entire customer relationship systematically.'⁷⁶ In a nutshell, the purpose of this perspective is to administrate and run several channels uniformly, which prevents losing track of the complete Customer Experience.⁷⁷

3.1.3 Enterprise-wide Level

In contrast, the CRM processes on the group-wide level imply that client information and requirements affect the whole company. The perspective of the enterprise-wide level is called strategic CRM if it is applied across the organization. The interest of strategic CRM is to get a general equilibrium between customer and business concerns. It aims to develop and influence the manner how enterprises and customers interact with each other in order to optimize customer lifetime value (CLV).⁷⁸ The term CLV stands for 'the present value of future profits generated from a customer over his or her life of business with the firm'⁷⁹. The enterprise-wide level considers it important to disconnect CRM from any technological view.⁸⁰ The main principle looks at 'CRM as a strategic orientation to implement customer centricity within the entire organization and create shareholder value.'⁸¹

3.2 Components of CRM systems

The CRM systems can be categorized into different main components, namely: operational CRM, analytical CRM, collaborative CRM. This categorization is broadly recognized since many years.⁸² A short summary is provided, before the individual components are summarized in the subsequent sections.

The main difference between operational CRM and the other 2 components, analytical CRM and collaborative CRM, is the fact that the former one is looking at the different front office activities, whereas analytical and collaborative CRM just take a facilitating role in the other component.⁸³ Figure 2 illustrates the 3 components of a CRM system, which shows a

⁷⁴ Cf. Kumar; Reinartz 2012, p. 35

⁷⁵ Mobius Solutions 2020

⁷⁶ Kumar; Reinartz 2012, p. 35

⁷⁷ Cf. Kumar; Reinartz 2018, p. 34

⁷⁸ Cf. Kumar; Reinartz 2012, p. 35-36

⁷⁹ Kumar; Reinartz 2018, p. 25

⁸⁰ Cf. Kumar; Reinartz 2018, p. 35

⁸¹ Kumar; Reinartz 2018, p. 35

⁸² Cf. Gebert et al. 2003, p. 110

⁸³ Cf. Gebert et al. 2003, p. 110

holistic CRM system. An integrated CRM system offers users the following: a consolidation of individual isolated applications, as well as the creation of a cross-departmental customer interface based on a company-wide database and therefore the guarantee of a uniform view on customer data.⁸⁴ Appendix 2 presents the 3 components of CRM with a slightly more detailed illustration.

In addition, the 3 overarching roles of CRM systems are identified:

- Aligning and including all channels between the organization and the customer
- Supporting and coordinating relevant touch points of Marketing, Sales and Service
- Consistently including and assessing all client data⁸⁵

To put it in a nutshell, the overarching aim of an embedded CRM system is corporation-wide collecting, storing, processing, analyzing and recalling of client data.⁸⁶

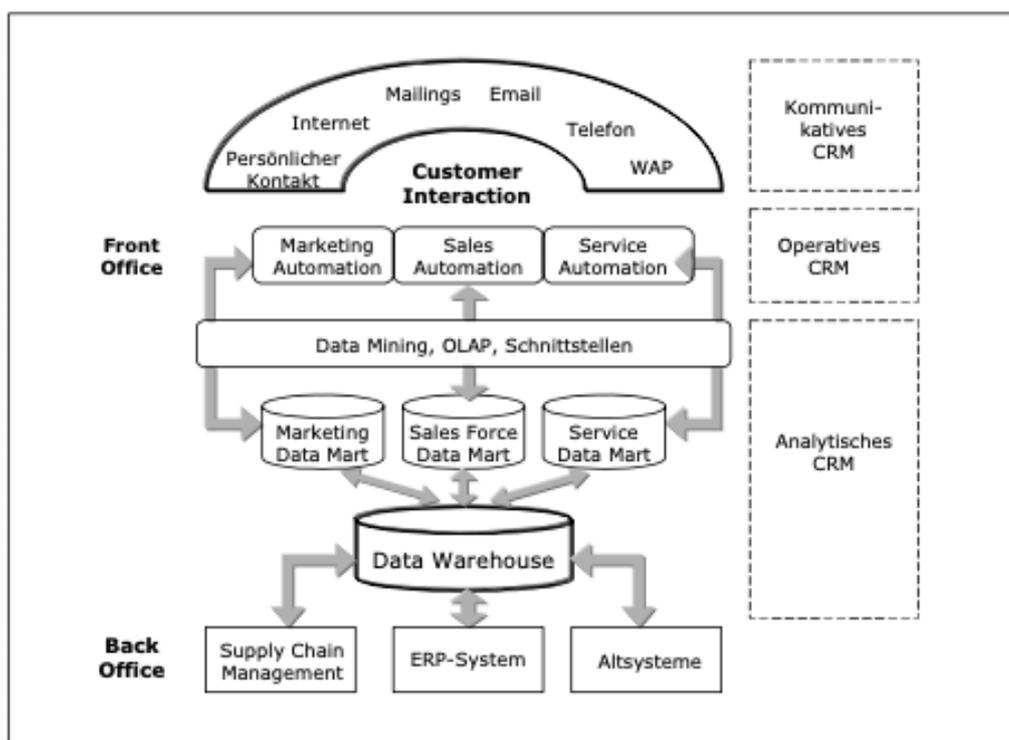


Figure 2: CRM components

Source: Hinterhuber; Matzler 2009, p. 184.

3.2.1 Analytical CRM

The following definition describes the term analytical CRM:

*'Analytical CRM systems manage and evaluate knowledge about customers for a better understanding of each customer and his or her behavior. Data warehousing and data mining solutions are typical systems in this area.'*⁸⁷

⁸⁴ Cf. Hinterhuber; Matzler 2009, p. 183

⁸⁵ Cf. Neumann 2014, p. 116

⁸⁶ Cf. Hinterhuber; Matzler 2009, p. 186

⁸⁷ Gebert et al. 2003, p. 110

This component gives deeper insights into the personal requirements and different behavioral patterns of customers. It enables the development of a forecast model and buying behavior detection.⁸⁸ 'This category incorporates various analytical tools such as data mining, data warehouses and online analytical processing (OLAP).'⁸⁹ Analytical CRM strives to regularly improve customer relevant processes like sales negotiations by means of collected data and analysis findings. It builds the basis for the other 2 CRM components and all findings serve as support for operational and collaborative CRM.⁹⁰

3.2.2 Operational CRM

The term operational CRM is defined as follows:

*'Operational CRM systems improve the efficiency of CRM business processes and comprise solutions for sales force automation, marketing automation, and call center/customer interaction center management.'*⁹¹

This component strives to automatize customer-oriented processes across contact points in order to achieve performance enhancements within the defined processes. Not only customer-related processes are supported, but also the dialog between a company and its customers. It consists of 3 parts with regard to automation: Marketing, Sales and Service.⁹² The 3 automation areas are described subsequently.

- Marketing Automation:

Marketing Automation focuses on steering and supporting business processes connected to Marketing. The major responsibility within this area is managing campaigns. It aims to make the right offer available to the right customers through the right channel and at the right time.⁹³ Due to Marketing Automation, an enterprise is able to use a 'central database, which includes all marketing data about prospect and customer interactions and behaviors'.⁹⁴ Hence, organizations can appeal to individual customers by providing specific customer-relevant information or offers.⁹⁵

- Sales Automation:

This automation area ensures that Sales receives support for administrative duties like scheduling appointments, creating expense reports or recording visit reports. The analysis of reasons why a customer did not accept an offer is taking place within Sales Automation. The findings from this analysis can be used for strategy enhancement.⁹⁶

Regarding Sales Force Automation, the fundamental advantages for applying it are, for example, enhanced contact between customer and company, higher levels of efficiency, lower costs, growing turnovers and an increase in accuracy. Sales Automation affects sales

⁸⁸ Cf. Khodakarami; Chan 2014, p. 30

⁸⁹ Khodakarami; Chan 2014, p. 30

⁹⁰ Cf. Neumann 2014, p. 119, 124

⁹¹ Gebert et al. 2003, p. 110

⁹² Cf. Khodakarami; Chan 2014, p. 30; Neumann 2014, p. 118; Hinterhuber; Matzler 2009, p. 185

⁹³ Cf. Neumann 2014, p. 118

⁹⁴ Süphan 2015, p. 155

⁹⁵ Cf. Süphan 2015, p. 155

⁹⁶ Cf. Neumann 2014, p. 118; Hinterhuber; Matzler 2009, p. 185

employees and the organization itself due to efficiency-enhancing effects on the sales funnel.⁹⁷

- Service Automation:

Service Automation aims to help the after-sales service (back office and field service) with administrative assistance like, for example, providing features for quote generation. Because some administrative tasks of Sales are quite similar, those features are available for the service team too. In addition, analytical tasks or contact support tasks are executed by the service staff. Sales Automation is especially valuable for the back office team, as they are confronted with customer requests like consultancy issues or complaints.⁹⁸

To sum up, operational CRM is all about 'how the company [can] deliver a specific customer experience.'⁹⁹ Nowadays, organizations have to provide excellent service and Customer Experience in order to ensure that customers are pleased and, with a high probability, will stay loyal. Operational CRM makes a substantial contribution to these requirements. It is the enabler for identifying particular customers and the demand of them, processing purchase orders thoroughly and timely, providing customer-relevant information and submitting offers, as well as providing superior customer service.¹⁰⁰ The backbone forms the connection to systems in the back office like, inter alia, SCM and ERP. This facilitates that a company can communicate the delivery dates or the actual inventory levels.¹⁰¹

3.2.3 Collaborative CRM

'Collaborative CRM systems manage and synchronize customer interaction points and communication channels (e.g. telephone, e-mail, and Web).'¹⁰² This component controls and connects information exchange channels and the customer contact points. Amongst others, communication via personal contact, email, corporate homepage, client portal or calls and video telephony belongs to collaborative CRM.¹⁰³

The aim of it is to provide a uniform appearance of the organization across all communication channels to the customers, which is also referred to as 'one face to the customer', being an overall goal of CRM. In order to have fully integrated communication channels, embedding a customer interaction center (enhanced version of a call center) into the CRM system is particularly beneficial. It enables employees to answer customer requests promptly and professionally even though customers use different communication channels or switch between channels.¹⁰⁴

⁹⁷ Cf. Süphan 2015, p. 155

⁹⁸ Cf. Neumann 2014, p. 119

⁹⁹ Süphan 2015, p. 148

¹⁰⁰ Cf. Süphan 2015, p. 152-153

¹⁰¹ Cf. Neumann 2014, p. 119

¹⁰² Gebert et al. 2003, p. 110

¹⁰³ Cf. Khodakarami; Chan 2014, p. 30; Neumann 2014, p. 116

¹⁰⁴ Cf. Hinterhuber; Matzler 2009, p. 184

4. Gartner Insights about CRM and Customer Experience

It is important to emphasize that customer data plays an essential role within CRM and Customer Experience, hence, making an integrated approach for data administration and an end-to-end CX extremely essential to deliver value with CRM and CX. Gartner highlights the importance of integrating AI or machine learning, presenting one face to the customer and guaranteeing a holistic and coherent CX.¹⁰⁵ Especially today, it is crucial to guarantee continuity because customers switch 'between channels and devices while transacting with an organization.'¹⁰⁶

Gartner has determined 5 major trends for Customer Experience in 2020 and upcoming technologies play an important role within this area. The following technologies will impact Customer Experience this year the most: Artificial Intelligence, chatbots and Virtual Customer Assistants, omni-channel client engagement, application architecture activated in response to events and in real time, as well as IoT. According to Gartner, each technology brings significant advantages with it. Subsequently, key impacts of the 3 technologies considered to be most relevant for this thesis are presented hereafter.¹⁰⁷

The technology AI will effectively support

*'existing or new systems driven by AI capabilities to assist with making better decisions with less wasted effort. [...] AI technologies and analytics, in addition to human insight, will provide continuous intelligence for the customer experience of the future.'*¹⁰⁸

VCAs promise to decrease efforts for customers interacting with a company and improve CX on digital touchpoints like company home page, etc. The aim is increasing all experiences customers face in regard to humanity and enhancing the interchange with customers or colleagues. Besides that, this technology is enabling people to deal mainly with tricky and sophisticated jobs being relevant for clients.¹⁰⁹

Today, customers expect to decide about their engagement with a company regarding time and channel. It is essentially important to be aware how clients want to exchange with a specific enterprise in order that it can set up a Customer Experience which is outstanding because of the personal customization. Ideally, all channels come together within a customer dialogue hub which guarantees a central point of storing customer data.¹¹⁰

In the following, this chapter gives an overview about 2 models published by the international research and consulting company Gartner, connecting CRM and Customer Experience: The CRM Application Functionality Starfish and The 8 Building Blocks of CRM.

¹⁰⁵ Cf. Davis et al. 2019, p. 1, 3

¹⁰⁶ Davis et al. 2019, p. 17

¹⁰⁷ Cf. Gartner 2019-a

¹⁰⁸ Gartner 2019-a

¹⁰⁹ Cf. Gartner 2019-a

¹¹⁰ Cf. Gartner 2019-a

4.1 CRM Application Functionality Starfish

Figure 3 shows all areas in which CRM is applied: On the outside one can see the departments and on the inside Cross-CRM represents the area in which all departments take advantages out.¹¹¹ Because the areas Sales and Cross-Sales are the most interesting ones within the context of this thesis, those areas will be explained in further detail subsequently.

It is relevant to highlight that Gartner recommends companies to not only concentrate on the functional variety CRM providers offer, as there are more factors which have to be reviewed when choosing a CRM solution. Nevertheless, it is essentially important for managers to use the model depicted in figure 3 to assess the functions and clarify from which ones a company can derive economic advantages from. The international research company suggests applying this concept when analyzing CRM providers. Gartner has recognized that no single employee in the different departments is able to be familiar with the whole bunch of functions and have a detailed understanding of them. Therefore, the experts recommend integrating external advisors for CRM projects.¹¹²

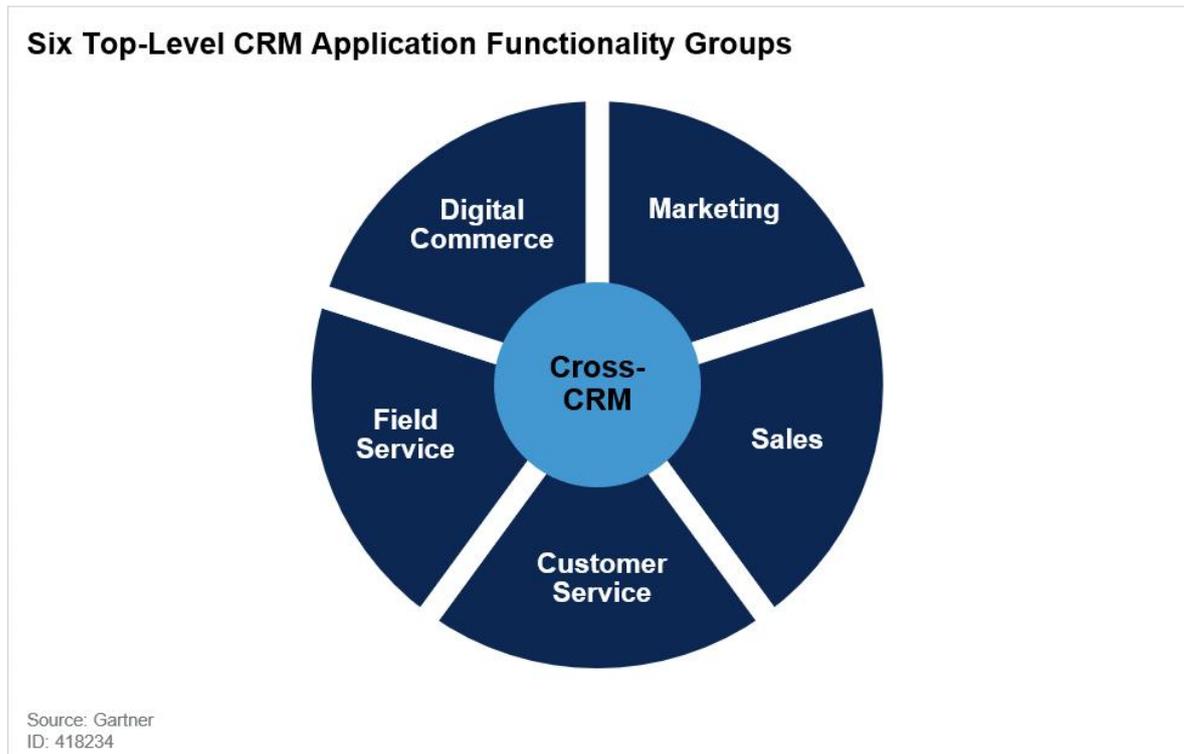


Figure 3: CRM Application Functionality Groups

Source: Thompson; Ford 2019, p. 3.

4.1.1 Sales

Within the area Sales, 5 distinct CRM Application Functionality Categories are defined: Sales Execution, Sales Enablement, Sales Effectiveness, Sales Performance, Sales

¹¹¹ Cf. Thompson; Ford 2019, p. 3

¹¹² Cf. Thompson; Ford 2019, p. 5, 12-13

Analytics. Hereafter, the respective corresponding subareas are illustrated in figure 4. Of all the categories mentioned, Sales Execution, but here especially Sales Force Automation, is the most requested topic by Gartner's customers within this area.¹¹³ Further details on Sales Execution and Sales Force Automation are provided in the following paragraphs.

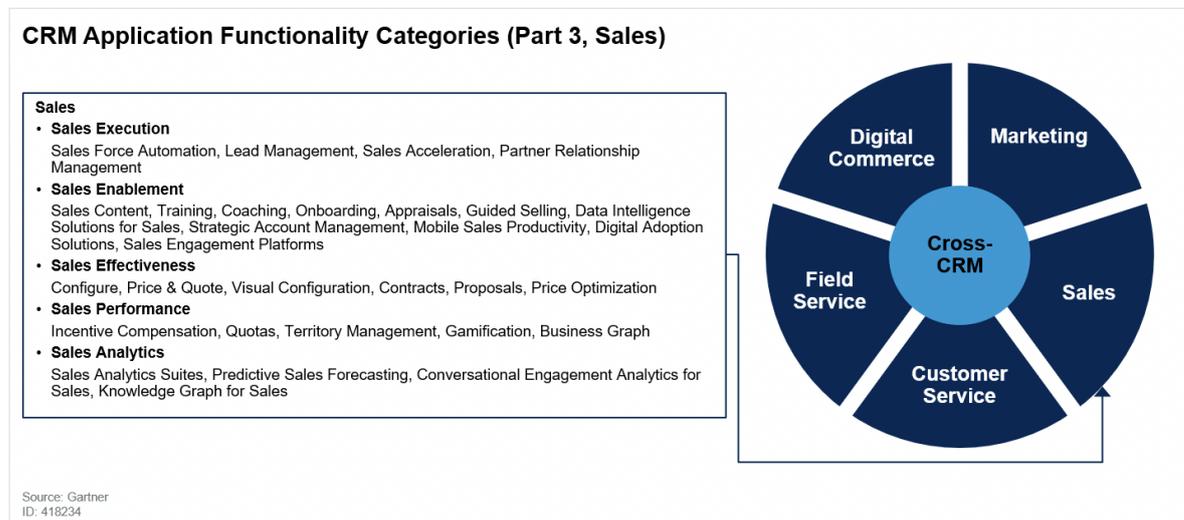


Figure 4: CRM Application Functionality Categories in Sales
Source: Thompson; Ford 2019, p. 8.

It is striking to see that Sales is shifting more and more to the increased use of technologies with a high degree of automation or powerful algorithms. Among the trends of automated solutions are 'predictive analytics, cognitive agents, guided selling and sales acceleration.'¹¹⁴ Sales Force Automation solutions make use of predictive analytics to influence sales employees in the way of taking decisions. And algorithms are used to speed up sales cycles and automatize appropriate non-automated activities for salespeople. But it goes even further: virtual assistants support employees with the usage of technical sales solutions, automated data entry or recommendations for decision making.¹¹⁵

According to Gartner, predictive analytics is able to increase efficiency and provide performance benefits for Sales. Modern organizations apply it in order to enhance pipeline contribution of opportunities and lead conversion. In addition, the usage of data from CRM results in little implementation effort for companies. Today's businesses can apply predictive lead scoring using a special algorithm to review the collected or even external data enabling the categorization of sales leads as either promising or not promising.¹¹⁶ Equally innovative is predictive opportunity scoring which applies a machine learning approach to 'score sales opportunities to determine the likelihood of winning a deal. Sales reps can then use these scores to prioritize the opportunities they work on.'¹¹⁷

Moreover, more and more innovative Sales Automation offerings came onto the market in the last few years. The aim of these tools (Sales Acceleration or Guided Selling) is to

¹¹³ Cf. Thompson; Ford 2019, p. 5, 8

¹¹⁴ Travis; Berkowitz; Hansen 2016, p. 1

¹¹⁵ Cf. Travis; Berkowitz; Hansen 2016, p. 1, 10

¹¹⁶ Cf. Couey 2019; Travis; Berkowitz; Hansen 2016, p. 5

¹¹⁷ Ramanna 2016

enhance ‘repetitive, common execution steps in sales lead and opportunity management [...] [and] combine elements of predictive analytics, artificial intelligence and innovative user experience design.’¹¹⁸

4.1.2 Cross-CRM

The Cross-CRM area comprises 10 CRM Application Functionality Categories (see figure 5). The most relevant categories for this thesis, which have a connection to either Customer Experience or Artificial Intelligence, will be described shortly below.

- Intelligent Business Process Management:

In short, the smart version of BPM uses AI to automate selected business processes. In particular, CRM systems get enhanced more and more frequently with iBPM.¹¹⁹ This concept strives to provide ‘users [...] [with] real-time information and proactive predictions, recommendations and insights to continuously innovate and improve their experiences [...] and a better understanding around business operating models.’¹²⁰

- Customer Analytics:

Salesforce describes customer analytics as a synonym for CRM analytics which is all about data collection and analysis of factual customer information and aims to visualize the gathered insights with an easy-to-use solution. The overall target is making use of the evaluated data in order to decide in a more knowledgeable way including customer awareness. Most notably, big enterprises benefit from customer analytics because they have a large customer base and get information like, for example, the position of individual customers within the sales funnel. The major advantage of customer analytics is the proven capability to customize a customer’s experience, among other advantages, like better client segmentation, successful forecasting models, measuring business performance metrics and the categorization of customer groups depending on how lucrative it is to do business with them.¹²¹ In brief summary this means that ‘AI enabled customer analytics can sift through a larger and complex data space and uncover many more business opportunities.’¹²²

- Personalization:

‘Personalization can take many forms, but digital personalization is where most investment is taking place today.’¹²³ Nowadays, Artificial Intelligence is able to provide excellent CX because it generates personalized experiences for the customer. AI can manage to offer customized solutions because it analyzes every information which is available about the

¹¹⁸ Travis; Berkowitz; Hansen 2016, p. 7

¹¹⁹ Cf. Quirk 2018

¹²⁰ Quirk 2018

¹²¹ Cf. Salesforce.com 2020-b

¹²² Fotedar 2020

¹²³ Chiu 2019, p. 7

respective customers by processing high data volumes.¹²⁴ As explained below, applying AI is necessary to satisfy customers at every customer touchpoint:

‘Customers have also raised their expectations and are now expecting integrated omnichannel experience with highly personalized interactions. Therefore, companies need to leverage Artificial intelligence to provide proactive, smart, integrated and convenient interactions along the customer journey for re-imagined customer experiences.’¹²⁵

- Voice of The Customer

According to the definition, ‘Voice of The Customer, or VOC is the collection of customer wants, needs, expectations, likes and dislikes.’¹²⁶ When a company is successful in doing VOC, it can identify how customers experience situations at any kind of contact point. The ability to use the collected information and transform the experience depending on the customer statements is key to achieve an outstanding CX across the total customer journey.¹²⁷

- Digital Asset Management:

‘A Digital Asset Management (DAM) platform is essentially a cloud media library storing all your digital assets – photos, videos, graphics, text, etc. – so that you can easily produce, find and share content inside and outside your organization.’¹²⁸

Basically, this definition highlights the fact that the major focus lies on content, which strives to provide customized experiences. The newest improvements within this area, due to upcoming technologies, allow the usage of interactive illustrations, 3D technology or virtual and artificial reality to create the best digital experiences.¹²⁹ When DAM is linked with CRM, it helps enterprises to reach out to customers in an individual manner which fits to the known customer information.¹³⁰

- Digital Experience Platforms

‘Digital Experience Platforms (DXP) allow users to control and optimize their customers’ digital experiences across all potential touchpoints.’¹³¹ The purpose of having a DXP is gathering customer information at every digital customer touch point, and hence businesses are able to create customized content provided to clients. The major advantage of a Digital Experience Platform is to organize various articles through numerous interactive options (like client portals, WWW pages, electronic commerce, etc.) via 1 homogenous interface. Companies can make use of the following key functionalities, which a DXP offers, namely: harmonizing the exchange with customers through all communication options to create uniform experiences for customers, gathering client information from different points of contact, and gathering, measuring and analyzing plus generating reports of internet data.¹³²

¹²⁴ Cf. Fotedar 2020

¹²⁵ Fotedar 2020

¹²⁶ Marx 2018

¹²⁷ Cf. Marx 2018

¹²⁸ Jabbari n.d.

¹²⁹ Cf. Lindsay 2019

¹³⁰ Cf. CyanGate n.d.

¹³¹ TrustRadius n.d.

¹³² Cf. TrustRadius n.d.

- Master Data Management of Customer Data:

A company doing Master Data Management in order to get coherent insights about clients requires the complete consideration about customer requirements. The concept of MDM is applied to collect crucial information in a central place, and consequently taking the first steps needed for improved CX.¹³³

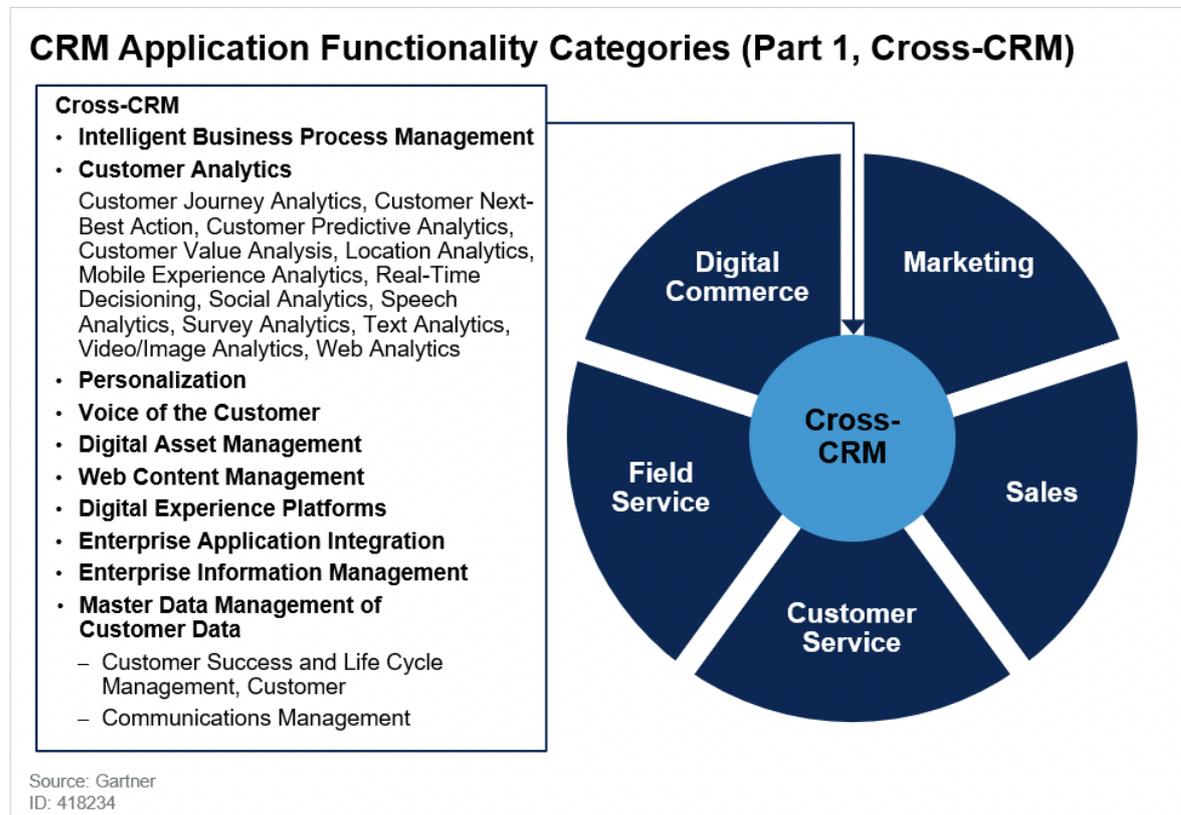


Figure 5: CRM Application Functionality Categories in Cross-CRM
Source: Thompson; Ford 2019, p. 6.

4.2 The 8 Building Blocks of CRM

According to Gartner, the concept of The 8 Building Blocks of CRM (hereafter referred to as cornerstones of CRM) intends to give advice to companies running CRM activities. Figure 6 illustrates the 8 cornerstones which are arranged one after another in the structure starting with the cornerstone Vision. Prior to starting with the next cornerstone Strategy, which has to be aligned with the cornerstone Vision, the client data has to be cleansed.¹³⁴ The third cornerstone is called Customer Experience, which should also be harmonized with the CRM strategy. To make a long story short, companies having succeeded in the part of CRM strategy put emphasis on each individual cornerstone mentioned in figure 6.¹³⁵ In the following, the focus will lie on the cornerstones Strategy and Customer Experience because the further elaboration of insights in this connection is most beneficial by achieving knowledge about CRM in connection with Customer Experience.

¹³³ Cf. Innovative Systems 2019

¹³⁴ Cf. Scheibenreif 2019, p. 2

¹³⁵ Cf. Chiu 2019, p. 3

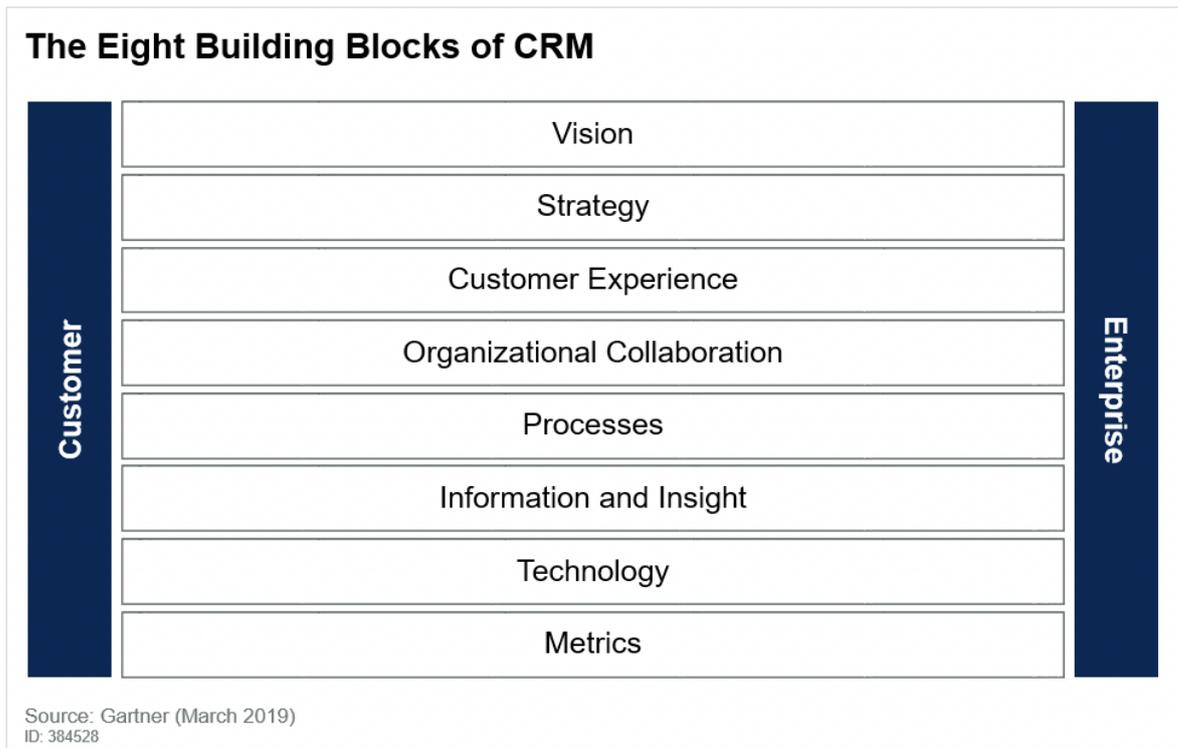


Figure 6: The 8 cornerstones of CRM
Source: Scheibenreif 2019, p. 3.

4.2.1 Strategy

Gartner defines the term CRM strategy as follows:

*'A CRM strategy sets out the choices the organization is making to achieve its customer goals [...] and provides application leaders with the how to match the why laid out in the CRM vision.'*¹³⁶

The international research company recommends to specify the most relevant CRM strategy objectives on the highest level such as, for example, enhancement of client satisfaction, decrease of after-sales service expenses, increase of the number of new clients, increase of upselling/ cross-selling to current clients, improvement of long-lasting customer loyalty, reduction of sales cycle and improvement of the Net Promoter Score. The determination of targets according to different customer segments has to be closely adjusted to business goals. Gartner recommends that the individual customer segments have particular goals which are presented in a slightly amended form compared with the all-embracing objectives. In addition, the harmonization of the CRM strategy with a company's digitalization strategy is key to identify possible influencing factors resulting from further digitalization plans. Another recommendation from Gartner is to determine specific performance metrics for the objectives of CRM, which may differ according to which target group is considered. Moreover, companies should analyze current processes of CRM and only keep them if they match with the CRM strategy. Otherwise, they have to be changed. In the best case, the processes are customer-focused in order to recognize the most frequent process characteristics regarding Customer Experience. As a final point, Gartner

¹³⁶ Scheibenreif 2019, p. 1

emphasizes the importance of stakeholder engagement to match varying views with the strategic goals of a company.¹³⁷

4.2.2 Customer Experience

Some CRM projects have to overcome difficulties in terms of Customer Experience. Unfortunately, a majority of companies is not aware that Customer Experience should go before no long-lasting savings of expenses. But this counterproductive view is changing more and more in recent times, as businesses are exposed to increasing stress of competition. The basis for initial improvements regarding Customer Experience is achieved by figuring out the true customer requirements, which is not an easy undertaking due to the split-up of customer data. Additionally, the ability to shine with customized solutions craved by customers is at the moment hardly present because of the fact that companies react too slowly. The last difficulty emerges from the rise of technically sophisticated products for customizing the experiences of customers because of the fact that companies struggle to keep up with them in due course.¹³⁸

Gartner's suggestions for improvement are as follows: coordinating Customer Experience measures across all channels and relevant departments, understanding the customer's voice (as explained in section 4.1.2) and improving CX with a step-by-step approach including considering customer feedback, customizing the experiences of clients with the help of complete listing of data origins which facilitates great individualization.¹³⁹

Due to the fact that customers form an opinion about a company by obtaining experiences from various touchpoints (digital or non-digital ones), the summary of experiences at all points of contact decide if customers had either a good experience or not with a specific enterprise. At some touchpoints, customers leave information about themselves, which an organization records for the derivation of findings and the development of customer knowledge. Nowadays, it is most common that customers make information available about themselves through using digital solutions offered by the company (e.g. web shop, customer portal). Consequently, the collected information can be used to improve Customer Experience initiatives. The resulting benefits for the company include, inter alia, greater client satisfaction and retention, increased number of referrals from customers, decreased after-sales service expenses and revenue growth.¹⁴⁰

¹³⁷ Cf. Scheibenreif 2019, p. 5-6, 8-10

¹³⁸ Cf. Chiu 2019, p. 1-2

¹³⁹ Cf. Chiu 2019, p. 1-2, 5

¹⁴⁰ Cf. Chiu 2019, p. 2-3

5. AI Business Framework

Within this chapter, the AI Business Framework of Gentsch (see figure 7) is used to demonstrate the 5 areas of the model with a focus on the AI use cases. The following subchapters deal with AI use cases for the business layers Marketing, Sales, Service and CRM. In addition, the impacts on Customer Experience are clarified.

All 5 areas of the framework build on one another and are interdependent. The different topics covered within the framework can be systematized, classified and brought into connection among each other. At the bottom, the Enabler Layer represents all crucial success factors of AI. Because of the fact that Big Data contributes a lot to the development and trend of AI, it has an own layer building on the Enabler Layer. Thereafter, the Layer of AI Methods and Technology follows, which comprises the latest major technologies and approaches of AI. On this basis, the AI use cases followed by the Business Layer continue to build on the previously mentioned layers.¹⁴¹

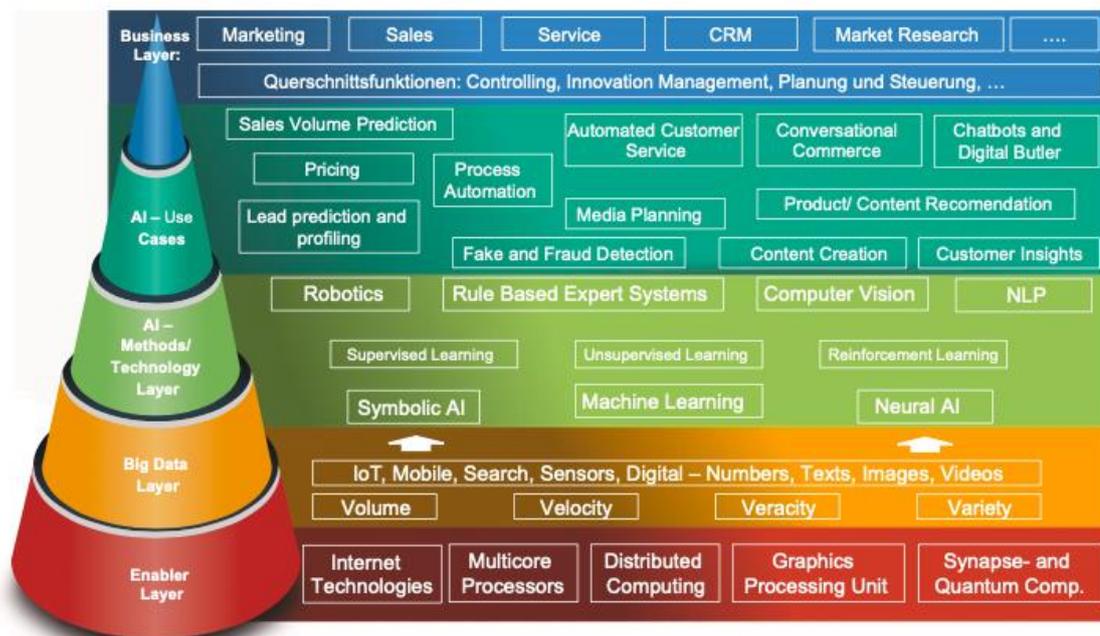


Figure 7: AI Business Framework

Source: Gentsch 2018, p. 42.

5.1 AI Use Cases for the Business Layers Marketing, Sales, Service and CRM

The AI use cases enable building a connection from AI to the business with its several layers.¹⁴² Organizations can enhance efficiency and productivity by using AI, but, additionally, they can cater better to customers, and hence create added value. Especially

¹⁴¹ Cf. Gentsch 2018, p. 41-43

¹⁴² Cf. Gentsch 2018, p. 41

the business areas Sales, CRM and Marketing benefit from the usage of AI because even more efficiency enhancements can be attained. Thanks to AI, companies can create customized and tailor-made product combinations for all clients.¹⁴³ Before delving into a closer examination of the most relevant AI use cases for the business layers Marketing, Sales, Service and CRM, the impacts of AI-driven CRM are shortly highlighted:

*'AI-powered CRM activities will cover a large spectrum of use cases and touch almost all facets of an enterprise, including accelerating sales cycles, improving lead generation and qualification, personalizing marketing campaigns and lowering costs of support calls.'*¹⁴⁴

5.1.1 Automated Customer Service

This use case is strongly connected to the developments of virtual assistants, which support service departments with the improvements in the field of computational linguistics in order to work more efficiently. Thanks to natural language processing algorithms, customer calls can be received, and simple and recurring issues can be clarified in natural language and in a comfortable way. As a result, Customer Experience will be positively affected.¹⁴⁵ In addition, customer care employees have more time for more difficult requests. Virtual assistants detect when an external user is active and searches for information, then they contact the person, deal with possible reactions, give an appropriate answer, or when the time is ripe for it, hand over the lead to a sales rep.¹⁴⁶

5.1.2 Content Creation

In the area of Marketing, content marketing and target group relevant addressing are recognized as the recipe for success. In the best case, digitally available data is used for the automated generation of content, which means that public information from the internet serve as a basis for gaining relevant insights automatically in real time with the help of algorithms. For example, the latest market developments and trends can be identified or infographics can be established automatically. Computational linguistics or Natural Language Generation (NLG) is used to produce text on the basis of numbers and single facts.¹⁴⁷ With the help of customized content, companies can develop individualized campaigns and are able to better engage customers.¹⁴⁸ Even regarding Sales, sales employees can better satisfy customers if they offer customized content fitting to the requirements of every individual customer.¹⁴⁹

¹⁴³ Cf. Gentsch 2018, p. 55, 59

¹⁴⁴ Close-Up Media 2017

¹⁴⁵ Cf. Gentsch 2018, p. 44

¹⁴⁶ Cf. Clear C2 2019

¹⁴⁷ Cf. Gentsch 2018, p. 44

¹⁴⁸ Cf. Fotedar 2020

¹⁴⁹ Cf. AI Multiple 2020

5.1.3 Conversational Commerce, Chatbots & Personal Assistants

The use cases covered within this part enable customers to communicate naturally (spoken or written language) with corporate systems, instead of communicating via non-natural interfaces (web pages, apps). This new way of communication allows people being averse to novel technologies dealing with those kinds of emerging technologies.¹⁵⁰

Conversational Commerce improves the customer interaction by automatization and aims to lead customers from the conversation phase to the buying phase, ending with the purchase. Included here are, inter alia, purchasing products or services, or handling of payment transactions. This new way of interaction between customers and companies applies often messaging or bot systems, which use text or speech to provide a simplified interaction. Renowned organizations like Google, Amazon or Microsoft offer such systems called Google Home, Alexa or Cortana. These enable the enhancement of the entire customer journey because of convenience factors and better efficiency. AI is applied more and more to systematically get to know customer behavior and their preferences. Both groups, the customers with their personal assistants and the organizations with their bots, make use of it.¹⁵¹ Companies can benefit from Conversational Commerce if they are able to offer customers a customized, convenient and worthwhile service. Conversational Commerce is suggested for companies with a high level of consulting. It fits best to businesses like tourism, consumer electronics and clothing or sporting goods trade, as well as the banking and insurance sector.¹⁵²

Conversational Commerce develops further over time due to the progress in AI, in particular NLP, which captures written or spoken languages. Another very important aspect for Conversational Commerce and for carrying out all buying processes is to seamlessly integrate payment technologies. One of the first implementations of Conversational Commerce is WeChat, the Chinese mobile cross-platform messaging service which was launched in 2011. It enables communication with friends and the usage of corporate services like ordering food or taxis, paying bills, etc. The interface is chat-based and incorporates a lot of features. In contrast to China's WeChat, services in Europe are accessible via certain apps.¹⁵³

Chatbots interact with many stakeholders, in most cases customers. Marketing, Sales and Service use chatbots to qualify requests, nurture leads with information and answer customer requests automatically.¹⁵⁴ Today, the main application area of chatbots is answering customer requests regarding all kind of company-specific aspects or products. This can be even intensified to engagement bots who get in touch with users and communicate with them like a brand ambassador.¹⁵⁵ When chatbots are used in the context of Conversational Commerce, customers and organizations may benefit from a stronger customer retention due to the improved and speedy service, the humanoid communication

¹⁵⁰ Cf. Gentsch 2018, p. 44

¹⁵¹ Cf. Gentsch 2018, p. 228

¹⁵² Cf. Gentsch 2018, p. 113-114

¹⁵³ Cf. Gentsch 2018, p. 106-107

¹⁵⁴ Cf. Gentsch 2018, p. 138

¹⁵⁵ Cf. Gentsch 2018, p. 105

and stronger brand presence. Customers appreciate personalized services, and hence customer satisfaction is enhanced. Organizations benefit from a strong reputation, higher brand recognition and, on top of this, they gain a deeper insight into the buying process and the customer needs. Nevertheless, some downsides exist like the problem with data protection and increased probability of cybercrime. Another negative aspect is headcount reduction because of the increased implementation of chatbots. This affects mainly the telephone customer service.¹⁵⁶

Personal assistants follow the instructions of customers or intelligently identify needs for actions and perform them autonomously, like in the case of follow-up orders.¹⁵⁷

In recent times, e-commerce experienced changes in customer behavior and technological advances, which led to its categorization into different levels of maturity. As mentioned in chapter 3, the omnichannel approach is still the one which many organizations strive to achieve, but the most innovative and future-oriented concept is, when we look at the maturity model, Conversational Commerce. Figure 8 shows the digital transformation within e-commerce and the 4 levels of maturity. Conversational Commerce presents a new system which enables triggering and coordinating customer-driven and situation-specific order processes automatically.¹⁵⁸

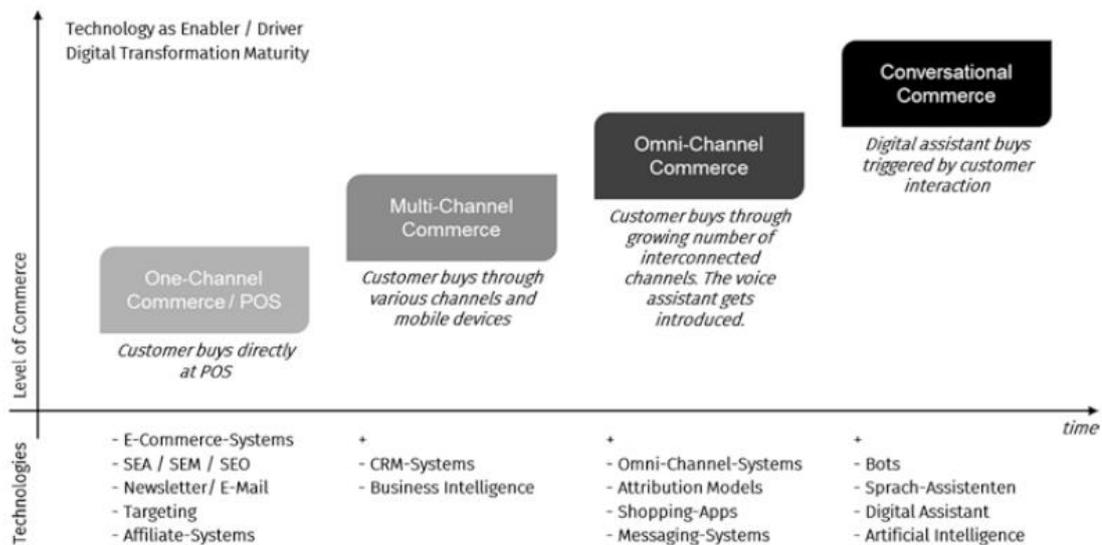


Figure 8: The digital transformation within e-commerce – levels of maturity

Source: Gentsch 2018, p. 110.

5.1.4 Lead Prediction & Profiling

Thanks to Artificial Intelligence, potential customers can be identified and distinguished automatically. In order to identify and assign new accounts or markets, prescribed customer profiles are required to enable this with statistical twins. Predictive analytics plays an

¹⁵⁶ Cf. Gentsch 2018, p. 109-110

¹⁵⁷ Cf. Gentsch 2018, p. 110

¹⁵⁸ Cf. Gentsch 2018, p. 109-110

important role here and allows that possible buyers of unusual markets and leads can also be identified. Otherwise they would fall through the cracks. Due to customer profiling in a dynamic way, the identification and evaluation of triggers for communication and Sales is possible.¹⁵⁹ The difference between sales people and the lead prediction method is that lead prediction is not making a subjective evaluation and has no limited view because it uses a wide range of data from a multitude of sources in order to provide ideal results.¹⁶⁰ Predicting the best leads can be explained as follows: Leads having a high likelihood for conversion should be far in the front within the sales funnel. The findings of a study indicate that lead prediction improves the conversion rate by 30%.¹⁶¹ Lead prediction belongs to the category of area specific AI systems, as it is used in the area of Sales.¹⁶² Sales employees leverage AI-driven CRM by enhancing lead management to have a better chance closing sales deals.¹⁶³

5.1.5 Pricing

The business with AI solutions calculating retail prices for all kind of goods is booming. Special algorithms are applied in order to review continually large quantities of data to determine the prices which have a high likelihood to be accepted by the customers. This relates to the individual customer's readiness to buy or search for the optimal price. In particular, more and more filling stations use these kind of AI algorithms for prices. But it is also useful for retailers to use AI for pricing. The overall aim of this approach is to skim the maximum consumer surplus.¹⁶⁴

5.1.6 Process Automation

Robotic Process Automation is applied if routine tasks like extracting or preparing data should be automatically done. This way of automatization can carry out, inter alia, the following tasks: accessing emails and systems, creating documents or reports, performing calculations and checking files. The business benefits resulting from process automation are efficiency gains, reduction of operational risks, increased employee performance, improved response times, as well as the improvement of Customer Experience.¹⁶⁵

5.1.7 Product/ Content Recommendation

More and more frequently, an online shop benefits from recommendation engines, which are used for generating customized recommendations. Due to continuous advancement of the algorithms, even better AI practices are applied. The company reviews the buying and

¹⁵⁹ Cf. Gentsch 2018, p. 45-46

¹⁶⁰ Cf. Gentsch 2018, p. 119

¹⁶¹ Cf. Gentsch 2018, p. 125, 127

¹⁶² Cf. Gentsch 2018, p. 227

¹⁶³ Cf. Trzupiek 2020

¹⁶⁴ Cf. Gentsch 2018, p. 46

¹⁶⁵ Cf. Gentsch 2018, p. 47

clicking behavior of the online user, who then receives additional fitting content aiming to produce interest and buying incentives.¹⁶⁶

5.1.8 Sales Volume Prediction

A heavily important task of an organization's management is to forecast sales. The demanding job behind sales volume forecasting can be qualitatively improved with the usage of AI because it enables the examination of much more data which is relevant for the forecast. This covers a number of data, like old and real-time data, company-internal and external data, as well as economic and company-specific data or data considered to be at macro- and micro-economic level. These include, for example, own prices and competitive prices, stock data, weather, and so on.¹⁶⁷

5.2 Impacts on Customer Experience

Generally, Artificial Intelligence has impacts on every industry, enhancing employee productivity and Customer Experience.¹⁶⁸ Especially regarding CX, it is important for organizations to take measures for improvement as customers are becoming more and more demanding and take smart and coherent experiences for granted when being in touch with a company. Due to the usage of AI, an enterprise can provide state-of-the-art experiences and reach out to the customer via several channels. AI makes it possible for an enterprise to observe customer data, and therefore it is able to understand the customer and is capable to forecast the specific needs. The ability of prediction supports sales reps in a way that makes all customer interactions outstanding. AI has an influence on Customer Experience not just with the automatization of classical routine duties, but it goes on even to real-time processing of customer inquiries.¹⁶⁹

Companies applying customized campaigns, lead prediction or automated customer service with bots are able to correctly utilize AI to gain benefits like more productive staff or better customized experiences for clients.¹⁷⁰ In a nutshell, if an organization is able to make the experiences for its customers better, this will likely cause an enhancement of customer loyalty and satisfaction.¹⁷¹ The following paragraph highlights some relevant impacts AI has on CX, mentions the connection of AI and Big Data as the enabler for creating client profiles, and describes the overall goal of improved CX, which can be described as enhanced customer satisfaction and retention:

'Artificial intelligence is helping companies to create experiences which naturally integrate with consumers' daily lives [...]. Intelligent prediction and personalization is making customers feel as if product or service was tailored just for them. AI enabled systems can predict the likelihood of future behaviours with high accuracy, while simultaneously finding the underlining drivers

¹⁶⁶ Cf. Gentsch 2018, p. 47

¹⁶⁷ Cf. Gentsch 2018, p. 48

¹⁶⁸ Cf. Close-Up Media 2017

¹⁶⁹ Cf. Salesforce.com 2016, p. 13, 16

¹⁷⁰ Cf. Close-Up Media 2017

¹⁷¹ Cf. Fotedar 2020

*of customer satisfaction. AI algorithms systematically develops customer profiles by using tons of data.*¹⁷²

The analysis of some best practice examples reveals that organizations need to record data in a fast and systematic way, process it and take the appropriate measures in order to ensure possible advantages like sales increases, cost savings and outstanding Customer Experience.¹⁷³ In the context of Conversational Commerce, incredibly important is to review all touchpoints, which have to undergo an analysis concerning value, expenses and threats aiming to reach the optimum trade-off. For example, if a touchpoint has a very high automation level, this can lead to efficiency benefits, but at the same time it may cause harm to the Customer Experience.¹⁷⁴ But with the right combination, it enhances Customer Experience like in the area of customer care, which profits from service bots because of non-stop service at any time and the permanent customer-friendly manner. As a consequence, customers get professional and immediate answers to their requests. Smart chatbots require the integration of AI and thereby ensuring that they always keep learning and improving. Hence, chatbots become better and better the more experiences they made with customers. In short, improved customer relationships are the outcome.¹⁷⁵

*'AI powered chatbots can proactively start conversations with customers, providing them with the information they need, or help with purchasing. It can solve common queries and transfer queries it cannot deal with to customer agent team thus increasing productivity and improving the customer experience.'*¹⁷⁶

To conclude, if Artificial Intelligence is integrated within CRM or trading platforms, Customer Experience is one factor which benefits and improves considerably. The internal and external CX will profit due to the progress caused by AI. The large volume of data, better algorithms and higher processing power enable new applications driving change and leading to predictive and customized experiences.¹⁷⁷ The digital transformation will be affected by innovative AI tools, which are the most significant causes of better CX.¹⁷⁸

¹⁷² Fotedar 2020

¹⁷³ Cf. Gentsch 2018, p. 231

¹⁷⁴ Cf. Gentsch 2018, p. 111

¹⁷⁵ Cf. Gentsch 2018, p. 170

¹⁷⁶ Fotedar 2020

¹⁷⁷ Cf. MIT Technology Review Custom 2017

¹⁷⁸ Cf. Afshar 2019

6. Artificial Intelligence within CRM

The economic influence of AI regarding CRM is forecasted to generate globally over USD 1.1 trillion in additional gross domestic product along with a net job creation of 800,000 till 2021. Due to the rise of large data volumes, processing power and development leaps regarding machine learning, Artificial Intelligence is expected to change the way of working. It is anticipated that AI is able to enhance personnel's performance, more particularly in areas dealing with CRM.¹⁷⁹ Companies can carry out the performance measurement of AI tools on the basis of, amongst others, productivity enhancement, increased market opportunities, saving of expenses and ROI.¹⁸⁰ As already stated in the previous chapter, AI integrated within CRM is key in order to create intelligent, impressive and impactful experiences for customers in a fast way.¹⁸¹

The subsequent subchapters comprise a vendor comparison between Salesforce and SAP and a summary of the trend AI-driven CRM. The former is required to have a look at the vendors' solutions and incorporated features. At the end of this chapter, summarized information about the trend AI-driven CRM and its benefits is provided.

6.1 Vendor Comparison: Salesforce vs. SAP

The CRM software market includes a multitude of vendors offering various tools with diverse functionalities. Within this chapter, 2 leading CRM vendors, namely Salesforce and SAP, are analyzed with regard to their CRM solution, the features and respective Sales Cloud. Obviously, the critical element AI will be covered too. Because the closest competitor of Salesforce is SAP, these 2 vendors were chosen for the following comparison. Figure 9 illustrates that Salesforce had slightly more than double the market share of SAP in the years 2017 and 2018. From a global perspective, Salesforce was the market dominator in 2018, compared with all other vendors.¹⁸² The subsequently presented sections have a focus on Sales and AI. In the appendix 3, a list of key capabilities or main features of the Sales Cloud Einstein and SAP Sales Cloud can be found.

¹⁷⁹ Cf. Close-Up Media 2017

¹⁸⁰ Cf. Fotedar 2020

¹⁸¹ Cf. MIT Technology Review Custom 2017

¹⁸² Cf. Columbus 2019

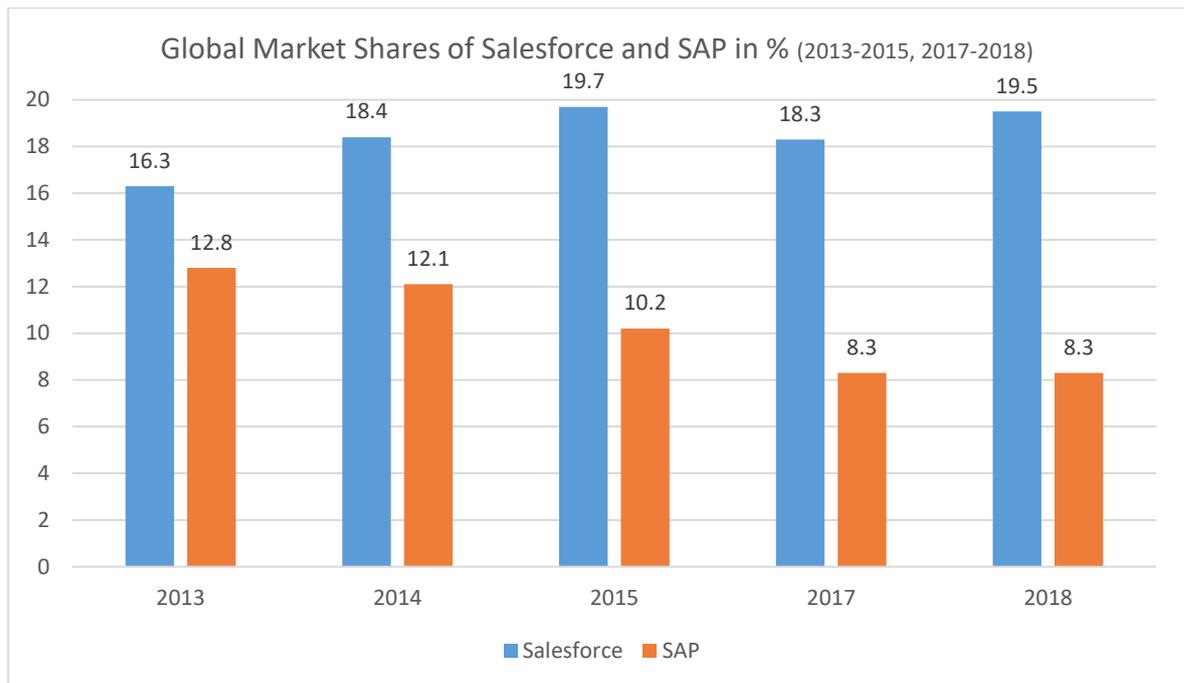


Figure 9: Global market shares of Salesforce and SAP in % (2013-2015, 2017-2018)
Source: Own figure based on Statista 2019; Gartner 2019-b.

6.1.1 Salesforce

The organization was founded in San Francisco in 1999 with its aim to innovate in the field of CRM, being the first venture offering software solutions via the cloud. The enterprise has a customer base of more than 150,000 companies of all sectors, ranging from small to big ones.¹⁸³ Salesforce promises to achieve improvements like an increase of business deals, an optimization of predictive accuracy and an increase in sales with the company's CRM solution. With regard to Artificial Intelligence, Salesforce promotes the benefits of using the technology. In order to satisfy customers and provide them the experiences they expect, companies can make use of the advantages AI offers.¹⁸⁴ Salesforce states that AI acts as an enabler to

*'discover critical insights about customers and their preferences, predict the best actions to move relationships forward, and recommend and automate actions to increase sales productivity.'*¹⁸⁵

Salesforce has identified 3 general possibilities how sales representatives can benefit from Artificial Intelligence in order to increase the amount of deals, namely:

1. Virtual digital assistants support sales employees by reviewing recent information about potential and existing customers
2. Data collection takes place in an automated way, which then allows sales staff to concentrate on the most attractive prospects¹

¹⁸³ Cf. Salesforce.com 2020-d; Salesforce.com 2020-e

¹⁸⁴ Cf. Salesforce.com 2017, p. 2, 7

¹⁸⁵ Salesforce.com 2017, p. 7

3. Predictive tools support the sales force with predicting possible turnovers¹⁸⁶

6.1.1.1 CRM solution: Customer 360

Salesforce offers an embedded CRM platform called Customer 360, which combines all necessary departments like Marketing, Commerce, Sales, Service and IT aiming to create coherent and customized customer experiences because all teams have access to the same data source.¹⁸⁷ Focusing on Sales, Salesforce offers a CRM tool called Sales Cloud which promises to enhance productivity and attract more leads. In addition, Salesforce CPQ belongs to the Sales part, helping not just with precise quote generation and its delivery, but also with automated invoicing, as well as revenue recognition. The last component within the Sales offer involves AI, which is also known as Sales Cloud Einstein.¹⁸⁸ It comprises 'predictive scoring, actionable insights, intelligent automation, and more accurate forecasting.'¹⁸⁹

6.1.1.2 Sales Cloud

Salesforce offers customers the possibility to either use Sales Cloud only or use it in combination with Einstein, the intelligent CRM assistant of Salesforce.¹⁹⁰ Salesforce defines Sales Cloud as follows:

*'Sales Cloud is a cloud-based Customer Relationship Management (CRM) application from Salesforce. It includes tools for contact management, sales force automation, sales forecasting, and productivity. It allows sales teams and managers to manage the sales cycle, prioritise tasks, manage customer relationships, and access insights.'*¹⁹¹

The benefits of using Sales Cloud are, among others, that companies can monitor and steer customers, optimize sales outlooks, coordinate marketing and sales departments, enhance the productivity of Sales and increase the customer retention rate. The 3 major positive impacts of using Sales Cloud are that organizations can provide customized purchase experiences to customers, develop and adapt sales strategies and enable sales employees to do their job more efficiently and in a more intelligent way.¹⁹² Organizations using Sales Cloud can accelerate the increase of regular customers, detection of new clients, and deal-making. The 10 features of the Sales Cloud are subsequently listed and shortly described.¹⁹³

- Contact Management:

The aim of contact management is to 'get a complete view of your customers, including activity history, key contacts, customer communications, and internal account discussions.'¹⁹⁴ Sales reps can look at relevant customer data including data from social media pages, and hence derive insightful findings in order to proactively address customer's

¹⁸⁶ Cf. Salesforce.com 2017, p. 7

¹⁸⁷ Cf. Chan 2019

¹⁸⁸ Cf. Salesforce.com 2020-c

¹⁸⁹ Salesforce.com 2020-c

¹⁹⁰ Cf. Salesforce.com 2020-f; Salesforce.com 2020-g

¹⁹¹ Salesforce.com 2020-g

¹⁹² Cf. Salesforce.com 2020-g

¹⁹³ Cf. Salesforce.com 2020-h

¹⁹⁴ Salesforce.com 2020-i

issues. As Salesforce facilitates collaboration among employees in regard to sharing individual customer profiles including all available information and records, it supports a cooperative working method. Sales reps can access customer information also via mobile devices, making possible that the employees can prepare themselves for meetings on the way to the clients.¹⁹⁵

- Opportunity Management:

All sales deals are managed within Salesforce and enable the following: generating quotes according to the agreed terms and conditions, reviewing crucial details of activities in real time (e.g. competition, current state of the deal, recommended actions), and informing sales reps via message when reactions or tasks are required. Because quote generation is integrated within the Sales Cloud, it enables sales reps to update quotes automatically and create data files in the form of templates, as well as share it with customers right away within the Sales Cloud. The usage of Salesforce is possible with mobile devices, enabling that sales reps, inter alia, receive live updates regarding the status of deals or communicate with each other about issues.¹⁹⁶

- Lead Management:

Sales reps should focus on those leads with the highest likelihood of success. Lead Management facilitates the conversion of leads into true sales opportunities. The aim is to apply automated lead scoring in order to catch all attractive leads. In addition, managing and allocating leads to the appropriate sales representative is another crucial activity within lead management. Because of the fact that marketing campaigns can be backtracked across channels, the effects on the sales pipeline resulting from marketing measures can be made visible.¹⁹⁷

- Reports and Dashboards:

Salesforce provides CRM analytics, which enables customers to create individualized sales forecast reports. With the help of dashboards, the sales force can be constantly analyzed regarding the individual contributions. The reports and dashboards can be even accessed from mobile devices to have a look at performance metrics anytime and anywhere.¹⁹⁸

- Sales Forecasting:

With this feature, sales managers can gain an overall picture of the sales pipeline, supporting the persons in charge if adapted measures are required. It is essentially important for the management to have a look at an in-depth forecast showing real-time figures, which is rapidly available. Another capability within sales forecasting is that high achievers can be easily recognized because the individual performances of the sales reps are displayed.¹⁹⁹

- Sales Collaboration:

¹⁹⁵ Cf. Salesforce.com 2020-i

¹⁹⁶ Cf. Salesforce.com 2020-j

¹⁹⁷ Cf. Salesforce.com 2020-k

¹⁹⁸ Cf. Salesforce.com 2020-l

¹⁹⁹ Cf. Salesforce.com 2020-m

Sales reps are supplied with the latest news about important issues, projects and working groups via a social collaboration feature. It allows employees to cooperate and at the same time record all information at 1 place. Sales Cloud is able to propose appropriate documents or persons, derived from the identifiable interests of the user. Using the search function makes sense if an employee looks for a specific issue or wants to know who is specialized in this area. Sales Collaboration is also intended for mobile usage.²⁰⁰

- Salesforce Quote-to-Cash:

The purpose of this feature is to generate and submit thorough quotes quickly. The automatization of the invoice generation, as well as the configuration and administration of subscriptions takes place with this feature. The benefits are that revenue recognition happens fast and records about quotes, purchase orders, billings and transfer payments are generated. On top, customers can electronically sign documents in a customer-friendly way.²⁰¹

- Territory Management:

The aim of this feature is to push general performance and manage sales areas and give them a consistent but adjustable organization, which facilitates that the sales representatives are appropriately assigned to the relevant customers. The outcome of it should be increased sales.²⁰²

- Sales Data and Intelligence:

With the help of this feature, users can quickly discover valuable potential customers. It is even possible to take advantages of the opportunity of cross- and up-selling. Sales reps are able to gain profound knowledge about customers and quickly access it, like for example company-specific information. Salesforce offers a solution which corrects incorrect and fragmentary data about customer records, in other words, data cleansing.²⁰³

- Inside Sales Console:

Sales representatives have personal dashboards with which they can keep track of leads, evaluate customers and find out key accounts. In addition, they apply Sales Intelligence. The aim is to get qualified leads and drive lots of deals forward into the respective following stages within the sales cycle.²⁰⁴

6.1.1.3 Sales Cloud Einstein

'Salesforce Einstein is a set of best-in-class platform services that bring advanced AI capabilities into the core of the Customer Success Platform'²⁰⁵. Salesforce helps organizations to make use of AI and facilitates them to generate predictive, customized and enhanced experiences for customers. Einstein integrates predictive analytics, sophisticated machine learning, Smart Data Discovery and NLP. If a company wants to use Einstein, it

²⁰⁰ Cf. Salesforce.com 2020-n

²⁰¹ Cf. Salesforce.com 2020-o

²⁰² Cf. Salesforce.com 2020-p

²⁰³ Cf. Salesforce.com 2020-q

²⁰⁴ Cf. Salesforce.com 2020-r

²⁰⁵ Sinai 2016

gets a system which convinces with automated personalization, and over time, it further enhances thanks to self-optimization and learning resulting from processing new data and interactions. Einstein enables identifying substantial findings automatically, forecasting future patterns of behavior, automating actions and hitting initiative by proposing most suitable subsequent actions.²⁰⁶ The key advantages of using Einstein are the ability of gaining insights, automatizing work processes, suggesting follow-up steps and forecasting outcomes.²⁰⁷ Salesforce aims with Einstein

‘to simplify the use of AI for their clients, and make AI capabilities accessible to clients without a robust technical AI skill set. This emphasis on “accessibility” is a common value proposition for nearly all B2B AI applications, in CRM or otherwise’²⁰⁸.

With regard to Sales, Einstein helps to improve the success rate due to the prioritization of very attractive sales opportunities and leads, which have a high probability for conversion. In addition, sales reps get notifications if important activities regarding customers or opportunities are detected. Furthermore, automated data gathering allows that sales reps spend more time selling rather than entering data. Another benefit resulting from Einstein is that sales reps can outperform their targets because Einstein enables them to disclose trends within the sales pipeline and forecast sales.²⁰⁹

Thanks to the application of AI, sales staff is able to manage mails in a more productive way, work better via AI-driven apps and determine trends or relevant information due to advanced analytic techniques. To sum up, the key advantage that users get from Sales Cloud Einstein is that predictive analytics and data input function automatically, which enable the users to be aware of the classification of the opportunities and leads according to priority. Hence, this means highest probability of conversion. In this way, sales reps know the best follow-up activities. Additionally, users can recognize business trends in order to gain more qualified accounts. Other advantages derive from the automated recording of the newly made contacts as well as the automated synchronization of calendar data and mails, which allows sales staff to use automatically created next best actions. Even the mailbox of Salesforce is smart, bundling calendar, mails and CRM platform. On top, the analytic functions are applied to create customizable reports and take smarter decision. Last but not least, machine learning is applied automatically aiming to enhance forecast reliability. Hence, 6 main key capabilities of Sales Cloud Einstein are identified: Opportunity & Lead Scoring, Opportunity & Account Insights, Automated Contacts and Activity Capture, Inbox, Sales Analytics, Forecasting.²¹⁰

6.1.2 SAP

SAP was founded in 1972 in Germany and is nowadays a giant industry leader regarding enterprise application software. The organization has a customer base of over 440,000 companies of different sizes and sectors. SAP has capabilities within IoT, machine learning,

²⁰⁶ Cf. Sinai 2016

²⁰⁷ Cf. Salesforce.com 2020-f

²⁰⁸ Walker 2019

²⁰⁹ Cf. Salesforce.com 2020-s

²¹⁰ Cf. Salesforce.com 2020-t

as well as advanced analytics in order to support companies on their way of becoming intelligent companies.²¹¹ SAP's 'end-to-end suite of applications and services enables [...] customers to operate profitably, adapt continuously, and make a difference.'²¹² The product categories of SAP can be divided into ERP & Finance, CRM & Customer Experience, Network & Spend Management, Digital Supply Chain, HR & People Management and Business Technology Platform.²¹³ SAP offers additionally

*'to core CRM functionality, [...] in-memory technology and Big Data insights to help [...] [customers] drive contextual, personalized customer engagement in real time – across any channel or line of business.'*²¹⁴

Organizations can provide an E2E Customer Experience by guaranteeing the necessary connection across channels with the holistic solution C/4HANA running on SAP HANA.²¹⁵

6.1.2.1 CRM solution: SAP C/4HANA Suite

'SAP S/4HANA is an intelligent, integrated ERP system that runs on [...] [SAP's] in-memory database, SAP HANA.'²¹⁶ It allows, among other things, to change enterprise processes radically with smart automation facilitated with AI and RPA. In addition, it enables companies to take sound and quicker decisions due to integrated analytics, digital assistants and a dialog-oriented interface.²¹⁷ SAP wins customers with its C/4HANA suite, promising to profit from a significantly improved CX and an easier management of it. With the application of the 5 cloud solutions, SAP Customer Data Cloud, SAP Marketing Cloud, SAP Commerce Cloud, SAP Sales Cloud and SAP Service Cloud, an interconnected customer journey is made possible. If we solely consider SAP Sales Cloud, the cloud solution strives to improve shopping experiences of customers, and hence the company benefits from an increase in sales. It aims to accelerate sales processes, manage sales territories and support sales staff with quotes and contracts.²¹⁸ With regard to lead management,

*'SAP has released lead conversion propensity models based on ML models via SAP Leonardo, to predict the leads with the highest likelihood of conversion, who can then be nurtured for marketing and sales.'*²¹⁹

A more detailed description of SAP Sales Cloud is presented subsequently.

6.1.2.2 SAP Sales Cloud

SAP promises that with the usage of their Sales Cloud, companies are able to improve the daily business of their sales staff. In addition, CX gets better and the purchase process speeds up. The features of the Sales Cloud are divided into 5 main categories: Sales Automation & Forecast Optimization, Quotes & Contracts, Sales Performance

²¹¹ Cf. SAP America n.d.-a; SAP America n.d.-b

²¹² SAP America n.d.-a

²¹³ Cf. SAP America n.d.-c

²¹⁴ SAP America n.d.-d

²¹⁵ Cf. Singh 2018

²¹⁶ SAP America n.d.-f

²¹⁷ Cf. SAP America n.d.-g

²¹⁸ Cf. SAP Österreich GmbH n.d.

²¹⁹ Hansen et al. 2019

Management, Billing & Revenue Management, Augmented Intelligence.²²⁰ These categories are described below in detail.

- Sales Automation & Forecast Optimization:

Within this category it is stressed that sales employees need access to centrally accessible data at all times. This category comprises live lead scoring and makes possible that customers and opportunities are centralized. Moreover, it enables to get deeper insights into the sales pipeline. In addition, sales forecasting can be realized more precisely. On top, it is easier for sales staff to close deals due to the fact that they can have a deep look at all details of particular business deals.²²¹

- Quotes & Contracts:

This area is about the configuration of products, which can be completed online, the automatization of price and discount setting, as well as contract negotiation in a collaborative manner. Consequently, the 4 key benefits which arise out of this area can be referred to as product configuration, quicker quote generation, availability of centralized data (offers, contracts, etc.) via portable devices, and collaborative contract negotiation.²²²

- Sales Performance Management:

The performance of Sales can be enhanced by the usage of a prescriptive model within analytics. The payment of commission can be completed more accurately and determined much faster. Beyond that, the sales areas can be organized according to company targets and sales execution can experience a boost. Furthermore, companies benefit from less manual updating of data tables due to live updates.²²³

- Billing & Revenue Management:

The advantages of this main category include the following: automatization of the order lifecycle makes it easier to manage it, smooth connection of front-end and back-end order completion, easier handling of invoicing and billing with different possibilities, automatization of revenue recognition conforming to standards.²²⁴

- Augmented Intelligence:

The way how decisions regarding emerging issues occurring along the sales cycle are made, is influenced by augmented intelligence. The purpose of it is to decide swiftly, reliably and effectively. The decisions should be based on the business objectives. Exactly this is possible with live prescriptive planning recommendations. In addition, automated identification of outliers drives planning further and enables customized recommendations for every sales representative. Last but not least, machine learning techniques can be used without the employment of experts.²²⁵ The definition of prescriptive analytics is stated below.

²²⁰ Cf. SAP America n.d.-e

²²¹ Cf. SAP America n.d.-e

²²² Cf. SAP America n.d.-e

²²³ Cf. SAP America n.d.-e

²²⁴ Cf. SAP America n.d.-e

²²⁵ Cf. SAP America n.d.-e

*'Prescriptive Analytics is the area of data analytics that focuses on finding the best course of action in a scenario given the available data. It's related to both descriptive analytics and predictive analytics but emphasizes actionable insights instead of data monitoring.'*²²⁶

6.2 The trend of AI-driven CRM

According to a study carried out with 188 companies, the combination of CRM and AI enables enterprises to analyze data, automate processes and develop smart recommendations for action.²²⁷ This requires to have a lot of data about customers stored at 1 place enabling to have a holistic perspective on every customer. An AI-driven CRM platform can be used by IT and other employees, helping them to provide exceptional experiences. Besides recommending products, other possibilities improving CRM regarding internal and external CX are language and sentiment detection, text summarization or intent analysis.²²⁸ Organizations can profit from a smart CRM because of personalized marketing campaigns, enhanced lead generation, faster selling cycles, and less customer service expenses. In addition, employees are able to work more efficiently due to decreased data entry because of the availability of a selection list.²²⁹ 'AI will synch data from various sources effortlessly and intelligently into your CRM'²³⁰. In the context of e-commerce and sales, the shopping experiences can be enhanced in the following way:

*'providing automated, personalized recommendations and special offers [...] draw in shoppers. The embedded intelligence can even learn from conversation history and previous interactions to coach sales reps in the next steps they must take to reach what is likely to be the best result for the customer.'*²³¹

The benefits of having AI incorporated within CRM are the following: data maintenance is improved because technology is better at amalgamating data and processing it simultaneously, which enables companies to gain real-time customer insights about possible buying behavior and predict customer preferences. Moreover, customers can be served more precisely, and the predictive capabilities make possible that customers can be selectively targeted and addressed in an optimal way at every touchpoint in the context of CRM.²³² Furthermore, AI-driven CRM supports sales reps with findings about customers, intelligent recommendations and predictions in order to make proper decisions and focus on closing deals in a more efficient way. In that regard, predictive lead scoring plays an important role to select leads having a high chance of buying. Another benefit is the aspect of really understanding individual customers due to personalization. Therefore, customers can be better engaged, and companies create lasting relationships with the customers. In addition, companies can boost cross- and upselling opportunities resulting out of highly customized products and services, enabled by predicting customer behavior and recommending best measures. Last but not least, the productivity of sales staff increases because of automatizing routine tasks.²³³

²²⁶ Sisense 2020

²²⁷ Cf. IDG Business Media GmbH n.d., p. 2

²²⁸ Cf. MIT Technology Review Custom 2017

²²⁹ Cf. Clear C2 2019

²³⁰ AI Multiple 2020

²³¹ MIT Technology Review Custom 2017

²³² Cf. Schuh 2018

²³³ Cf. Acharya 2019

The main advantages of using AI-driven CRM comprise a more efficient way of managing customer data, including centralized storage of data derived from a multitude of digital interfaces. In addition, the improved sales strategy arises out of the fact that data is entered automatically and immediately analyzed in a smart way, leading to the creation of precise customer profiles, which even reveal the likelihood of conversion due to predictive models for customer behavior. Generally, all customer interfaces should work seamless, customer-friendly and customized, affecting customer's experiences and conversion rates positively. As a result, personalization is a major contributor to high customer satisfaction.²³⁴

Other benefits deriving from the usage of AI-driven CRM are the following:

- Enable salespeople to decide immediately and action-oriented due to the effective use of customer data
- Boost lead conversion and sales because of predictive lead scoring and customized recommendations
- Gain longtime clients due to improved customer engagement and retention
- Predict customer behavior to leverage upselling and cross-selling and generate value for customers
- Increase productivity of the salesforce resulting from the combination of automatization and AI to assume routine activities²³⁵

Consequently, 'CRM vendors have been investing, acquiring, and building capabilities that leverage AI to optimize customer interactions.'²³⁶

According to Trzupsek, AI is able to enhance CRM in the following areas: customer support, recommendations, and lead management. Regarding customer support, ever more often chatbots are used to process customer inquiries and the bot will get smarter due to the following feedback and learns with every interaction. If necessary, the bot will hand over to a responsible employee. With regard to recommendations, prediction models are applied to propose actions to salespeople concerning service inquiries or upselling. Last but not least, AI improves lead management aiming to get more closed deals.²³⁷ More information about AI and lead management is provided in the following paragraphs.

According to Gartner, Artificial Intelligence is used within CRM for lead management as sellers and buyers strive to get to know which AI technologies can be used to simplify the underlying processes. With regard to AI use cases, they are present in more and more areas of use like, inter alia, lead scoring.²³⁸ Nowadays, modern

*'CRM lead management applications [...] score leads automatically on the level of nurturing and engagement as they move through the funnel, then notify the owner of the process step by proactively delivering insights to marketers.'*²³⁹

²³⁴ Cf. Rivas 2018

²³⁵ Cf. Acharya 2019

²³⁶ Trzupsek 2020

²³⁷ Cf. Trzupsek 2020

²³⁸ Cf. Hansen et al. 2019

²³⁹ Hansen et al. 2019

In this way, a company can track the whole history of a client and the respective experiences made during all interactions with the organization.²⁴⁰ Therefore, it is able to determine the way 'how a customer was converted from a suspect to a prospect, to a lead, to a customer.'²⁴¹ Nevertheless, correct data ingestion and gathering, as well as unified customer profiles are required, which is only possible if a marketing and sales team has a great amount of discipline. If Marketing and Sales collaborate closely with each other, the joint task of managing leads will result very likely in an increase of prospective customers and a boost of the sales conversion rate.²⁴²

To sum up, the usage of Artificial Intelligence within CRM is an observed trend, which companies can exploit to enhance Customer Experience and customer engagement.²⁴³ The latter is defined as

*'the emotional connection between a customer and a brand. Highly engaged customers buy more, promote more, and demonstrate more loyalty. Providing a high-quality customer experience is an important component in your customer engagement strategy.'*²⁴⁴

In a nutshell, 'AI can play a critical role in providing companies with actionable insights by feeding intelligence into CRM'²⁴⁵ and aims to enhance interactions with customers and enables staff to make well-founded decisions.²⁴⁶ AI-driven CRM enables staff to work efficiently as it provides the automatization of manual activities, hence, acts as a virtual assistant. It makes possible that lead management is carried out in a better way. In this regard, embedding AI facilitates lead generation from various customer platforms.²⁴⁷ In addition, 'predictive analytics will help to filter the customers based on their engagement and previous purchases.'²⁴⁸ Moreover, companies can provide customers with an intelligent self-service solution to improve customer service. On top of that, AI-driven CRM is able to enhance customer segmentation and boost customer engagement due to the generation of personalized experiences and interactions.²⁴⁹

²⁴⁰ Cf. Hansen et al. 2019

²⁴¹ Hansen et al. 2019

²⁴² Cf. Hansen et al. 2019

²⁴³ Cf. Trzupiek 2020

²⁴⁴ Clarabridge 2019

²⁴⁵ Kathayat 2018

²⁴⁶ Cf. Kathayat 2018

²⁴⁷ Cf. Quytech 2020

²⁴⁸ Quytech 2020

²⁴⁹ Cf. Quytech 2020

7. Research Methodology

This chapter describes the research methodology of this master thesis, including the applied methodological approach and the research method, as well as the interview guideline and sample and selection requirements for the expert interviews. It also shows how the interviews are realized. Afterwards, the evaluation model and the transcription of the interviews is explained.

7.1 Methodological Approach and Research Method

The methodological approach of this thesis is using a qualitative method, which means that interviews are conducted to acquire a deeper knowledge of the situation within a specific international company headquartered in Vorarlberg. In the empirical part of this thesis, the points of view of experts employed in the international B2B company regarding AI use cases within Sales and CRM, and the improvement of Customer Experience with AI-driven CRM are reviewed via expert interviews. The interviewed experts can be allocated to either Sales or the IT department of the company. Within Sales, general managers and vice presidents from various countries, the Global Sales Operations Manager, the Head of Global Solutions Sales and the Senior Expert for eCommerce will be interviewed. Within the IT department, the following experts will participate in interviews: CIO & CPO, Head of IT Solutions: Sales & Service, IT Project Manager CRM & CX Cloud.

The aim of the in advance realized comprehensive literature overview was to become clear about all aspects of CRM that are relevant in the context of this work so that essential information is known to the author before doing interviews.²⁵⁰ The knowledge gained in the theoretical part of this thesis serves as a basis for high-quality conversations in the course of the expert interviews carried out by the author. In order to establish a link between theoretical content and practical relevance, guided interviews are conducted as expert interviews. Hereafter, experts are defined as employees within a specific company allocated to Sales or the IT department and having knowledge or responsibility about CRM, Sales and Customer Experience, and driving those topics forward within the organization.

The reasons for applying a qualitative research method are explained hereafter. The intention of obtaining clear statements from interviewees for the collection of data is realized in an economically sensible way with the aid of a guided interview.²⁵¹ According to Mayer, the consistent use of the guideline increases the comparability of the data and, on the other hand, the data gains a structure through the questions. This type of qualitative survey brings a great benefit, because the unrestricted nature of the interview makes it possible to act appropriately according to the respective situation. The possibility of gaining knowledge that goes beyond the case under investigation also represents an immense advantage.²⁵² The choice of the expert interview can be justified by the fact that subject-specific knowledge can be systematically and purposefully questioned and examined with regard to the

²⁵⁰ Cf. Friebertshäuser; Prengel 1997, p. 375

²⁵¹ Cf. Mayer 2009, p. 37; Flick 1999, p. 114

²⁵² Cf. Mayer 2009, p. 37-39

research topic. The interviewed experts represent a sample because the examination of the population is not feasible. An expert is someone who has clear and accessible knowledge in a limited area. When selecting interviewees, Mayer recommends involving people from different hierarchical levels and areas.²⁵³ To sum up, with the help of expert interviews, answering the research questions is possible due to the fact that the method allows a clear comparison of the theory and the practical relation.²⁵⁴

7.2 Interview Guideline

When drawing up the interview guideline, it is important to stake out subject areas so that information can be obtained on the research questions. This enables a better focus on the topic to be investigated. However, care should be taken to ask mainly open questions so that the interviewee is not restricted when giving answers. The questions should indicate the direction of the conversation and cover important subject areas.²⁵⁵ Within the framework of an expert interview based on a guideline, the questions can be adapted in sequence and style depending on the situation. This partially standardized approach ensures that the interviewee is not limited in his answers and allows a wide range of possible answers, which may facilitate the disclosure of topics that are not yet known.²⁵⁶ The interview guideline is set out in appendix 4.

7.3 Sample and Selection Requirements for Expert Interviews

Since it is usually not possible in practice to survey the entire population, the formation of a sample is crucial. However, the qualitative collection of data nevertheless allows a thematic presentation, which in many cases is even intended for an undifferentiated view. The focus of the qualitative survey lies on the significance of the content representation and not on statistical representativeness. Nevertheless, the goal of generalization is not insignificant. Expert interviews aim to gain insights that also extend beyond the case under investigation. The right selection of experts allows that the gained insights can be generalized and also applied in other cases.²⁵⁷

Before the interviews are conducted, certain characteristics are defined which all interviewees should fulfil (see table 1). All interview participants fulfill the specified prerequisites, which were already determined before the interviews were carried out. Mayer calls this sampling before the interviews are conducted.²⁵⁸

CRM	As one of the core topics to be researched is Customer Relationship Management, knowledge of CRM is a decisive selection criterion for potential experts.
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²⁵³ Cf. Mayer 2009, p. 38-42

²⁵⁴ Cf. Mayer 2009, p. 47-48

²⁵⁵ Cf. Mayer 2009, p. 44

²⁵⁶ Cf. Lamnek 1995, p. 51-52

²⁵⁷ Cf. Mayer 2009, p. 38-39

²⁵⁸ Cf. Mayer 2009, p. 39

Artificial Intelligence	Another focus topic is AI, which means that selected experts should have at least some basic understanding about it.
Employees of the IT or sales department	Since the thesis focuses on Sales and IT, the experts should be employed in one of the two departments.
Specific international company	All persons interviewed should be employed at the same company, which is internationally oriented and operates internationally. Thus, the situation of a specific company is analyzed.
B2B	As the selected company mainly serves the B2B sector, this characteristic is used as a criterion.

Table 1: Sampling criteria
Source: Own table.

Mayer recommends that employees across all hierarchical levels should participate in the interviews, as well as employees from various departments. The selection of defined experts takes place out of this pool of people.²⁵⁹ Table 2 lists all interviewed experts including the indication of department, job title and an acronym. The allocation of acronyms facilitates that better clarity is guaranteed. The first 1 or 2 letters of the acronyms stand for the departments IT (IT) or Sales (S). After the underscore symbol follows a consecutive numbering which is arranged according to the order of the conducted interviews.

Department	Job title	Acronym
IT	CIO & CPO	IT_1
IT	Head of IT Solutions: Sales & Service	IT_2
IT	IT Project Manager CRM & CX Cloud	IT_3
Sales	General Manager Segment-2 ANZ	S_1
Sales	General Manager Benelux (Segment-1)	S_2
Sales	VP Sales Segment-1 Switzerland	S_3
Sales	VP Sales Segment-1 CEE	S_4
Sales	Senior Expert eCommerce (Segment-1)	S_5
Sales	Global Sales Operations Manager (Segment-1)	S_6
Sales	Head of Global Solution Sales (Segment-2)	S_7

Table 2: Interviewed experts with indication of department, job title and acronym
Source: Own table.

²⁵⁹ Cf. Mayer 2009, p. 41-42

7.4 Realization of Interviews

At the beginning of each interview, the interview procedure will be clarified, and general information will be provided. An anonymization of the interviewee, including the company, is guaranteed. Only the position of the interviewee is stated in this paper. Before the interview begins, permission for a sound recording is requested so that the recording can later be transcribed and analyzed.²⁶⁰ If an interviewee states company-specific information, which could identify the enterprise, that information will be coded. This means that if specific sensitive information is mentioned, these details will not be transparent in the thesis and will not be attributable to specific employees. This includes, for example, location of the headquarter, company names, product names or descriptions that could expose the interviewed experts or the company.²⁶¹ The following table 3 specifies which kind of data will be coded. The coded information will be written in italics.

<p>Company names or operational segments</p>	<p>In the case that company names or operational segments are mentioned, they are coded as follows:</p> <p><i>Company</i> <i>Segment-1 or Segment-2</i></p> <p>These labels refer to the company or operational segments.</p>
<p>Industry, brand or competitor</p>	<p>If the name of an industry, brand or competitor is pronounced during the interview, it is indicated like this:</p> <p><i>Industry</i> <i>Brand</i> <i>Competitor</i></p>
<p>Product</p>	<p>If a specific product of the company is mentioned by name, it should be encrypted in the following way:</p> <p><i>Product</i></p>
<p>Employees</p>	<p>In case that employees of the company are named, they are not stated by name. Instead, only the position of this person is disclosed. This procedure is also used for the interviewed experts.</p>

²⁶⁰ Cf. Mayer 2009, p. 46-47

²⁶¹ Cf. Wintzer 2016, p. 66; Flick 2011, p. 218

Headquarter	<p>If a statement is made regarding the location of the headquarter, the coding should be done in this way:</p> <p><i>Headquarter</i></p>
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Table 3: List of information which is anonymized by coding

Source: Own table.

7.5 Transcription of Interviews

After the interviews are conducted, the recording is transcribed. Grammatical mistakes are corrected by the author in order to simplify the reading flow. However, the contents of the interviews are not subject to change. This is an important factor in maintaining the truthfulness of the statements and therefore this aspect is given high priority. The focus will be on the content of the statements made by the interview participants. For this reason, neither pauses in speaking nor other gestures are indicated in the interview transcripts.

Because certain facts mentioned in the interviews should only be revealed anonymously, some of the data in the chapter on research results are given in coded form. At the request of the company, the interview transcripts are not available in the appendix.

7.6 Evaluation Method

In order to analyze the transcribed texts, the evaluation method of Mühlfeld is used because it provides an efficient kind of data processing by a multi-level analysis method. The intention behind the critical examination of the interview transcripts is to filter out similarities and differences. This method is practically applicable, solution-oriented and efficient. The focus of the discussion is put on clearly visible, explicit statements. It should be possible to assign the answers of the interview participants to questions from the interview guideline. Only those parts of the interview will be analyzed, that are relevant for this work.²⁶²

The evaluation method of Mühlfeld is carried out in 6 steps. The method begins with marking any excerpts which can be identified as directly perceived statements of the interview questions asked. The second step involves the categorization of statements into a classification system. The emphasis here is on obtaining individual statements without regard to the inner logic of the interview. As a third step, after the interview has been structured, an inner logic is established between the individual pieces of information. The spoken content has to be checked with regard to its conclusiveness, so that the attitudes of the interviewees can be assessed with regard to the object of investigation. In step 4, the documentation is done in written form. A detailed description of the research results is provided. The fifth step comprises an analysis, which uses the entire survey content for comparison.²⁶³

²⁶² Cf. Mayer 2009, p. 47-49

²⁶³ Cf. Mayer 2009, p. 48-50

8. Analysis of an International B2B Company

This chapter deals with the empirical analysis of an international B2B company, which is carried out in addition to the theoretical research. The aim of the practical analysis is to investigate the situation of the company by means of expert interviews with employees who have a thorough knowledge on the topics of CRM and Customer Experience due to their position within the company. First of all, a general overview about the company is provided but without mentioning too specific details in order to guarantee the promised anonymization of the company and the employees. Within this part, the company's IT and sales department are explained too. After that, the research results are presented including the internal logic and the main elements of the interviews.

8.1 Overview about the Company

Because the company and the interviewed experts want to remain anonymous, just little, but really necessary information about the international company headquartered in Vorarlberg is provided. On an international basis, the company had in 2019 between 5000 and 6000 employees and owns today 13 plants.²⁶⁴ The organization is listed on the Vienna Stock Exchange, ATX.²⁶⁵ Moreover, the company has 3 core brands.

The organizational set-up of the Group is shown in figure 10. The company consists of 2 operational segments and both have individual global sales divisions. Finance & Controlling, Accounting & Tax, Legal, Quality, Corporate Communications, Strategy and Transformation, Treasury, Corporate Audit and Compliance, Investor Relations, HR and IT fall within the scope of the Corporate Functions.

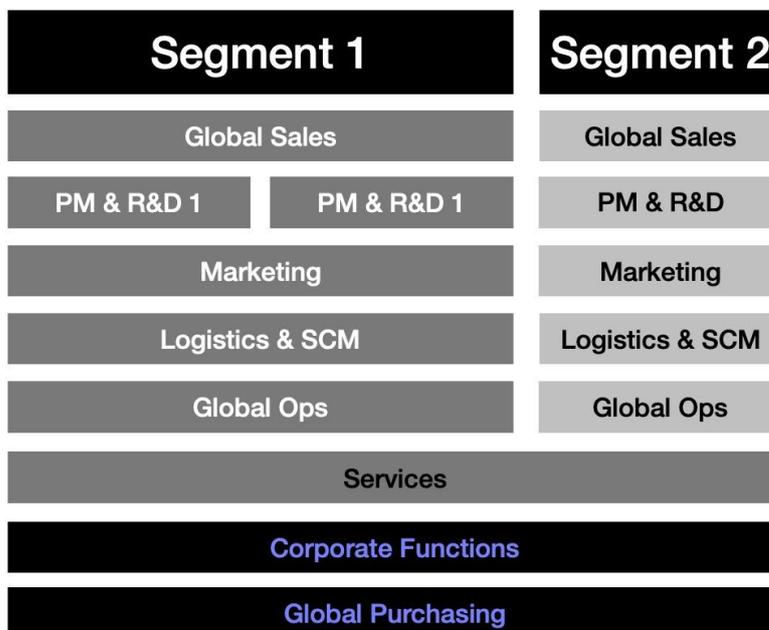


Figure 10: Organizational set-up of the company

Source: Own figure based on company-internal information.

²⁶⁴ Cf. WIRTSCHAFTS-STANDORT VORARLBERG GMBH (WISTO) 2019

²⁶⁵ Cf. Wiener Börse AG 2020

8.1.1 International Sales Organization

The group has **sales offices worldwide**. It is represented in the following continents: Europe, America, Asia, Australia or Oceania, as well as Africa. The sales regions are defined as follows: Germany, Austria, Switzerland, France, Italy, Iberia & Mediterranean, Benelux, Central Eastern Europe, UK and Ireland, Nordics for *Segment-1*, as well as DACH, France, Italy, Spain, Nordic & UK, ASEAN, Australia, China, Eastern Europe, Middle East & India, Turkey & Israel, USA, South Africa for *Segment-2*.

The key sales processes of the sales units involve **3 main processes** in the following order:

- (1) Develop opportunities
- (2) Sell products and services
- (3) Perform active post sales²⁶⁶

Within each of the processes there are sub-processes involved, which can again go at least 1 level deeper.

- (1) Develop opportunities

The major milestones of the first main process are shown in figure 11. This process involves strategic thinking including prioritization of market opportunities, defining the customer value propositions, pricing & channel strategy, preparation of sales forecasts & budget, as well as the definition of sales goals.²⁶⁷



Figure 11: Key sales process – develop opportunities

Source: Lightmap 2020-b.

- (2) Sell products and services

The second main process involves the elements shown in figure 12. In this process, all activities have to be handled simultaneously. The element 'Manage Sales Orders' is essential and includes account management, offer, customer order, invoice, customer claims and returns. At the end of the second process, all goods are delivered in full quality and quantity. 'Manage Customer Sales' is also recognized as a major element within this process. This process differs depending on each region. The process of the sales unit Switzerland starts with a lead generation, goes on with arranging an appointment with the customer including a presentation of the concept. After that, pricing is done, and an offer has to be created and checked by stakeholders. After all stakeholders have signed the

²⁶⁶ Cf. Lightmap 2020-a

²⁶⁷ Cf. Lightmap 2020-b

contract, the customer order is handled, and a maintenance contract is closed. After commissioning, a meeting with stakeholders is scheduled for the hand-over.²⁶⁸



Figure 12: Key sales process – sell products and services
Source: Lightmap 2020-c.

(3) Perform active post sales

The last key sales process is starting when all products are delivered. In case of customer complaints, the customer service team is responsible and creates a product quality report after several evaluation methods. At the very end of the process, the customer should be satisfied²⁶⁹ (see figure 13).

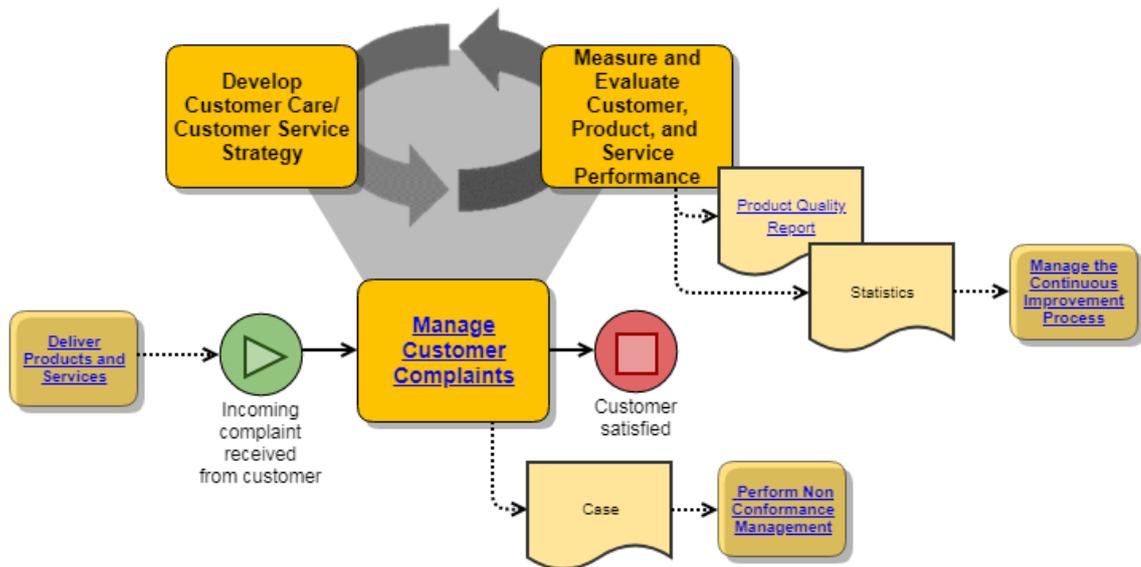


Figure 13: Key sales process – perform active post sales
Source: Lightmap 2020-d.

8.1.2 International IT Department

Over 100 employees work in the IT department and the majority of them are situated in the head office in Vorarlberg. But there are also employees in Germany, France, Spain, UK, Serbia, Australia, and a few Asian countries. Figure 14 illustrates the functional areas of the

²⁶⁸ Cf. Lightmap 2020-c

²⁶⁹ Cf. Lightmap 2020-d

IT department. The *CIO & CPO* is responsible for managing the IT department and reporting lines run from all functional areas to him. The functional area Sales & Service is for this thesis the most important to have a look at, as some interviewed experts are allocated to this area, which is divided into several parts (Sales Enablement & Service, Sales Fulfillment, Customer Master Data Architecture, Sales Projects & Pricing Models) and led by the interviewed *Head of IT Solutions: Sales & Service*.

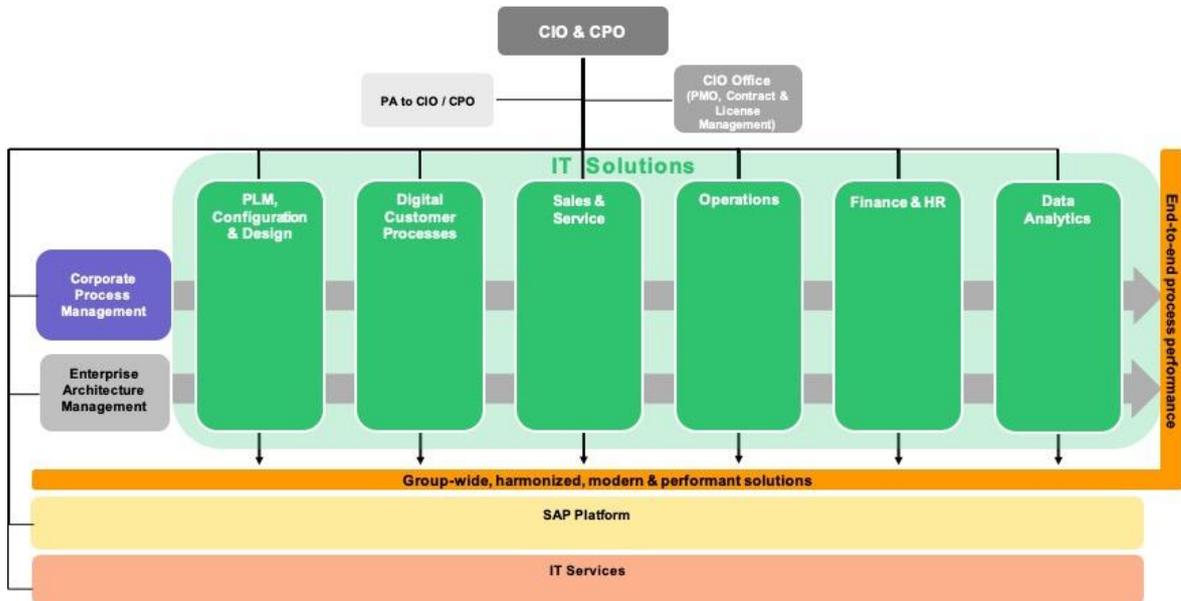


Figure 14: Functional areas of the IT department
 Source: Own figure based on company-internal information.

8.2 Research Results

This chapter presents the results of the analysis about the international B2B company. The first part focuses on the subject areas of the individual interviews without establishing a connection between them. The remaining section deals with the analysis of the main elements of all conducted interviews.

8.2.1 Internal Logic of the Interviews

This section demonstrates the steps 3 and 4 of the evaluation method according to Mühlfeld. It aims to present the inner logic of all conducted interviews. Hence, a general overview about the statements of all interviewees can be demonstrated.

8.2.1.1 CIO & CPO

The attitude of the *CIO & CPO* towards AI is very positive because he confirms that AI leads to a positive technological development. He explains that, amongst others, process automation increases efficiency, IT security is extended by AI, customer requirements can be anticipated and error detection in production can be simplified.

Concerning CRM, he highlights the potential for improvement and says that it makes sense that new CRM systems have to be adopted to increase transparency and planning with the

help of AI. He mentions that CRM systems are mostly used as support for Sales. Hence, the sales department is enabled to give better customer advice. If CRM information is then linked to a website or product finder, shop or service portal, it can also directly support the customer in decision-making or inspire him in a targeted manner. In his opinion, the most important AI use cases to improve Sales and CRM are process automation, sales volume prediction, product/ content recommendation and chatbots (customer self-service).

Moreover, he states that personalization is getting more and more important for improving CX. In this regard, AI can play a significant role. According to him, AI-driven CRM improves CX due to the fact that sales staff is able to advise the customer better.

8.2.1.2 Head of IT Solutions: Sales & Service

The *Head of IT Solutions: Sales & Service* explains that the currently used CRM systems have no AI features integrated and AI does not yet play a role in the company or his area. However, there are no explicit reasons against its use, only this technological step has not yet been taken. In his opinion, AI definitely represents a positive technological development. However, the use cases must fit.

Regarding CRM, the interviewee mentions that the potential of CRM in the company is not fully exploited. The importance is not as high as it should be. He thinks that the following AI use cases improve Sales and CRM the most: process automation, lead prediction and profiling, product/ content recommendation, chatbot and digital butler.

Furthermore, he says that the solutions from SAP and Salesforce are good and will definitely improve CX. In his view, AI-driven CRM can improve CX by providing customers with faster response times and due to better understanding and satisfaction of customer needs. The big advantage is the constant availability and the ability to handle even large amounts of data or tasks.

8.2.1.3 IT Project Manager CRM & CX Cloud

The interviewee's attitude towards the use of AI is generally positive. Depending on the area of application, she sees potential for the use of AI. However, AI does not yet play a role in her area. According to her, AI cannot be used due to the fact that a certain database, which is necessary for the decision making carried out by the algorithm, is not available now. Another reason why AI is not used is because Sales is not driving any AI use cases. She considers the following AI use cases as important: sales volume prediction, lead prediction and profiling, product/ content recommendation, customer service automation.

The IT employee says that the importance of CRM is high, especially in her area. Generally, she recognizes potential for improvement, in other words, efficiency increases, and hence targeted customer support. In the past, the reviews of CRM tools showed that AI capabilities were not so easy to use and derive additional value from. The requirements regarding database, process clarity and use case have to be fulfilled before applying AI.

If AI capabilities can actually be used, added value is provided with regard to automatization, improved decision making and better targeted customer interaction. Hence, she is of the opinion that AI-driven CRM can improve CX.

8.2.1.4 General Manager Segment-2 ANZ

His attitude towards the use of AI is very positive because he thinks that worldwide AI development will add efficiency to human life. The *General Manager Segment-2 ANZ* is of the opinion that core business of human nature is interaction and communication with other humans and emphasizes that tasks like writing emails, searching data or specification should be done by AI.

He rates the importance of CRM as high. Nevertheless, the general manager quickly criticizes that data gathering and entry should not be done manually, as it takes precious time, which he could better spend with customers. He sees potential in AI to take over some parts of the data gathering process. In his opinion, Sales and CRM could benefit the most from AI regarding data gathering and analytical work. He recognizes the potential of all AI use cases mentioned in the AI Business Framework of Gentsch.

With regard to AI, the general manager explains that personal assistants are not used in the office by himself or his colleagues. Even though it is known that all over the world more and more customers communicate even with businesses via personal assistants, he does not identify personal assistants as a support and communication tool regarding ordinary business activities or communicating with customers. The interviewee points out that Artificial Intelligence is not used in Sales or CRM and he doubts that *Segment-2* has currently plans to integrate AI into CRM.

The interviewee states that AI would improve CX because of the fact that data can be collected and analyzed more efficiently. Hence, the required information is quicker available. He believes that using AI-driven CRM is able to improve CX.

8.2.1.5 General Manager Benelux (Segment-1)

In his view, Artificial Intelligence will lead to a positive technological development and the company should turn attention to it or it will lose its competitive edge. Today, AI does not play an important role in the company.

According to the general manager, CRM is a crucial element for the organization. As the company is currently only using very limited functions showing simple customer and project details, he emphasizes that the availability of all relevant customer details would be beneficial for the sales staff. Even though salespeople would like to have access to more useful customer data and connected insights, he says that the level of discipline is presently too low regarding keeping data up to date. He mentions, however, this would be a prerequisite to have true data about all relevant customer details.

With regard to CRM, the general manager recognizes that AI would be able to support Sales for improving portfolio profitability and customer mix. In addition, predictive analyses would enable further optimizations, particularly in terms of automated marketing communication. The interviewee lists further application possibilities for AI: creation of *Product* designs and quotations. The general manager emphasizes that AI should be integrated, besides Sales, to different business areas such as corporate functions like accounting, HR, reporting etc.

Regarding the AI use cases aiming to improve Sales and CRM, he recommends not to focus on chatbots because of the high degree of industry complexity. Instead, he sees great

potential in lead prediction, portfolio margin optimization, predictions, marketing communication, and automated customer service (to a certain degree).

The interviewed manager thinks that AI-driven CRM can improve CX. In order to make a difference in the knowledge-intensive business in which the organization operates, AI would enable the company to boost CX.

8.2.1.6 VP Sales Segment-1 Switzerland

The attitude the manager shows towards AI is thoroughly positive as he affirms that AI leads to a positive technological development. He further explains that it is important for people holding a position as a managing director to understand how such technologies can be used. The vice president says that having an open mindset and expanding your horizons every day are indispensable skills. It is essential to keep track of the progress made in the area of AI and verify when it makes sense to apply it.

CRM plays a very important role for him, as it constitutes the interface for customers and projects. He also sees potential for improvement in how CRM can be better applied and leveraged in the company. The *VP Sales Segment-1 Switzerland* mentions that the currently used CRM systems do not have any AI features integrated. It is a database which is maintained manually.

According to the interviewee, AI does not play a role for the company now. In fact, only a few ideas exist like, inter alia, personalized marketing campaigns which are sent to customers from various segments. As a result, AI is not used in Sales or CRM. But he sees high potential in the linking of data, automated evaluations and lead generation for acquisition and cross-selling, while at the same time defined content is proposed for the leads.

The role AI plays in improving CX is rated as very important as customers have ever greater expectations which can be satisfied better with the usage of AI. One only has to think of customization, real-time service or customer self-service.

8.2.1.7 VP Sales Segment-1 CEE

The *VP Sales Segment-1 CEE* sees AI as an essential driver for further developments. He highlights that AI is not used within the company and it is more often used in the B2C area. The interviewee sees the greatest potential in the AI use cases process automatization, media planning and product/ content recommendation.

According to him, CRM has a high value for the management level but no acceptance by sales colleagues. AI-driven CRM is able to improve CX through a better and more targeted approach to customers.

8.2.1.8 Senior Expert eCommerce (Segment-1)

The attitude of the *Senior Expert eCommerce* towards the usage of AI is incredibly positive. In the decision making of a large number of processes, they currently still rely heavily on gut decisions, although they already massively aggregate data and could therefore also make data-driven decisions using AI.

CRM is a central component within the company, but unfortunately not centralized in use. There have to be plans to use AI-driven CRM in the future, as the leading CRM vendors have AI features in their products. According to the expert, the potential of AI solutions in the area of decision support, forecasting, etc. has already been recognized, but no real AI features that go beyond more than if/ else logic have yet been implemented in existing CRM systems. The interviewee says that in the context of the decision making process for a new CRM solution, the possibility to use AI features out-of-the-box plays a role, because they do not want to and cannot reinvent the wheel, but especially in the first step they want to realize quick wins through AI in areas like forecasting and cross-/ upselling. He identifies sales volume prediction, pricing and process automation as the use cases with enormous impact.

With regard to the solutions of SAP and Salesforce, he mentions that he has too little experience to evaluate them realistically. From the list of features, however, he thinks that the focus is too much on efficiency realization in Sales and too little on truly customer-centric service impact; the keyword here is self-service.

He believes that AI plays a big role in improving CX, as diversified customer groups can be served individually. In any case, AI-driven CRM can improve CX because when customers and Sales use the same platform to drive business processes, synergies are created.

8.2.1.9 Global Sales Operations Manager (Segment-1)

The interviewee believes that AI leads to a positive technological development. Therefore, his attitude towards the use of AI can be regarded as very positive. Even though AI does not play a role in his area, he identifies areas in which AI will most likely play a stronger role, like customer analysis in the form of purchasing behavior.

Regarding the usage of AI for Sales or CRM, he justifies the non-usage on grounds of costs and the probably lower relevance in the project business compared to commodity products. CRM plays an important role as it connects the company with its customers. The manager is not able to assess the presented AI use cases from the AI Business Framework of Gentsch.

With relation to the CRM solutions from SAP and Salesforce, he sees that both providers have generally included good aspects from Sales. According to him, it remains questionable to what extent the key capabilities can be used to their fullest extent in companies. Some aspects will certainly be used in daily work with different weightings. However, he believes that ultimately all of them are suitable for improving CX.

The manager says that AI is able to improve CX, as a lot of customer data is analyzed and used to improve the shopping experience. AI-driven CRM is able to improve CX if it is able to analyze and structure large data volumes and derive recommendations for actions.

8.2.1.10 Head of Global Solution Sales (Segment-2)

The interviewee's attitude towards Artificial Intelligence is positive if it is used correctly. He believes that AI systems can support people well in repetitive cognitive activities. In his opinion, AI currently plays a minor role in the company. As far as he knows, the following reasons are conceivable why AI is not used. The first reason is that there are too less

resources or time in order to deal with the topic more intensively, explore how AI can support existing processes and identify the benefits or competitive advantages. In addition, no action is taken because of the existing processes and systems keeping them from doing something new. The fact that little knowledge is available also causes fear of contact with the topic.

When it comes to CRM, he says it is very important because CRM is used for sales prediction and to capture business opportunities, and is a cornerstone for sales planning. According to him, evaluations of opportunities and leads (lead prediction and profiling), sales volume prediction, process automation and business evaluation have the highest likelihood to improve Sales and CRM. He also mentions that he has no experience about the CRM solutions from SAP and Salesforce.

Regarding the role of AI improving CX, the interviewee explains that it plays often a minor role because of the fact that it is frequently used poorly or in a disconnected manner. When interacting with customers, they will notice that they are sometimes guided by a not so intelligent AI. Nevertheless, this is not to say that there is no potential for AI to improve CX. The experiences from the B2C area will gradually migrate into the B2B area. He affirms that AI-driven CRM can improve CX due to the fact that it is able to detect repetitive processes and automatize them. Deviations should be detected quickly, and the system should adapt.

8.2.2 Main Elements of the Interviews

8.2.2.1 Importance of CRM

The first main element with which the experts were confronted in the course of the interviews is the importance of CRM within the company or the respective area. This topic cannot be used directly for the clarification of the scientific questions. It is intended to facilitate the beginning of the interviews and to introduce the subject area. Nevertheless, this partial aspect will be evaluated, as the views of the experts reveal how important CRM in general is for the organization.

The general importance of CRM was rated as very high by almost all respondents. Many interviewees mentioned that the company does not give CRM the importance it deserves. However, the *General Manager Segment-2 ANZ* mentions that the day-to-day task of data gathering and entering is tiresome routine work. The *General Manager Benelux (Segment-1)* criticizes the lack of discipline in Sales regarding keeping data up to date or the fact that currently only limited functions are applied. But he mentions examples of full customer details, which should be tracked in addition to the basic functions. Hence, the current CRM has potential for improvement, which is also stated by the *VP Sales Segment-1 Switzerland*. The IT experts see also potential for improvement regarding the way of dealing with CRM.

IT_1: 360-degree knowledge of customers and markets is essential for successful sales work. *Company* lives from strong and intensive customer relations. CRM is lived. However, the use of CRM systems has upward potential.

IT_2: The potential of CRM is not fully exploited in my company. Unfortunately, the importance is not as high as it should be.

IT_3: Basically, I assess the importance of CRM quite high, since CRM supports the sales processes from an IT perspective. In the ideal case, it enables continuous and effective processes and allows the sales staff to carry out their activities in a more targeted manner and the management to make their decisions in a data-driven manner. In our area it is of great importance, as we deal strategically and operationally with CRM and service tools.

S_1: CRM processed data is important, however the data gathering process sometimes takes focus away from the core role of an area sales manager, that is to visit and talk to customers and find out their needs. Data entry has some mundane process, if AI could help to assist data gathering process within CRM, it would be fantastic.

S_2: Crucial. You need to have a track and trace system of your customers. Today we only use limited elements like customer details (simple DB function) and track individual projects linked to those accounts and their progress. We should extend to real full customer details including payment details, profitability per account (taking into account that a lot of customers have subsidiaries in different legal entities, which does not always make full key account overviews easy to set-up), product portfolio mix per account, automated marketing communication tools, etc. However, this does require also strict discipline from Sales/ back office to keep data up-to-date, which is a level of discipline we are not having today.

S_3: CRM plays a very important role. It is the interface for customers and projects. However, I believe that we still have a lot of potential to make even better use of such a tool.

S_4: CRM has a high value for the management level but no acceptance by sales colleagues.

S_5: CRM is a central component of the sales approach and ranges from lead management to classic customer care, which means, for example, submitting quotations, to reporting or forecasting the order situation. Unfortunately, however, CRM is not used centrally in our company, but rather as a diversified network of software solutions and processes.

S_6: CRM is the bridge between companies and customers. Therefore, CRM has a high value.

S_7: Theoretically, CRM has a high priority. It is used to record business opportunities, sales predictions and forms a cornerstone for sales planning.

8.2.2.2 Role of AI

This section illustrates the role AI plays in the company or in the respective area. In summary, it can be concluded that AI does not play a role today, but the interviewees see a number of various possibilities to take advantage of. Today, only a rudimentary product recommendation engine is used in the eCommerce area.

Generally, most of the interviewees mention some ideas how AI could generate benefits for the company or various business opportunities, emphasizing the future importance of AI. The *General Manager Benelux (Segment-1)* explains that AI could influence CRM positively by supporting the sales team to recognize patterns within Sales in order to optimize the product portfolio regarding profitability and customer mix. But the company could also act more predictive, which would very likely result in an improved customer intimacy concerning

the marketing communication. The *VP Sales Segment-1 Switzerland* also mentioned that AI is able to enhance marketing campaigns. The *CIO & CPO* states that the ability of taking fact-based decisions is becoming more and more popular and explains the need for applying AI.

IT_1: Fact-based decisions are becoming increasingly important. Transparency is playing a more and more important role in corporate management, as well as pattern recognition in, for example, customer behavior and for planning. AI is becoming increasingly important for this purpose.

IT_2: AI currently plays no role in the company.

IT_3: Currently, AI does not play a major role in our area.

S_1: AI as I know would be something like Google Home or Siri, which have not been used extensively in *Segment-2 Australia*, nor by my team members for work related process. Yes, AI in the above form, would assist us doing speed dial or texting someone while driving, but not in the way of assisting our process, of communicating with customer (i.e. email, stock check, looking for specification to send to customer, etc.).

S_2: As far as I know not much today. But in the CRM context it could certainly play a role in helping us to see patterns in our sales to allow better optimizations towards portfolio profitability and customer mix and be more predictive. This would also allow much better customer intimacy in our automated marketing communication. We could and should also extend the use of AI in the creation of our *Product* designs and quotations. I am sure that if we set up as first in the industry an intelligent AI *Product* design system (like uploading all existing *Product* designs to create a self-learning system) we could lead the industry again, like *Company* did in the early days of *Product*.

S_3: AI doesn't matter to us yet. We have also not yet given specific thought to this topic. But some ideas are there. For example, how to better use marketing campaigns instead of sending a few campaigns to all customers, you could send many automatically generated campaigns to many small and specified customer segments. Among others, AI could make an important contribution to this.

S_4: Unfortunately, not yet a significant role.

S_5: AI actually plays almost no role in the status quo. For a recommendation engine in our customer-facing online portal, we use a rudimentary AI solution that makes suggestions for suitable products based on the order history of customer segments. But that is already the end of the story.

S_6: AI still plays a small role in the company. From a sales perspective, however, there are a number of areas where AI could play a more important role in the future. For example, customer analysis in the form of purchasing behavior, etc.

S_7: In my estimation, AI currently plays a minor role.

8.2.2.3 Usage of AI in Sales or CRM

The answers of all interviewees regarding the usage of AI in Sales or CRM reveal that AI is currently not used in Sales or CRM. Some interviewees mention reasons why AI is not used.

The company does not have the necessary database or resources (employees, time) and, in addition, lack of action and knowledge prevails.

IT_1: AI is not yet used intensively. New CRM systems and marketing systems should increase transparency and planning by means of AI.

IT_2: AI is currently not used. There are no explicit reasons against its use, only this technological step has not yet been taken.

IT_3: At the moment AI is not really used. In order to use AI or machine learning capabilities in a meaningful way, a certain database is necessary, on which the algorithm makes decisions. In my opinion, this database is currently not available in the sales area. There is no concrete use case for AI in Sales, which is driven by the business side. Therefore, I think there are no plans for implementation. But a feature in the eCommerce area is used, which suggests products to customers.

S_1: As far as I know I've not seen AI being used in Sales or CRM yet. And to be honest, I'm not sure if there's any plan by *Segment-2* to implement AI into CRM.

S_2: As far as I know not today, but we should embrace this in all different areas. Beside us in the sales area, I am sure AI can be beneficial in our factories, and in supporting functions like, inter alia, accounting, HR, reporting.

S_3: No, AI is not used. We haven't dealt with it yet.

S_4: In general, AI is still little used in B2B business, but more often in B2C. In our company there are no concrete plans yet.

S_5: As mentioned at the beginning, there is currently little or no usage based on the existing software architecture. There are naturally plans to use AI-driven CRM solutions in the future. If only because of the fact that CRM providers are already placing AI features as USPs of their products today.

S_6: No. Probably for cost reasons. The relevance in the so-called spec-business/ project business is probably less than for commodity products.

S_7: To my knowledge, there are reasons why AI is not used. Firstly, there are too few resources or time to deal with the topic more intensively to find out how AI can support existing processes and which benefits and competitive advantages can be generated. Secondly, inertia of the daily routine of a well-rehearsed system or process. Why change something? All in all, everything runs smoothly. Thirdly, fear of contact, ignorance, etc.

8.2.2.4 AI Use Cases Improving Sales and CRM

The following section is of utmost importance for the clarification of the first research question. It is intended to clarify which AI use cases can improve Sales and CRM. The interviewees were asked about their opinions on the AI use cases which could improve Sales and CRM the most. The participants were shown the picture of the AI Business Framework of Gentsch, which also states the AI use cases of this model. In addition, the question was asked if there are other AI uses cases which would improve Sales or CRM. Within the summary of the research results in chapter 9, all AI use cases improving Sales and CRM which were selected by the interviewees are listed in figure 15.

IT_1: We plan RPA in order processing, intelligent sales planning, AI-supported product finder with solution proposals and AI-supported customer self-services (chatbots).

IT_2: In my opinion, the following: process automation, lead prediction and profiling, product/ content recommendation, chatbot and digital butler.

IT_3: For Sales: improved and more accurate sales forecast, identification of promising leads (predictive scoring) or automated customer classification. For Commerce: improved product recommendations in the eCommerce area. For Service: customer service automation (e.g. automatic classification of incoming emails). For the website: specific content depending on the target group.

S_1: In my opinion, AI could be most useful in the data gathering and analytical process. Human side would direct AI to gather some data and get sensible understanding of the situation based on analytical data. For example, from Sales side, I would like to see how a particular customer spending has gone down, which article numbers are heavily affected, whether that's because new product replacement had been introduced, or was it because customer has moved on to another competitor. From the layers above, I would like AI to be involved in all those layers. If that means also link to market news, video, etc.

S_2: As *Industry* is quite complex in the projects we deliver, I would not prioritize on chatbots. But lead prediction, portfolio margin optimization, predictions, automated customer service to a certain extent, certainly marketing communication.

S_3: I see great potential in the linking of data, automated evaluations and lead generation for acquisition and cross-selling, while at the same time proposing specified content for the leads.

S_4: In my opinion, process automatization, media planning and product/ content recommendation will improve Sales and CRM the most.

S_5: For us, use cases with enormous impact would be, for example, sales volume prediction and pricing & process automation. Important in the realization of use cases for us will be the platform idea in data layers and technologies to link the amount of data and solutions and to ensure an efficient implementation of the use cases.

S_6: Unfortunately, I cannot say anything about this, as I do not know enough about it.

S_7: For example, when evaluating opportunities, leads, sales volume prediction, process automation or business evaluation.

8.2.2.5 Role of AI in Improving CX

The interviewees were asked about the role AI plays in improving Customer Experience. Almost all salespeople are in agreement that AI has an important role in improving CX. The IT experts attach great importance to the possibilities AI offers for improving CX. AI facilitates a more efficient way of gathering and analyzing data and makes possible to deliver an outstanding performance. Personalization plays a major role here.

IT_1: Customers are becoming more and more spoiled and expect to see a solution and service portfolio tailored to their exact needs in a simple and quick way. Personalization is becoming increasingly important. In this respect, AI can play a significant role.

IT_2: The big advantage is the 24x7 availability and the ability to handle even large data or task volumes.

IT_3: This is difficult to assess at this stage. In principle, there is potential for improvement, for example by increasing efficiency and thus providing more targeted support to customers.

S_1: AI would improve CX through the more efficient data gathering and analysis. At the moment, to get some reasonable data, we need to input our own information, have analytical data, and get useful meaning afterward. AI could help to shorten some of those steps.

S_2: Our audience are B2B stakeholders with high level of knowledge. So, we already need to have advanced level of CX via AI to make a difference. Starting point would certainly be tools surrounding our current expert people towards customers.

S_3: AI plays a very important role in improving the CX because the customer's expectations can be met even better and future-oriented. Keywords are: personalization, real-time customer service and convenient customer self-service.

S_4: It plays a role if the customer is more often in contact with the company through AI.

S_5: AI definitely plays a big role in improving the CX. We already serve completely diversified customer groups online, but they are currently offered the same services, data and media. We have neither the technical infrastructure nor the manpower to drive segmented content and pricing, and we hope that AI solutions will drastically improve CX by tailoring the digital suite to the customer's specific needs.

S_6: AI supports the structuring of large amounts of data. If a lot of customer data is available, this can be used in the sense of a 'shopping experience'.

S_7: In my opinion, AI still plays a subordinate role, as it is often badly used or solved. The customer quickly notices that he is being led by a sometimes not so intelligent AI. But this does not mean that there is no potential for AI to improve CX. I think that, derived from the experiences in B2C from Alexa, Siri, etc., it will then gradually migrate into the B2B area.

8.2.2.6 AI-driven CRM improving CX

The following section is of particular importance for clarifying the second research question. It checks whether AI-driven CRM improves Customer Experience or not. The question if AI-driven CRM can improve CX was answered with a yes by all interviewees.

IT_1: Yes, the more and better information the sales employee has available, the better he can advise the customer. Thus, AI-driven CRM can indirectly have a positive influence on CX.

IT_2: Yes, through faster response times and better recognition and satisfaction of customer needs.

IT_3: Yes, if the AI capabilities can be used, it can provide added value. First, automation: employee has more time for targeted customer contact. Second, improved decision making: easier identification about what is relevant. Third, more targeted customer communication: what is relevant to customers.

S_1: Yes, I believe AI-driven CRM solutions could improve CX as I explained previously. The shown diagram does provide solution to my existing problems that we're facing today.

S_2: Yes, like I explained before.

S_3: Yes, AI-driven CRM can improve the CX. The customer can be served much more individually, and you can recognize 'patterns' of the customer and use them.

S_4: Yes, AI-driven CRM can improve CX through better and more targeted addressing.

S_5: AI-driven CRM can definitely improve the CX. When customers and Sales use the same platform to drive business processes, synergies are created. So also in the area of AI.

S_6: Yes, if the AI-driven CRM tool can analyze and structure large volumes of data and provide recommendations for action.

S_7: I think so, for example if the AI routine can detect repetitive processes and then automate them. In my opinion, however, it is important that the system continuously and quickly detects and reacts to deviations from the routine, i.e. adapts to me. As an example: it bothers me if, months after using a travel app, I keep getting suggestions for a destination I booked 12 months ago.

9. Conclusion

This master thesis concludes with a summary of the research results and the answering of the research questions. In addition, derived recommendations are presented before this thesis concludes with an outlook.

9.1 Summary of Research Results

The aim of this subchapter is to provide a summary of the research results and evidence-based interpretations of the findings.

In summary, it can be said that the experts involved in the research assess the importance of CRM as high. However, the potential of CRM in the company is not fully recognized and utilized. Sales employees find it difficult to maintain and keep data up to date, as they prefer to spend more time with the customer. According to the IT experts, the CRM requirements regarding updated database, process clarity and defined use cases have to be fulfilled before applying AI.

With regard to the role of AI in the company or in the sales and IT department, it has been noticed that AI does not yet play a role. However, some participants have already mentioned ideas how the use of AI could bring advantages for the company. According to most of the interviewees, AI will certainly play a greater role in the future. It can be stated that all respondents have a positive attitude towards a targeted usage of AI.

The answers of all interviewees regarding the usage of AI in Sales or CRM reveal that AI is currently not used in Sales or CRM. Some interviewees mention reasons why AI is not used. The company does not have the necessary and updated database or resources (employees, time) and, in addition, lack of action and knowledge prevails.

The interviewees mentioned use cases that will improve Sales and CRM, which are then, if possible, assigned to the AI use cases defined by Gentsch. Figure 15 shows which AI use cases improve Sales and CRM the most according to the interviewees. All in all, product/content recommendation and process automation received the most votes (6 for each). Lead prediction and profiling as well as sales volume prediction follow with 5 votes for each. The AI use cases automated customer service and chatbots and digital butler received each 3 votes. In total, the results show that the following AI use cases are considered as less important: media planning, pricing (2 for each), customer insights, content creation, fake and fraud detection, and conversational commerce (1 for each).

All 3 interviewed IT experts voted for product/ content recommendation. Hence, this AI use case is identified as the most relevant one from IT side. Chatbots and digital butler, process automation, lead prediction and profiling, as well as sales volume prediction were selected by the IT experts with 2 votes for each use case.

If only Sales is considered, process automation received the most votes, namely 4. 3 votes from Sales per use case received product/ content recommendation, lead prediction and profiling, and sales volume prediction.

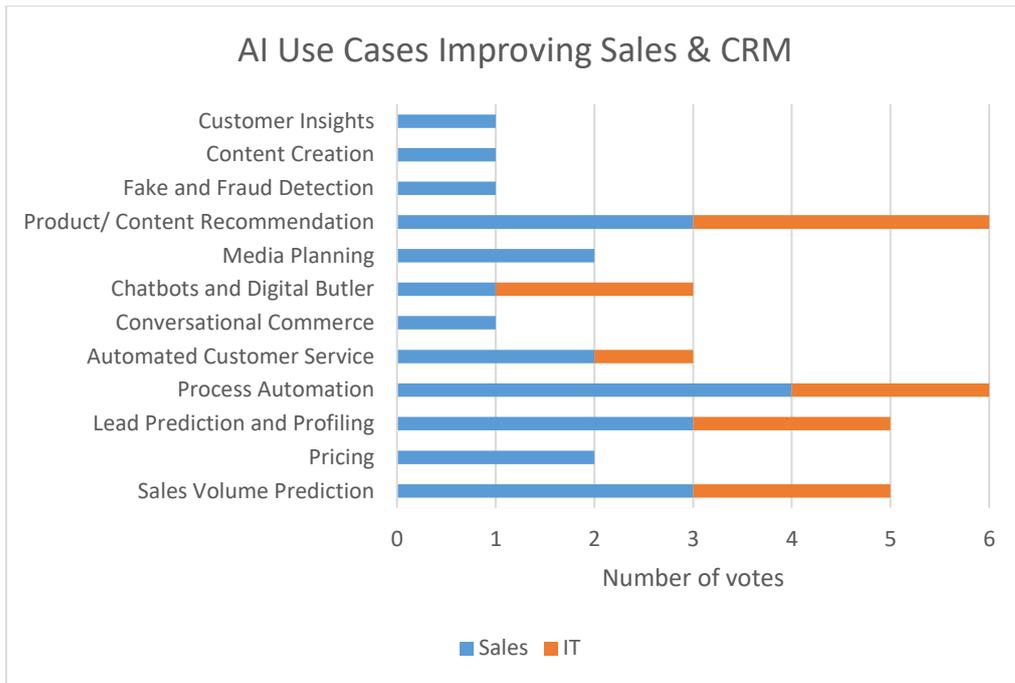


Figure 15: AI use cases improving Sales and CRM (selected by the interviewees)

Source: Own figure.

Furthermore, almost all salespeople take the view that AI plays a big role in improving CX. The IT employees also see the potential and benefits of AI in terms of improving CX. The question if AI-driven CRM can improve CX was answered with a yes by all interviewees. The question of how AI-driven CRM improves CX is answered as follows.

The IT employees say that CX improves through faster response times and better recognition and satisfaction of customer needs. On top, as AI facilitates automation, employees have more time for targeted customer contact. Additionally, improved decision making enables to better identify what is relevant. Moreover, targeted customer communication reveals relevant topics for customers.

The statements from Sales are the following: AI improves CX through more efficient data gathering and analysis. Another interviewee mentions that the AI-driven CRM tool will improve CX by analyzing and structuring large volumes of data and providing recommendations for action. A further response was that the customer can be served much more individually, and the company can recognize patterns of the customer and use this information. Additionally, better and more targeted addressing of customers is possible. On top of that, AI-driven CRM is able to improve CX if it detects repetitive processes intelligently and automates them. According to another interviewee, synergies are created when customers and Sales use the same platform to drive business processes.

9.2 Answering the Research Questions

The two research questions are answered in the following sections.

9.2.1 In which AI use cases can Sales and CRM be improved?

The literature research shows that theoretical frameworks present AI use cases for various business areas. The AI Business Framework of Gentsch contains the following AI use cases: **Customer Insights, Content Creation, Fake and Fraud Detection, Product/Content Recommendation, Media Planning, Chatbots and Digital Butler, Conversational Commerce, Automated Customer Service, Process Automation, Lead Prediction and Profiling, Pricing, Sales Volume Prediction.**

The interviewed experts working for the international B2B company mentioned various situations in which AI could improve Sales or CRM. According to the salespeople, the data gathering and analytical process can benefit from AI because of getting deeper insights about customers and especially making the causes of declined customer spending transparent. In addition, marketing communication, lead prediction or general predictions, portfolio margin optimization or also, to some extent, automated customer service, are additional AI use cases which bring improvements. One sales manager mentioned that he believes data linkage, automatic evaluations and lead generation for acquisition and cross-selling bring major potential. On top of that, getting content recommendations tailored for the individual leads can improve sales. Another sales manager said that process automatization, media planning and product/ content recommendation will improve Sales and CRM the most. The *Senior Expert eCommerce* recommended sales volume prediction and pricing & process automation as the most valuable use cases. Another interviewee from Sales thinks that improvements can be achieved by evaluating opportunities and leads, as well as with sales volume prediction and process automation or business evaluation. The *CIO & CPO* mentions that the company plans to introduce RPA in order processing, intelligent sales planning, AI-supported product finder with solution proposals and AI-supported customer self-services. According to the second interviewed IT employee, the use cases process automation, lead prediction and profiling, product/ content recommendation, as well as chatbot and digital butler have the biggest potential for improvement. The third one mentioned a better sales forecast, predictive scoring, automated customer classification, improved product recommendations, customer service automation and specific content depending on the target group.

According to the interview results, the AI use cases which are identified as most valuable are **product/ content recommendation** and **process automation** (6 votes for each use case), as well as **lead prediction and profiling**, and **sales volume prediction** (5 votes for each use case).

In a nutshell, various AI use cases having the potential to improve Sales and CRM are identified. The AI Business Framework of Gentsch incorporates standard AI use cases from which every organization can chose individually on which use cases each company wants to focus on.

On the basis of the results obtained from the literature and the study carried out, it must be noted that not every use case represents the same value for every company. Therefore, the selection and definition of the use cases offering the highest potential for improvement is carried out individually in each company due to company-specific prioritizations.

The following statement from Gartner presents a research highlight which is the overall result for this research question: 'To realize business value, you must deploy AI technologies to deliver specific, measurable business outcomes for **targeted use cases**.'²⁷⁰

9.2.2 How can Customer Experience be improved with AI-driven CRM?

According to theory, a consistent CX requires that the CRM system is **interconnected with neighboring systems**. Hence, CRM should not be an isolated solution.²⁷¹ Employees responsible for CX need to have knowledge about AI and realize the associated technology demands, processes, advantages and application boundaries. AI is able to improve CX by helping to **understand customers and their needs more thoroughly** in order to serve them better.²⁷² AI plays a decisive role in the **personalization** of customer relationships. Even the customer dialogue can be largely automated by the application of AI. According to Gartner, the **creation of personalized customer experiences** is key to improve CX. Companies should consider the Voice of The Customer and enhance CX with an iterative approach.²⁷³

Personalization aims to serve individual customer needs more effectively and efficiently. Moreover, it enables faster and high-quality interactions with customers, and consequently it increases customer satisfaction and the probability of repeated contacts and deals.²⁷⁴ Consequently, **personalization** is identified as a key factor for improvement of CX. AI plays a decisive role here.

The question of how AI-driven CRM can improve CX is clarified by the respondents. The opinions of the 3 IT interviewees and the 7 Sales interviewees are summarized below.

The 3 opinions of the IT interviewees are summarized subsequently:

IT_1: Yes, **the more and better information the sales employee has available, the better he can advise the customer**. Thus, AI-driven CRM can indirectly have a positive influence on CX.

IT_2: AI-driven CRM can improve CX by providing **faster response times** and due to **better understanding and satisfaction of customer needs**. The big advantage is the constant availability and the ability to handle even large amounts of data or tasks.

IT_3: If AI capabilities can actually be used, added value is provided with regard to **automatization, improved decision making and better targeted customer interaction**. Hence, AI-driven CRM can improve CX.

The 7 opinions of the Sales interviewees are summarized below:

S_1: The usage of AI would improve CX because of the fact that **data can be collected and analyzed more efficiently**. Hence, the required information is quicker available.

²⁷⁰ Elliot; Andrews; Hare 2020

²⁷¹ Cf. IT Verlag für Informationstechnik GmbH 2020

²⁷² Cf. Dunwoodie 2018

²⁷³ Cf. Chiu 2019

²⁷⁴ Cf. Wagener 2019, p. 129

S_2: In order to make a difference in the knowledge-intensive business in which the company operates, AI-driven CRM would enable the company to boost CX. Hence, CX is improved due to the fact that **relevant (customer) information is known by employees**.

S_3: AI-driven CRM can improve CX. The **customer can be served much more individually**, and you can **recognize 'patterns' of the customer and use them**.

S_4: AI-driven CRM can improve CX through **better and more targeted addressing**.

S_5: In any case, AI-driven CRM can improve CX because when **customers and Sales use the same platform to drive business processes**, synergies are created.

S_6: Yes, if the AI-driven CRM tool can **analyze and structure large volumes of data and provide recommendations for action**.

S_7: AI-driven CRM can improve CX due to the fact that it is able to **detect repetitive processes and automate them**. Deviations should be detected quickly, and the system should adapt.

To sum up, various factors enabling an improvement of CX are identified. The aim of meeting the varying expectations of customers can be supported by the ability to **better understand the individual needs of the customers** and satisfy them. Generally, customers expect **fast response times** and that **relevant information about the respective customer**, with which an employee deals with, **is known** to the employee while communicating with the customer. AI-driven CRM is able to meet all of these expectations, as the **customer can be served more individually due to targeted addressing and personalization**. AI-driven CRM supports **increased automatization, improved decision-making and better targeted customer interaction**. The advantage of AI-driven CRM is the more efficient way of collecting and analyzing data. Due to the usage of AI, large data volumes can be analyzed and structured. Even **recommendations for action** can be derived and provided to employees. Because the application of AI enables the automation of some processes, employees have more time to deal with complicated customer requests calling for individual customer care.

9.3 Recommendations

This part highlights key recommendations derived from the research results and integrates recommendations from Gartner. Of course, organizations can use information from other research and advisory companies, but especially Gartner provides valuable frameworks and reference guides.

My personal recommendations for the investigated B2B company are summarized below.

The conducted interviews show that AI does not yet play a role within the company, hence, employees with AI skills are not available. Without an interdisciplinary team of AI experts or IT specialists and the business side (Marketing, Sales or Service), the company will find it difficult to identify AI use cases that create real value for each business area. Therefore, I first recommend **building a project task force** which focuses on AI capabilities and

business processes and works together with key people from Sales to improve the level of knowledge, define an AI strategy with relevant stakeholders and identify AI use cases for Sales to start with a pilot project. The Harvard Business Manager supports this recommendation. It should be noted that AI projects succeed best when cross-functional teams ensure interdisciplinary cooperation.²⁷⁵

As CRM vendors already provide AI features, it is the easiest way to **use a pre-built and pre-trained AI-driven CRM system**. Figure 16 shows major challenges companies face when starting to adopt AI. In my opinion, the company should be aware of the challenges before any AI initiatives are being started. In such cases, Gartner recommends to ‘first focus on use cases that have already been proven by other organizations to deliver business value’²⁷⁶ in order to cope with the task of selecting use cases. Gartner provides direction with their approach of selecting, prioritizing and ranking AI use cases (see appendix 5).

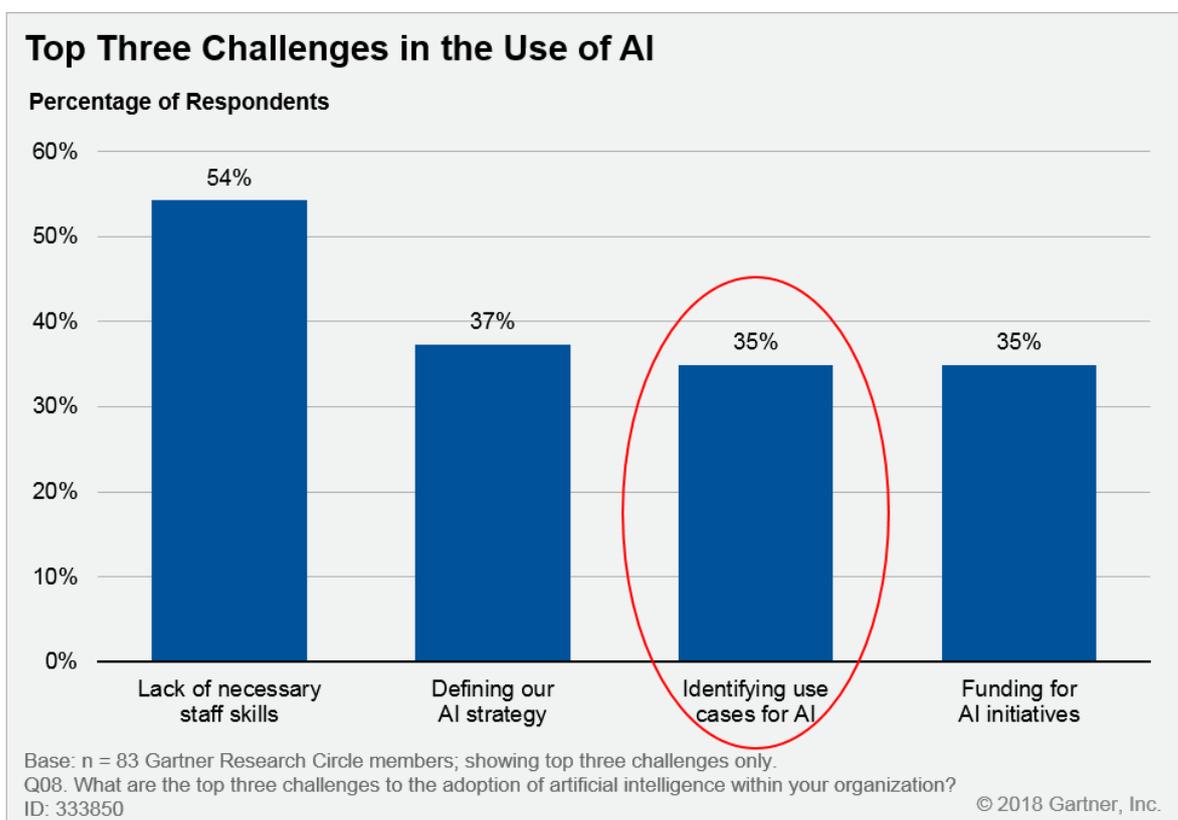


Figure 16: AI challenges
 Source: Davis 2018.

Because **continuous data integration and maintenance** is key to guarantee data quality, the sales force has to remain disciplined towards data management in order to keep the data up to date. Consequently, an AI-driven CRM is only as good as the underlying data is. This means that lots of data must be constantly reviewed and updated in order to achieve

²⁷⁵ Cf. Fountaine; McCarthy; Saleh 2019, p. 73-74

²⁷⁶ Davis 2018

a high level of predictive accuracy. Gartner agrees with this approach, as ensuring data quality is recommended when companies start with integrating AI into CRM.²⁷⁷

The Harvard Business Manager highlights that an adoption of a new technology only works if companies invest as much in employee acceptance as in the technology.²⁷⁸ The author of this thesis supports this recommendation and therefore emphasizes the importance of **implementing a change management program** including communication and continuing training. Gartner confirms these statements and adds that sales analytics and training have to be considered too when starting with CRM Sales technologies enhanced by AI.²⁷⁹

Gartner proposes the following generally accepted recommendations to improve Customer Experience and make meaningful use of AI use cases:

- Enhancing Employee Experience:
Because of the fact that Employee Experience affects CX, it is essential for the organization to 'empower employees by providing easy-to-use, powerful technologies'²⁸⁰.
- Using AI correctly to create an in-depth understanding of customers:
Companies have to make sure that AI projects are economically viable and business-relevant by matching them with CX projects.²⁸¹ It is essentially important to 'prioritize use cases by focusing on areas of high friction — where high-volume, high-value and customer pain points intersect.'²⁸²
- Finding and defining use cases and reviewing AI tools:
The Top 4 of the most prioritized topics of CX projects covering AI use cases are CX Measurement (KPI's), VOC, Speed to Market and Personalization²⁸³ (see appendix 6). As already mentioned, Gartner provides an approach on how to select, prioritize and rank AI use cases.
- Considering the approach of The 8 Building Blocks of CRM:
This promising concept for implementing CRM provides best practices and therefore reduces the risk of possible pitfalls.²⁸⁴
- Applying the Gartner CRM Maturity Model (see appendix 7) to measure progress over time:
'The framework is designed to help organizations achieve success in their CRM programs and to make progress with an enterprise-level approach driven by CX.'²⁸⁵

²⁷⁷ Cf. Skowron 2018, p. 7, 26

²⁷⁸ Cf. Fontaine; McCarthy; Saleh 2019, p. 75-77

²⁷⁹ Cf. Travis et al. 2019

²⁸⁰ Phifer 2019

²⁸¹ Cf. Norrie; Davis 2020

²⁸² Norrie; Davis 2020

²⁸³ Cf. Norrie; Davis 2020

²⁸⁴ Cf. LeBlanc; Thompson; Agarwal 2020

²⁸⁵ LeBlanc; Thompson; Agarwal 2020

9.4 Outlook

In recent years, Artificial Intelligence has provided an immense development boost in various business areas. AI increasingly focuses on administrative, planning and dispositive processes in Marketing, Sales and the management area to achieve the goal of a holistic algorithmic enterprise.²⁸⁶ For this reason, employees of modern companies will have to learn how to work with smart technologies. The potential for sustainable improvement and transformation in Marketing, Sales and Service is already undisputed today and will continue to develop.²⁸⁷

With regard to the positive effects AI has on CRM, it is expected that AI will accelerate business growth within this area. The combination of AI and CRM leads to improved sales and sustainable company performance.²⁸⁸

As an outlook, it is predicted that by 2024, over 95% of customer interactions will be carried out by AI. Because customers seek for such experiences and customized interactions, organizations should integrate AI to offer intelligent, embedded and comfortable interaction possibilities in order to create outstanding experiences for customers.²⁸⁹

*'The combinatorial effect of AI, cloud, sophisticated analytics and other technologies is already starting to change how work is done by humans and computers, and how organizations interact with consumers in startling ways.'*²⁹⁰

This research area can be further explored with regard to the performance measurement of AI-driven CRM and the selection of relevant KPI's from the CRM system for Marketing, Sales or Service. In addition, CX metrics and KPI's could be identified and included. According to a study, the evaluation of relevant KPI's from CRM is considered as very important or important by 74% of all respondents.²⁹¹ Another topic for further investigation would be how companies can select, prioritize and rank AI use cases in order to focus on the most relevant ones. Appendix 5 shows such an approach of Gartner, which could be further analyzed. This guideline would help companies with limited AI knowledge to start with the first considerations about AI use cases and their implications. In addition, the possible downsides of the usage of AI within the context of CRM could be investigated.

²⁸⁶ Cf. Gentsch 2018, p. 1

²⁸⁷ Cf. Gentsch 2018, p. V

²⁸⁸ Cf. Quytech 2020

²⁸⁹ Cf. Fotedar 2020

²⁹⁰ Accenture 2016

²⁹¹ Cf. IDG Business Media GmbH n.d., p. 4

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Appendix

Appendix 1: Customer Experience

Appendix 2: CRM components

Appendix 3: Key capabilities or main features of Sales Cloud Einstein and SAP Sales Cloud

Appendix 4: Interview guideline

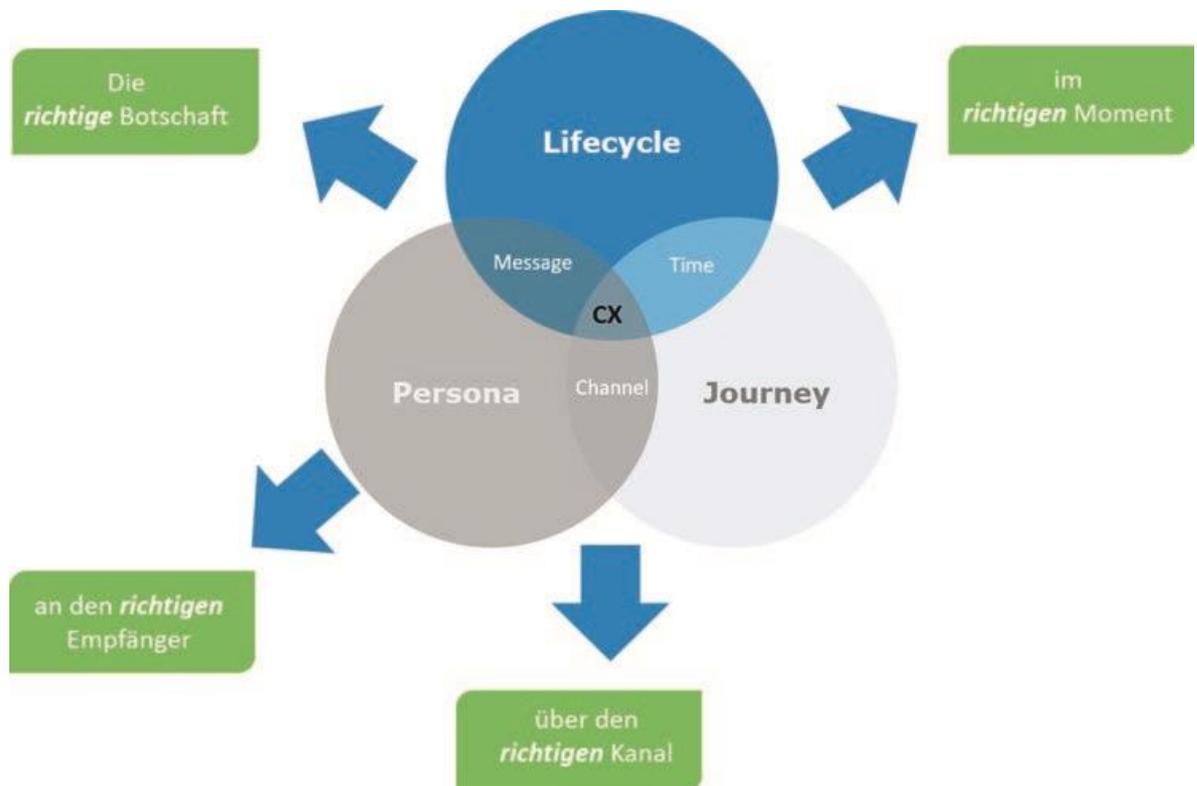
Appendix 5: Selecting, prioritizing and ranking AI use cases

Appendix 6: Most prioritized topics of CX projects covering AI use cases

Appendix 7: CRM Maturity Model from Gartner

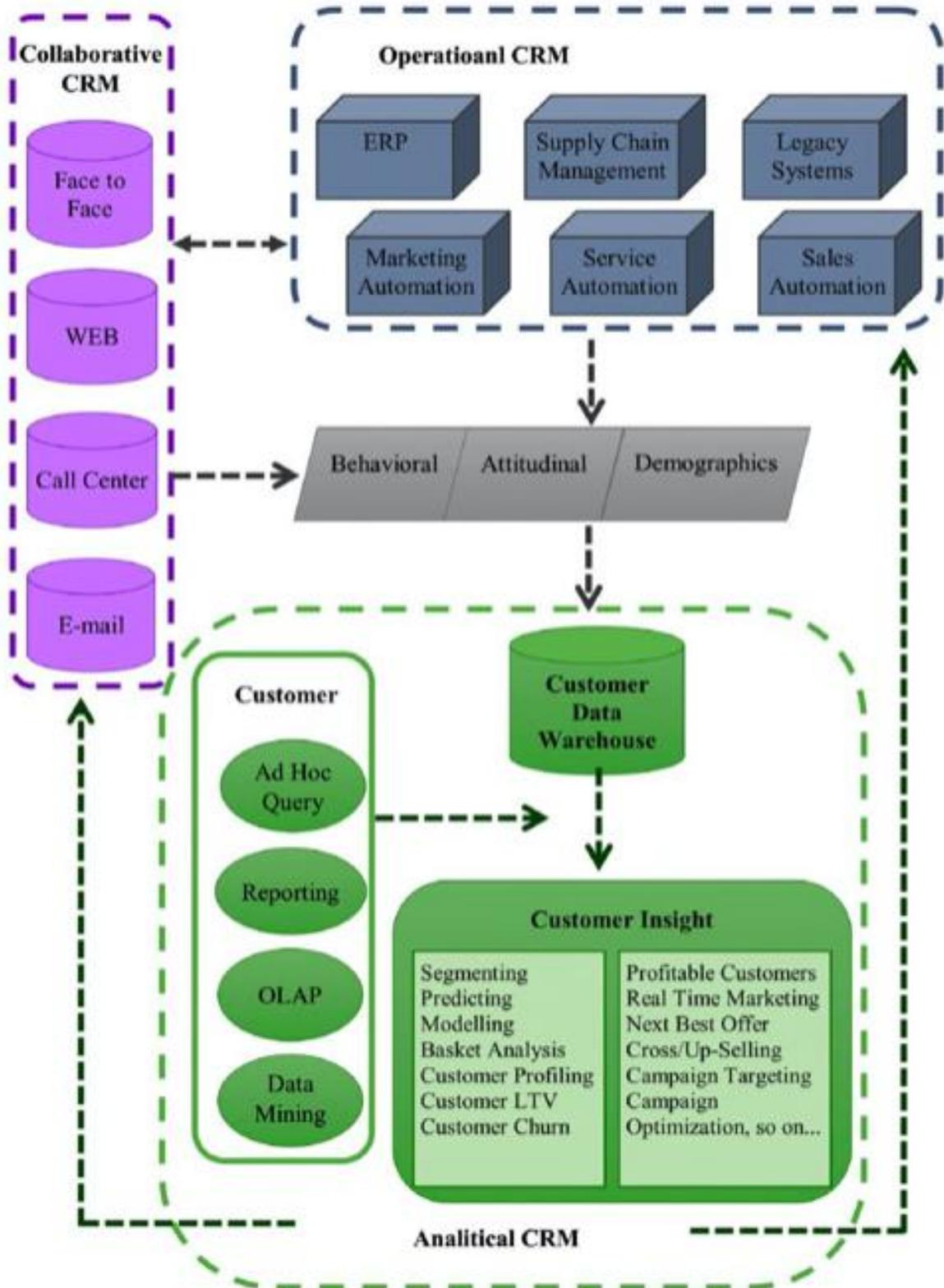
Appendix 1: Customer Experience

Source: Stadelmann; Pufahl; Laux 2020, p. 154.



Appendix 2: CRM components

Source: Süphan 2015, p. 151.



Appendix 3: Key capabilities or main features of Sales Cloud Einstein and SAP Sales Cloud

Source: Own figure based on SAP America n.d.-e; Salesforce.com 2020-t.

Provider	Key capability	Description
Sales Cloud Einstein When combined with Sales Cloud, Einstein helps sales reps win more deals with intelligent automation, smarter scoring, actionable insights, and predictive forecasting.	Lead & Opportunity Scoring	Set priorities depending on the deals and achieve more → get a better and quicker lead conversion and concentrate on the best deals
	Opportunity & Account Insights	Gain opportunities and de-risk forecasts
	Forecasting	Get a more accurate forecast and create greater business predictability
	Activity Capture & Automated Contacts	Automatize data input and enhance sales rep's time to sell products and services
	Inbox	Connect email, calendar, and Salesforce to be informed about all relevant events (e.g. purchase transactions,...)
	Sales Analytics	Improve decision making and increase making deals
SAP Sales Cloud SAP promises that with the usage of their Sales Cloud, companies are able to improve the daily business of their sales staff. In addition, CX gets better and the purchase process speeds up.	Sales Automation & Forecast Optimization	Real-time lead management Increased pipeline visibility Accurate revenue forecasting Insight-driven deal closings
	Quotes & Contracts	Product configuration Fast offer creation Mobile, centralized access Secure, collaborative negotiations
	Sales Performance Management	Improved commission management Strategic sales territories Fast sales execution Real-time updates
	Billing & Revenue Management	Order lifecycle management Seamless fulfillment Billing and invoice management Compliant revenue recognition
	Augmented Intelligence	Real-time, prescriptive planning Automatic outlier detection Personalized recommendations Intuitive machine learning capabilities

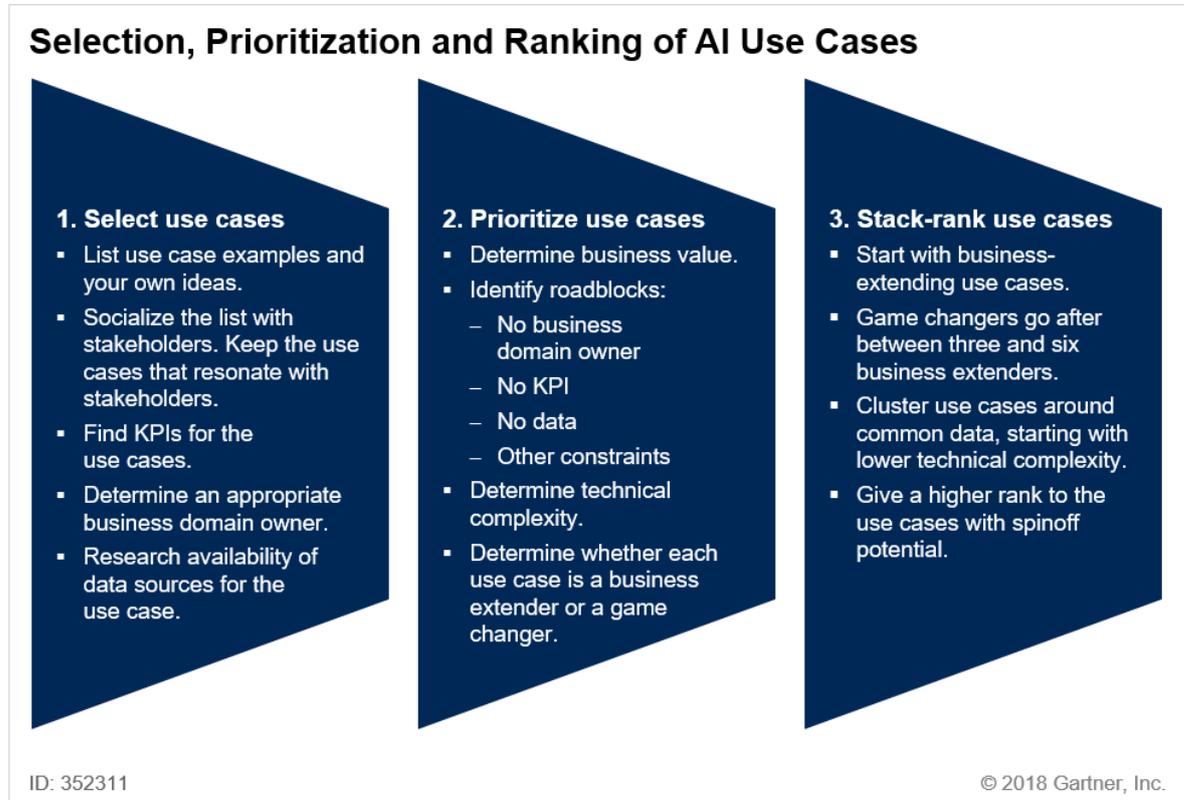
Appendix 4: Interview guideline

Source: Own figure.

	Introduction
1	<p>CRM</p> <ul style="list-style-type: none"> • How important is CRM in the company or in your area? • Which CRM systems are currently used in the company? • Have the CRM systems currently in use already integrated AI features? • Are there plans or projects to improve CRM in the company?
2	<p>Artificial Intelligence</p> <ul style="list-style-type: none"> • How much experience or knowledge do you have in the field of AI? • What role does AI play in the company or in your area? • What is your attitude towards the use of AI? In your view, does AI lead to a positive technological development?
3	<p>AI-driven CRM</p> <ul style="list-style-type: none"> • Is AI used in Sales or CRM? • Are there reasons why AI is not used in Sales or CRM? • Are there plans to introduce AI in the area of Sales or CRM? • <i>In which AI use cases do you think Sales and CRM can be improved the most?</i> (see provided summary of the KI Business Framework of Gentsch) • Are there other AI use cases through which Sales and CRM can be improved?
4	<p>Customer Experience</p> <ul style="list-style-type: none"> • What role do you think AI plays in improving CX? • What do you think of the AI-driven CRM solutions of the providers SAP (SAP Sales Cloud) or Salesforce (Sales Cloud Einstein)? Can they improve CX? (see provided handout of the key capabilities or main features of Sales Cloud Einstein and SAP Sales Cloud) • <i>Can AI-driven CRM improve CX in your opinion? If so, how?</i>
	Outlook und Goodbye

Appendix 5: Selecting, prioritizing and ranking AI use cases

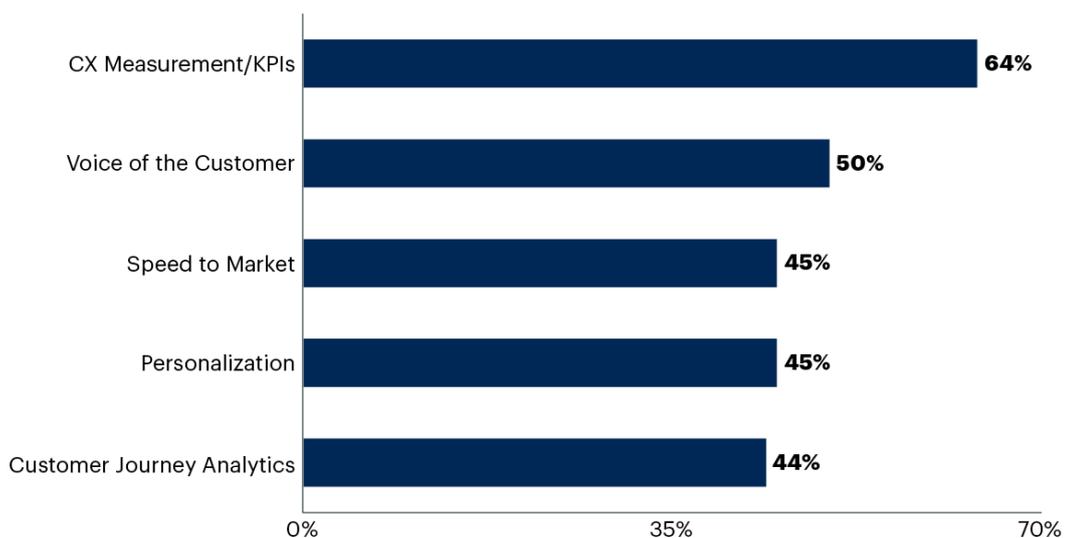
Source: Sicular; Davis; Vashisth 2018.



Appendix 6: Most prioritized topics of CX projects covering AI use cases

Source: Norrie; Davis 2020.

Many Organizations' Top CX Priorities Strongly Lend Themselves to AI Use Cases



n = 244

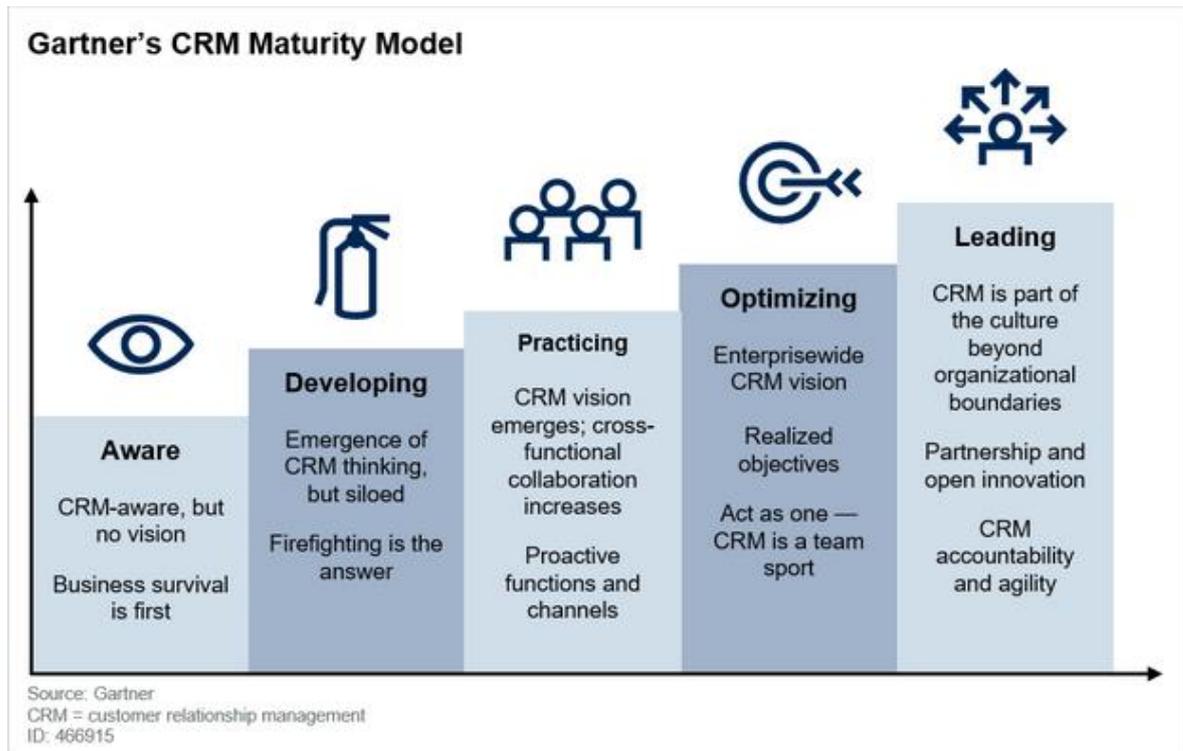
Q: What are your organization's customer experience (CX) priorities in the next year?

Source: Gartner Customer Experience Innovation Survey

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Appendix 7: CRM Maturity Model from Gartner

Source: LeBlanc; Thompson; Agarwal 2020.



Statement of Affirmation

I hereby declare that all parts of this thesis were exclusively prepared by me, without using resources other than those stated above. The thoughts taken directly or indirectly from external sources are appropriately annotated. This thesis or parts of it were not previously submitted to any other academic institution and have not yet been published.

Nadine Bilgeri

Dornbirn, 03.07.2020

Nadine Bilgeri