# Marketing in CRM – Implementation Strategy for the Automobile Industry in Angola – A Teixeira Duarte Case Study

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## Abstract

The automotive industry in Angola is characterized by an increasingly competitive environment where a growing middle and high-class of consumers consistently searches for new vehicles. Additionally, the development of the industrial and commercial tissues in the country create a vast market for vehicles B2B. As a result, firms within the automotive industry are forced to adopt a CRM model that covers all the stages of the customer lifecycle in order to attract and retain consumers, through proximity with their needs and wants. Moreover, in a market where information about the customer is key to success, a good CRM strategy that integrates technology with the firm's existing processes, leveraging on data to make informed decisions can be the difference between success and failure. However, to make the most of a firm's CRM strategy, there is a need to have a methodical, and thought-out strategy to implement change within the company, using the appropriate frameworks to lead change and considering the implications of culture in changing the firm's status quo. Finally, to measure the success of this implementation, a firm should measure its success through pre-defined KPIs. By doing all this, a firm is better prepared to adapt to the diversity of consumers in the market.

**Key-words:** Customer Relationship Management (CRM), marketing management, customer lifecycle, automotive industry, Angola, intimacy theory, cultural dimensions, change management

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A indústria automóvel em Angola caracteriza-se por um ambiente cada vez mais competitivo, onde classes média e alta em crescimento encontram-se constantemente à procura de novos veículos. Mais ainda, o desenvolvimento dos tecidos industrial e comercial do país criam um vasto mercado B2B para veículos. Por essa razão, as empresas do setor automóvel são obrigadas a adotar um modelo de CRM que abranja todas as etapas do ciclo de vida do cliente, por forma a atrair e reter os consumidores, por meio duma maior proximidade das suas necessidades e desejos. Além disso, num mercado onde informação sobre o cliente é a chave para o sucesso, uma boa estratégia de CRM que integre tecnologia com os processos existentes da empresa, aproveitando os dados disponíveis para a tomada de decisões informada pode ser a diferença entre o sucesso e o fracasso. No entanto, para aproveitar ao máximo a estratégia de CRM de uma empresa, é necessário ter uma estratégia metódica e pensada para implementar a mudança dentro da empresa, usando as estruturas adequadas para liderar a mudança e considerando as implicações da cultura na alteração do status quo. Finalmente, para medir o sucesso desta implementação, uma empresa deve medir o seu sucesso por meio de KPIs predefinidos. Com tudo isso, a empresa fica mais bem preparada para se adaptar à diversidade de consumidores do mercado.

**Palavras-chave:** Customer Relationship Management (CRM), gestão de marketing, ciclo de vida do cliente, indústria automóvel, Angola, teoria da intimidade, dimensões culturais, gestão da mudança

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# I. Introduction

The Teixeira Duarte Group can trace its origins to the independent work of Ricardo Esquível Teixeira Duarte, in the construction sector, specializing in hydraulics and geotechnics which lead to the creation of the company of Probing and Foundations (*Empresa de Sondagens e Fundações, Lda*) in 1934, renamed in 1987 to Teixeira Duarte, engineering and constructions (*Teixeira Duarte, Engenharia e Construções, S.A.).*

Although Teixeira Duarte began as a construction company specialized in hydraulics and geotechnics focused on the Portuguese market, in1951 they had their first international project in Angola and in 1974 they expanded to a new sector (real estate), continuously evolving throughout the years till current day, reaching 6 industry sectors in 22 countries.

One said segment is the Automotive industry, located mostly in Angola, consisting of the sale of vehicles, both light and large, motorcycles and other equipment and in the provision of post-purchase services. This sector will be the focus of this master thesis.

Teixeira Duarte entered the automotive sector in 1991 through "TDA – Comércio e Indústria, Lda." in Angola (henceforth referred to as TDA), exclusively representing Nissan in the country, followed closely by the inauguration of VTD – "Veículos Automóveis, S.A." in Portugal, representing Mitsubishi. The latter was in operations until 2007 and more recently, from 2016 to 2020, Teixeira Duarte reentered the Portuguese automotive market with the representation of Suzuki in the Lisbon area through "SMOTORS, S.A.".

At the moment, Teixeira Duarte's presence in the automotive market is concentrated in Angola through TDA, representing brands like Nissan and Renault (Light vehicles), Renault Trucks (large vehicles), Honda (motorcycles), Heli (equipment), with their main focus being on Light vehicles and, at least for the past few years, company clients representing most of their customer base (Approximately 90% of Nissan products sold and approximately 83% of Renault's in 2020).

At the beginning of TDA's activity, demand for vehicles was far greater than supply and as a result, TDA's sales required very low effort in terms of customer acquisition. Nowadays, however, with an increase in competition, allied with an economic recession and, more recently, the effects of the Covid-19 pandemic, have all made sales much harder and, therefore, the need for better CRM tools ever more pressing. Although TDA has certain CRM practices in application, the fact is sales are declining and customer acquisition is harder than ever. Moreover, during the years of easy sales, TDA has neglected its customers, over-priced its products and cut severely on all CRM best practices altogether, hand-picking which customers to sell to, not having targeted marketing or even advertising and not monitoring quality of services provided to their clients. As a result, TDA is currently perceived in the market as expensive and too distant from the consumers.

Angola has experienced an Economic recession since 2016 with its main cause being the fall of Petroleum prices which represent 95% of Angolan exports, (African economic outlook 2021) significantly increasing public debt in the country (from 57.1% in 2015 to an estimated 120.3% in 2020) and leading to a loss of consumer purchasing power in the country. All these effects were exacerbated by the Covid-19 pandemic which caused a particularly sharp deterioration of economic variables in the country in 2020 with the inflation rate reaching an estimated 24.6%, the local currency (kwanza) registering a cumulated devaluation of 36% and a GDP deficit of 4.5%. All of these reflected on the accessibility to secondary and tertiary goods (vehicles being part of secondary goods), particularly imported vehicles whose prices rose significantly due to the devaluation of the currency and the normal increase in prices derived from high inflation rates.

Additionally, the unemployment rates in Angola in the third quarter of 2020 have risen to 34%, and to 56.4% in the young unemployment rate which significantly decreases the number of potential consumers for vehicles in the country. (African economic outlook 2021)

However, according to Standard & Poor’s, there’s an expectation the economy of Angola will start growing again from 2022 onwards, that growth having been delayed mainly by the decline of oil prices as well as a slow vaccination process in Angola (RTP, 2021).

Finally, the imports of vehicles and other transportation materials during trimester I of 2020 were worth 91 424 Million Kwanzas (<130 Million euros) registering a negative growth rate of 83.3% compared to its homologous period (INE, Estatisticas do Comércio Externo - I Trimestre de 2020), increasing by 48.7% in trimester I of 2021 to 136 011 Million kwanzas (aprox. 193 Million euros) compared to its homologous period (INE, Estatisticas do Comércio Externo - I Trimestre de 2021). Still, imports of vehicles and other transportation materials in trimester I of 2021 were only aprox. 24.79% of the imports during the same trimester of 2019, showing the extreme effects of the covid-19 pandemic on the automotive industry where TDA is inserted.

As a result of this complicated context within the Angolan automotive market, TDA faces the challenge of increasing sales and, thus, revenues in the automotive industry in the upcoming years. With that in mind, the main question this paper aims at answering is how TDA can manage its customer relationships in a pre-sale stage, so as to acquire new customers and increase sales of vehicles in the upcoming years. To answer this problem statement, a few research questions have been raised, namely, (1) can TDA diversify its target audience and product offering in order to increase sales? (2) are there improvement opportunities in marketing strategies for new customer acquisitions and (3) are there inefficiencies in current processes implemented by TDA which render their CRM strategies ineffective?

In the following analysis I will aim at answering all of these with a particular focus on CRM strategies applicable to TDA that take into consideration the various environmental factors that influence their success.

# II. Literature Review

## 2.1. CRM as a Concept

Despite customer relationship management (CRM) as a research topic being around for quite a while now, there is still no consensus on a definition of what it is exactly. According to some authors, CRM is purely technology-based, representing a data-gathering tool that automates customer analysis and sales force (Balasingham et al., 2021; Chang, 2007; Garrido-Moreno et al., 2014). Others are that consider CRM as a more theoretical marketing strategy that centers efforts on creating value for customers (Akroush et al., 2011; Hammervik, 2015; Payne & Frow, 2006; Sin et al., 2005).

CRM platforms also provide their own definitions of what CRM is with salesforce defining CRM as *"a strategy for managing an organisation's relationships and interactions with customers and potential customers."* And Microsoft (owner of Microsoft Dynamics CRM) stating *"Customer Relationship Management (CRM) is a system for managing a company's interactions with current and future customers. It often involves using technology to organize, automate, and synchronize sales, marketing, customer service, and technical support. CRM can help reduce costs and increase profitability by organizing and automating business processes that nurture customer satisfaction and loyalty."*

Alternatively, many consider CRM from a broader perspective, as a strategy that leverages on existing technology, and manages a firm's resources to provide goods or services with a customer-centric approach. Specifically, they claim that CRM is composed by 3 steps – people, processes, and technology – all linked by an integrated plan that maximizes value creation for consumers. (Adlin et al., 2019; Bozkurt & Rahimi, 2015; Bull, 2003; Chen & Popovich, 2003; Mendoza et al., 2007; Rahimi, 2017; Rahimi & Gunlu, 2016; Zablah et al., 2004).

Discrepancies on the definition of CRM, however, go even further since, while some believe the relationship management process starts the moment the customers first interact with the firm (Adlin et al., 2019; Chang, 2007; Garrido-Moreno et al., 2014; Peelen et al., 2007; Subramanian et al., 2021) others are that include the customer acquisition part within the CRM framework (Parvatiyar & Sheth, 2001; Payne & Frow, 2006, p. 136; Sin et al., 2005).

CRM both as a strategy and as a tool has always been seen as a key factor that dictates success for firms. However, consistently, results on CRM and its impact in companies has been somewhat underwhelming with many studies reflecting the failures of CRM solutions. In fact, around 60 to 80% of all CRM projects result in neutral or negative results for the implementing firms (Almotairi, 2010; Kale, 2004; Richard et al., 2007). Therefore, the question that arises is, what reasons make CRM successful?

## 2.2. CRM Approach

Sin et al., 2005 and Yim et al., 2004 approach this topic by stating that the only way for CRM to be successful is if it is perceived as the integrated strategy that focuses on 4 pillars: key customer focus (KCF), CRM organization (CRMO)/organizing around CRM, knowledge management (KM), and technology-based CRM (TBCRM). This notion is equally reflected by the research of Nandeesha and Venkatesh (2019) who identify knowledge management (KM) skills, technological readiness, top management support, change-process readiness, data-sharing readiness, CRM strategy communication, cultural changes, customer orientation and system integration skills as key success factors for CRM.

## 2.3. CRM in B2B

In previous research, investigators have mostly focused on CRM for B2C companies, and often generalized it would be the same for all firms. Yet, as Labus and Stone (2010) have shown, B2B CRM is far more complex, and its implementation requires a better grasp of the organizational theory of the firm, in other words, how the technology, social structure, culture, and physical structure of the firm interrelate and influence CRM strategies. Moreover, one key difference that is identified is that, while consumer interactions in B2C are mostly transactional, B2B interactions tend to be more relational, which is to say they depend more on the relationship between sellers and the firm client. They also point out that these relationships constitute a part of the day-to-day operations of the buyer firms and, as such, have a bigger relevance in the decision-making process.

However, B2B relations still have a strong component of affective decision making (Stern, 1997). In order for B2B relationships to be successful, these should take into consideration factors such as intimacy theory which basically lingers over 5 essential pillars (the 5 Cs) as defined by Stern (1997), these being (1) Communication, (2) Commitment, (3) Caring, (4) Comfort and (5) Conflict Resolution. In the context of relationship marketing and CRM, Communication focuses on the self-disclosure of feelings from the consumer to the provider, as long as the feelings shared are met with a sympathetic listening that conveys proximity and intimacy between both parties. Commitment refers to the focus of the provider in credibly putting the interests of the customer first, showing that the success of the relationship is important to them. Sometimes it may even mean sustaining short-term losses for the retention of consumers and the potential for long-term gains. Caring, in CRM tends to focus on a legitimate concern for the customers' needs and takes the form of a message of concern without the need for reciprocity. Messages that tend to seem self-less and honest are perceived as more intimate. Comfort is based on the knowledge of the consumer that, should they need it, they can get support from the provider, whenever and wherever, easily. In other words, the comfort comes from knowing they can rely on this relationship. Finally, conflict resolution is the concept of accepting conflicts as inevitable in a customer-provider relationship but shifting the focus from avoiding the conflict to resolving through "listening, negotiation, and conciliation". If done properly, this last step may turn a conflict into a bonding source for a more intimate relationship (Stern, 1997)

## 2.4. CRM Components

So, after all this, what exactly does CRM entail? As previously stated, CRM focuses mainly on 3 components – Processes, People and Technology – all linked by a common, integrated strategy. However, it is worth looking at what each of these entails (Mendoza et al., 2007):

- "Processes" includes every process of the organization in which the customer interacts with the firm, being the most relevant three, Marketing, Sales and Customer Service. The focus of "Processes" in CRM is making sure that everything the company does that relates to the consumers is thought out with a customer-centric view, always creating a linked approach in everything done within the firm to create a sense of cohesiveness in the service provided.
- "People", can be divided into **two perspectives**. On one hand, it pertains to **understanding the customer**, particularly, "customers' definition of value" (What is the value customers are looking for and what value do they see in a product or service?), "customers' satisfaction" (How happy are you with this product/service?) and "Retention and Loyalty" (How capable is a firm of adapting to the customers needs at any given time and, in so doing, establish a long-term connection with its

customers?). On the other hand, “People” relates to the **organizational aspects** of a firm. These include (but not exclusively), creating a customer-centric organizational culture, training the employees on appropriately dealing with customers, involving the leadership of the firm in implementing this new culture and monitoring its performance.

- “Technology” is the last component and it can be anything from CRM software to Enterprise Resource Planning systems (ERPs), Salesforce automation, data warehouses and data mining, help desks, internet influence, call centers, etc. The purpose of this last step comes from the understanding that if you want to adapt to customers’ needs, you need to know as much about the customers as you can, you need to be able to predict behaviors based on that knowledge and also, need to serve customers the best way possible, at the best time possible. But, with massive amounts of data available, technology is needed to automate or facilitate a lot of these steps.

## 2.5. What makes CRM successful

Ultimately, CRM is a complex strategy, process and tool that may generate great results if implemented right. However, as Akroush et al. (2011) point out, it is, so far, difficult to generalize the benefits of CRM to all economies (especially emerging ones) since most investigation was done in and around Hong Kong. Therefore, even if CRM shows promise everywhere else, there is no guarantee that it will show promise in a country like Angola.

To maximize the likelihood of success, however, **two key paths should be studied**. Firstly, what are **common pitfalls and success drivers for CRM strategies** in general, and secondly, **what is the Angolan culture** and how do customers in Angola negotiate, communicate and what national cultural influences are they faced with. By understanding these two, one is better able to implement a strategy that can be successful in the long run.

Starting with some common pitfalls, these are, (1) considering CRM as just technology, (2) not implementing a customer-centric approach to business, (3) under-valuing customer-lifetime value, (4) poor top management teams, (5) no change management, (6) failing to adapt processes to the new customer-centric business practices, and (7) underestimating the difficulties of data mining and data integration. (Chang, 2007; Kale, 2004; Gordon, 2002; Mendoza et al., 2007):

- (1) CRM, if seen as just the tool without everything else it entails, will lead companies to focus more on the functionalities of technology then on the needs of the customers. That disconnect will lead to failure. Moreover, a tool is only as strong as the person using it, so People will ultimately dictate the effectiveness of the CRM tools implemented;
- (2) If decision making is not made with a customer-centric vision, then having a lot of data on customers becomes irrelevant. Decisions should be made with the customers' needs at their core;
- (3) The paretto rule states that 20% of your customers represent around 80% of your revenues and, generally speaking, that is true for most B2B interactions. Companies should understand that and focus on creating long-term relationships with their best customers;
- (4) When the management team does not monitor and support the implementation of CRM, the engagement of employees with the strategy is low and decreases over time;
- (5) In order for CRM to be implemented correctly, change management needs to be applied to the firm so that all stakeholders contribute to the organizational structure that enables this strategy's success;
- (6) Processes can not stay the same if a different result is expected. Instead, each process inside a firm should be reviewed so that the process flows make sense with a customer-centric approach to business and, more than that, so that each process can be optimized with the new technology available to the firm;
- (7) Data Mining (gathering all the data) and data integration (unifying all gathered data so as to provide a 360º view of consumers) are extremely hard tasks due to the high amount of data gathered and the complexity of systems within a firm. To be successful, determining first and foremost what data is needed from customers at each step of a customer journey is imperative.

Some additional success factors, according to Mendoza et al. (2007), are including people from all over a firm's hierarchy in the change process so as to make CRM implementation more acceptable and easier to understand for everyone in the firm, defining short, medium and long-term goals for CRM implementation to better be able to monitor progress and adapt communication to the relevant stakeholders.

Once we understand the common pitfalls and success drivers, it is worth moving to the impact of the Angolan culture as it is without a doubt one extremely important pilar for the success of a CRM strategy in this context.

Culture can be extremely influential in business areas such as negotiations (Brett, 2000), M&As (Lin & Miller, 2003), expatriation of management and employees, … and as such, it is worth looking at how it might influence the implementation of a CRM strategy in Angola.

Culture can be influential in 2 perspectives: Internal Organization and Interaction with the Exterior.

Culture influences how likely employees are to react positively or negatively to some forms of communication, how they react to authority, etc. According to Hofstede Insights, there are 6 cultural dimensions that reflect a national culture and prescribe behaviors.

Power Distance reflects how likely a nation is to accept authority and hierarchy. The higher the value the more people accept that there is a hierarchy and the less they question decisions from above.

Individualism vs Collectivism reflects whether a nation's culture is more oriented to community interests or personal self-interests (community loyalty vs family, self and close friends).

Masculinity vs Femininity defines whether employees are more focused on winning and being the best (Masculine) or more focused on being happy and doing what they like (Feminine).

Uncertainty avoidance reflects whether a population is risk seeking or risk averse.

Short vs Long-Term orientation shows whether a population is more likely to consider the effects a decision/choice will have in the long-term or not.

Indulgence reflects whether a population is likely to use money for non-essential consumption, satisfying urges, and desires.

Other factors that are relevant in a culture for communication purposes amongst others are symbols, heroes, rituals, values and principles (Hofstede, 2001 p11), religion (Essoo & Dibb, 2004) and language (Luna et al., 2003)

## III. Methodologies

In order to analyze the issues at hand, there is a need to structure the analysis in a way that creates a comprehensive and easily understandable link between all the stages in which CRM can be used for marketing purposes. For that effect, I will use the Customer lifecycle model as an appropriate framework for this analysis. However, in order to best adapt the model to the specific needs of an automotive industry, I will use a mix of the traditional customer lifecycle model (Cutler & Sterne, 2000) which describes the customer journey as consisting of 5 steps (reach, acquisition, conversion, retention and loyalty) with a few other model adaptations or derivations that in some way add valuable insights to further adapt the model to the real-life implications of customer relations. Such model adaptations are the ActiveCampaign's version (2020) that divides the acquisition stage of the customer lifecycle into 2 separate steps (research and comparison), and the B2B Customer lifecycle model iteration of Smart Insights, also called the RACE framework as an acronym for the model's steps (Reach, Act, Convert and Engage), which gives insight into how the customer lifecycle may adapt to B2B customers.

This way, the final framework to be used includes the following steps: Reach, Research, Comparison, Conversion, Retention and Loyalty, better represented in the figure 2 with the links between each step within the framework.


*Figure 1 Cutler & Sterne, 2000 adapted*

In order to develop on each of the customer lifecycle stages I will be conducting regular weekly meetings with the Head of innovation and new business and a brand director of TDA to get insights on both the needs of a firm concerning CRM, for each step of the customer lifecycle and to also grasp the specificities of the automotive industry and the Angolan market for a CRM implementation within the used framework.

Moreover, in order to understand the most common pain points of using a CRM tool and implementing a CRM strategy in a firm, I adapted the 360º feedback framework (Carson, 2006) to gather feedback on the existing CRM strategies within TDA from various users throughout the firm that use the existing tools from various perspectives and for different goals. I did so through 4 semi-structured interviews to a commercial director, a commercial secretary and 2 Chiefs of sales, on which a set of similar questions were asked to different stakeholders to gather complementary information as well as specific questions depending on the individual needs that each stakeholder had from the existing CRM tools. This way, the relevant pain points were lifted from various fronts through pattern analysis and recommendations can be made in a way that responds to the needs of all relevant stakeholders. For these exploratory interviews, the purpose was to be as unbiased as possible during the entire process, having no defined hypothesis or preconceptions, to receive feedback that was based on the true experiences of stakeholders.

Finally, to develop this analysis I procured and used data from various sources such as market and industry reports, specialist interviews with a PwC consultant, public economic data from Angola, scientific articles, etc. all in an attempt to mitigate the inherent uncertainty of the Angolan market.

## IV. Analysis and recommendations

Before diving into the actual CRM strategy, as stated in the methodology, this thesis relied a lot on expert opinions from both the automotive industry (commercial and brand directors of TDA as well as other staff members) and consultants working with CRM technology (1 consultant from PwC who wishes to remain anonymous).

From these interviews, the following are the some of the key takeaways:

| Interviewee | Subject | Main Takeaways |
|---|---|---|
| TDA Head of Innovation & New Business and TDA Brand Director | CRM, automotive industry, and Angolan culture | - A CRM system should be linked to the existing systems (e.g., autoline)<br>- The new system should cover all interactions with customers<br>- The CRM should be easy to use by all the relevant stakeholders<br>- Multiple client profiles for the same customer were a significant problem of the existing CRM<br>- Angolans have shown low responses from incentives to sell hard-to-push vehicles<br>- The Angolan automotive market was extremely interesting till a few years back when the crisis hit and is expected to recover in a few years again |
| TDA's Commercial Director | CRM | - Emails to customers should be standardized. No info available about which emails and how many were sent to each client<br>- CRM should condense all the information on a customer in a single place, easy to access wherever and whenever.<br>- While individual consumers tend to approach TDA when looking for a vehicle (often already knowing which brand they are buying), corporate customers are often hard to approach (unknown decision-makers)<br>- WhatsApp is often the preferred tool of communication by consumers in Angola |
| Commercial Secretary | CRM | - The preferred communication tools for Angolan customers are |

| | | |
|---|---|---|
| | | email and WhatsApp<br>- Having constantly updated data on customers like their current address and decision-makers (in the case of firms) is essential<br>- Many times the challenges with marketing are related with lack of information about the customer |
| Chief of Sales 1 | CRM | - Many times, sales proposals on CRM duplicate customer profiles<br>- Preferred communication channels are Facebook, WhatsApp and email<br>- CRM needs to automate reminders and simple communications with customers to make sure the timings of customer engagement are optimal |
| Chief of Sales 2 | CRM | - CRM needs to be thoroughly explained to all stakeholders<br>- Culture of the company needs to “force” and motivate all stakeholders to use the existing CRM technology, otherwise functionalities exist but are not explored<br>- Low visibility into what many of the features of the existing CRM solutions do makes users less motivated to use the tool as it feels too difficult or impractical |
| PwC Consultant | CRM | - CRM needs to cover all stages of the customer lifecycle<br>- Automation and interoperability of the systems installed are essential<br>- Connecting the CRM to offline marketing is challenging but can provide meaningful (yet hard to quantify) results<br>- Leading change in a firm is hard but essential to implement a CRM system<br>- Everyone should feel involved in the process of creating a new CRM for the firm<br>- Machine learning solutions are very relevant nowadays for the communication of the tool with customers to be as tailored and |

| | | |
|---|---|---|
| | | accurate as possible<br>- Customer segmentation, being done properly through strong algorithms can be the difference between a CRM tool being a success or a flop as everything else depends on this segmentation. |

Based on these interview takeaways the following analysis is developed.

For a CRM strategy to be comprehensive it should take into consideration the full customer lifecycle and, for each part of the process define specific strategies adapted to the needs of the customer at that specific step. Let us now look at each step of the customer lifecycle and understand in what ways a CRM strategy should adapt to each of these stages. It is worth noticing that, for the purpose of this thesis, the analysis will mostly focus on the marketing side of CRM leaving a more operational and sales related approach outside the scope of the study.

## 4.1. Reach

The first step of the customer lifecycle is where consumers become aware of the firm and the services/products provided. In this stage, the firm's main goal is to be seen and to be noticed, reaching out to the consumers at the appropriate place and time and in the right way, so as to increase visibility and generate brand recognition and brand recall later on. Particularly important to keep in mind is that, during this step, selling something is not as relevant as starting a relationship of some sort with the customer.

However, to appropriately address customers, it is necessary to first know who our customers are and how they think, what they want and where they are. With that knowledge at hand, we can accurately address them with the right message, at the right time and in the right place.

### 4.1.1. Customer Segmentation

There are plenty of segmentation strategies for both B2C and B2B customers and, for automotive companies, both these categories are relevant.

For B2C consumers, the decision maker is either the final user or someone related with the user, and generally have a specific preference for the use of a vehicle (according to TDA's specialists). Some examples can be price, lifetime cost (price + expected expenses with the vehicle post purchase), brand, features, safety, autonomy, etc. However, for firms, the users are not necessarily the decision makers and, more often than not, there are various decision makers in the process. As such, segmentation strategies need to be different to respond to these challenges.

For individual consumers, the first step of the segmentation strategy is understanding if the decision maker and the final user are the same individual or not. If so, then the communication becomes easier since the communication strategy can be adapted to the specific needs of the decision maker (e.g., an individual buying a vehicle for their use). If, on the other hand, the user is not the decision maker or one of them, than the communication strategy becomes trickier. If the user and the decision makers are completely separate, then the focus should be on the decision maker and their own criteria for assessing an option, yet the communication should demonstrate why the option is the best for the user as well (e.g., a spouse offering a car as a present to their counterpart). If there are more than 1 decision makers involved, the communication strategy should combine information to all of them (e.g., a couple purchasing a new car for the household). (TDA's Chief of sales 1's interview)

As such, in B2C segmentation, customers should be segmented by functionality of the car, preferred features and WTP. Besides these some indicators may be less obvious in their impact such as demographics. As such, it is relevant to use adequate software to interpret trends on existing customer segments and aggregate them into their relevant clusters. A benefit of using a CRM software for this process is that average customer lifetime value per segment can be calculated to infer on the likelihood of one specific customer being more or less profitable while still on the getting acquainted stage.

In B2B customer segmentation, there are different concerns to be had. Firstly, segmentation can be made, not by users or decision makers, but rather by the firm itself, using as criteria the industry, the size and number of employees, its location, and the type of use of the vehicle (transporting cargo vs sales agent vehicles) (TDA's Head of Innovation & New Business). However, ignoring the preferences of the decision makers is unwise, even if segmentation follows this logic, as ultimately, the purchasing decision rests on them. A second challenge is adapting to the decision makers since there may be more than one, with conflicting interests.

The fleet director, for example may have the responsibility of making the purchase and, as a KPI, a deal is as good as the price is lower than expected, whereas a Commercial director may also have an input on the purchase decision, and they are interested in a vehicle that impresses the clients or that is quick and silent for example.

**Recommendation 1**

The first recommendation would be to implement a 2-layer system on customer segmentation. The fist layer of the process would be to segment on vehicle. The reasoning is for automotive firms, especially those like TDA, located in Angola, the portfolio of available vehicles for sale is limited and, as such, there is no high level of adaptation to customer needs available to the firm. Therefore, the fist layer is to understand the vehicle that best fits the needs of the consumer. Then, once the vehicle is decided upon, the second layer is to decide on the communication strategy. For example, the same vehicle can be simultaneously affordable and safe and, depending on the preferences of the consumer, the message that is sent forth should be different. Based on the situation assessed above, an automotive firm should segment their B2C consumers using mainly 3 different criteria: car usage or functionality (long- vs short-distance trips), preferred features (e.g., safety, size of the trunk, number of seats, speed, …) and willingness to pay (price sensitivity).

In B2B sales, the reasoning should be similar. The first-layer segmentation is deciding the vehicle that fits best with the needs of the firm: According to both chiefs of sales interviewed, these are mainly location (quality of the roads and distance from city center influence the car choice) and usage (transportation vs commercial vehicles need different sizes and materials).

Then, the second-layer segmentation is to decide on the communication approach to the decision-makers, which again, follows the same reasoning as for B2C (car usage, preferred features and WTP).

One important detail to keep in mind is that, while the first-layer segmentation is for the purchase, regardless of decision makers, the second-layer segmentation needs not be the same for all decision makers. For example, a couple making a decision on a vehicle will both receive communications about the same vehicle (first-layer) yet if the husband prefers speed and the wife prefers safety, the communication received may and should focus on different features to adjust to the consumers’ preferences.

When considering a segmentation strategy, it is vital to keep in mind that not all the necessary data can be collected at once. More often than not, throughout time, and as the customer engages further with the firm, the customer profile becomes more complete, and thus more insightful. It may even happen that consumers that first appeared to be in one segment, end up shifting to a separate one later. Ultimately, a customer segmentation process is continuous and, while it starts during the reach stage of the customer lifecycle, it is ongoing throughout all of the stages, adjusting to changes in preferences and consumption patterns.

### 4.1.2. Customer Targeting

After the customer segments are defined, targeting should be primarily done on two fronts, firstly, which consumers is the firm best suited to target (if the vehicles are mostly inexpensive yet with moderate potency, a price sensitive consumer is better served by the firm then a thrill seeker looking for a potent vehicle) and which segments generate the highest lifetime value to the firm.

**Recommendation 2**

Nowadays, CRM systems such as Salesforce have solutions like their Marketing cloud (Salesforce) which create the customer segments, assess their lifetime value and state their priority in terms of customer targeting so, to be successful in this stage of the customer lifecycle, having a technology that enables this informed clustering of customers is essential.

### 4.1.3. Online and offline awareness strategy

Once the customers are known and the priority targets are defined, it is time to position the brand and the product to reach as many potential customers as possible. With that in mind, both online and offline campaigns can be interesting to study. On one hand, customers that are less tech savvy may be better approached with an offline campaign and it is easier to reach customers whether they want it or not. However, offline marketing campaigns are more expensive, harder to direct to the relevant market segments and, generally speaking, more expensive. On the other hand, in a country like Angola, online marketing may not reach a significant portion of the relevant customer base, even though for a company using a CRM tool, it is by far the most interesting source of marketing as it immediately captures a good amount of customer data from the moment the customer first learns from the firm.

**Recommendation 3**

A firm like TDA should have both online and offline marketing strategies to tackle both the more tech literate customers and the less literate ones, however, the two strategies can be linked in such a way that customers that get to know the firm through offline campaigns (e.g., outdoor billboards) are still directed to the online platforms of the firm that are then linked directly to the firm's CRM tool (e.g., QR code on the outdoor billboard that links potential customers to the company's website). This solution is consistent with the insights shared by the PwC CRM specialist interviewed, that basically state online, and offline marketing strategies should be linked when possible and work as complements to each other rather than separate strategies.

An important thing to keep in mind is that, during the reach stage of the customer lifecycle, not all advertising needs to be about sales. In fact, to create brand awareness, the most important thing is to be interactive, to get the customer to, somewhat inadvertently, provide TDA with data on them and their preferences which may be used in later stages of the customer lifecycle.

Therefore, some typical examples of interesting campaigns to reach new consumers can be, giveaways, challenges, games (all these three are more indicated for B2C), funny or edgy publicity (riskier because it is subject to interpretation which may be negative), etc. One thing that is key is that the company should decide what is their mission and vision (what image they want to transpire to the public) and all their outside communication should be consistent with that image (Shee and Abratt, 1989)

Regarding the online marketing of the company, it should be divided into 3 types: owned, paid and earned. (Burcher, 2012)

#### 4.1.3.1. Owned media

Owned advertising consists of those marketing channels which directly belong to the firm. These can include, blogs, websites, social media, …

When it comes to the website, it should be as visual as possible, with clean images and extremely user-friendly interactions. The idea is that consumers, when getting to know the firm for the first time, immediately get a good first impression, which will translate into a more prosperous relationship later on. Perhaps even more relevant is that, when accessing the website, customers do not leave without the company keeping their contact information.

**Recommendation 4**

When entering the website, customers should be prompted, immediately, to insert their, name, age, phone number, email address and place of work. There should also be options to fill in this information with their Facebook account which would allow TDA to then already have access to their social media platforms. This should not be mandatory, as some would feel uncomfortable to leave that data and they should still be allowed to browse the website, but the dismiss button should be small and not obvious to see, so that only those who truly do not want to share their data will actively look for the option. Moreover, if the person fills in the company option, a field should pop-up with a box to be ticked if the vehicle search is on behalf of the firm.

Additionally, it is important to optimize the website through analytics, such as using SEO tools to understand which key words are being used to reach the website, the percentage of users reaching the website through direct link, social media, organic searches or paid advertising, how much time they spend in the website and which pages they visit more often, …

By using these, a firm can understand what consumers are looking for and draw conclusions on their potential consumption potential. Some examples of conclusions to be drawn are as follows:

1. If consumers are mostly visiting the FAQ page, maybe the website is not clear or there is information missing in the product pages. The firm should analyze it.
2. If consumers only spend a few seconds on the website, probably the key words used to draw-in consumers are not properly addressing the interested potential consumers and should be improved upon
3. If a consumer spends some time within the pages of certain vehicle types, they may have a preference for those models. In this case, a CRM tool should flag this information as a potential lead for follow up.

**Recommendation 5**

TDA's website, Nissan's and Renault's should all be linked to the CRM tool of TDA. This way, whenever website visitors show some type of interest in a given vehicle, the tool should capture their data information and flag them as leads. It then should immediately address the lead to the relevant sales assistant (if a Renault vehicle is the one generating interest, the lead should be directed to a Renault team leader)

Regarding social media, the channels in Angola with the highest adoption rates are Facebook (81.93%), Pinterest (12.39%) and YouTube (3.27%) (social media stats Angola, 2021). When considering social media market shares for desktop users, YouTube becomes significantly more relevant (13.05%) while still being the 3rd most used after Facebook and Pinterest. When just considering mobile users, Twitter becomes the 3rd most used channel with a penetration rate of 1.37% (social media stats Angola, 2021).

Therefore, automotive firms engaged in the Angolan market have better chances of successfully acquiring customers through social media if they are present in the predominant tools, each with its own particular purpose. For example, Pinterest, as a photo sharing tool and an album creator, is more suited for sharing photos of vehicles, whereas Facebook allows for customer engagement, through posts, comments, shared content, etc.

**Recommendation 6**

TDA should be present on Facebook, YouTube and Pinterest. On Facebook, they should actively engage with comments on their posts, as well as post some miscellaneous content that is creative, engaging and interesting to their followers, even if unrelated with specific vehicles for sale. Some examples, like Ryanair and Netflix, use memes and humor as a gateway to attract followers in the reach stage of the customer lifecycle, which will then be exposed when campaigns are shared later in the lifecycle. The other 2 channels are more relevant for other stages of the customer lifecycle and will be approached later.

#### 4.1.3.2. Paid Media

Besides owned media channels, it can be relevant to use other sources of advertising that are not directly owned by TDA but might bring in new customers. For instance, Google is the most used search engine in Angola with 94.16% market share. Paid advertising in this search engine, associated with the right key words (to be chosen depending on the customer segment to be attracted) can prove very useful in increasing lead generation within the firm. Likewise, paid ads in social media or online newspapers and blogs with links to the websites might bring in new visitors to the owned channels of TDA. Offline campaigns such as billboards, flyers, posters and vehicle expositions can also be great ways to create brand awareness of a firm in the market. It is however worth mentioning that the owned media of the firm should be optimized before investing in paid media (e.g., the website should be perfected and adapted to the relevant customer segments before paying for ads with links to it)

#### 4.1.3.3 Earned Media

Finally, besides these, alternatives such as blogs about cars, articles on newspapers, participating in events/debates or engaging on social, not-for-profit activities might give some visibility to the firm which could generate new visitors and help cement the firm's capacity for brand recognition and brand recall. This media source, however, is much harder to measure in terms of its impact on the firm's performance as it is hard to link a visitor to a specific action within it.

### 4.1.4. B2B Strategy

While businesses can be harder to reach during this first step of the customer lifecycle, there are some relevant notes to be kept in mind that might help reaching the right decision makers. Firstly, B2C consumers today, may be decision makers in B2B sales tomorrow and, as such, it is important to retain, whenever possible, the position and company where B2C consumers are employed (PwC CRM specialist's interview). This way, the CRM database will include some potential decision makers that are already in contact with TDA.

However, there is still a need to reach decision-makers through alternative methods. Some options may include, specialty magazines or newspapers, automotive reviews and reports or public appearances in fairs and events where potential firm contacts may be present (PwC CRM specialist). It is useful to have, whenever possible, electronic links to the firms' website available (perhaps as QR codes) to increase the likelihood of engagement from the customers with the firm

Ultimately, for a reach strategy to work well, all of the company's tools and marketing initiatives need to be linked to a centralized CRM tool that links social media data, website analytics, customer provided data, and all other obtained data from various sources to create optimized, updated databases that manage to accurately segment the market and create powerful foundations for future lead generation and sales.

## 4.2. Research

The second phase of the customer lifecycle is research. During this step, the customer is trying to learn about the product to buy and the brand is generally not the focus, but instead, potential customers want to learn about which features to look for in a car. The goal of a firm here should be to make sure the features the customer is looking for, are the ones their vehicles possess.

There are plenty of ways firms can do this, depending on the channels the customers consult. An important part of the segmentation process is also to understand where each segment makes their research, and what they look for in a vehicle, and then, communicate different features for different channels.

Going one step back, when making decisions, customers generally make choices based on one of three options: brand, attributes, or features (TDA's Chief of sales 2). Decision-makers that make choices based on a brand should be targeted mainly during the previous stage and generally speaking, skip the research stage of the lifecycle altogether, occasionally looking a little into which features, or attributes are most relevant but only to compare different models within a brand.

Decision-makers making choices based on attributes are generally those customers that have limited knowledge about the automotive industry and, therefore, look for specific qualities or benefits the vehicle provides rather then the features that create those benefits (e.g., customer researches the safest or the fastest vehicles in the market) (PwC's CRM specialist)

To reach these types of customers, the best alternatives are videos, articles, interviews that are simple, easy to understand catchy and focus only on a few attributes the customer is looking for.

**Recommendation 7**

For TDA to share videos, YouTube is a good media option and, as seen before, it has a widespread usage within the Angolan market, thus making it a particularly useful platform for sharing short videos, that are interactive and focus on attributes like comfort, safety, resilience, etc., mentioning the features that ensure those attributes, but without developing further on them. Having a few different videos, each focusing on different attributes is even better for customer targeting since, depending on the attribute that the customer is searching for the most, the most relevant video will show first on the search engine results.

For articles and other media, vehicle blogs (owned or from third parties), the company's website and some social media platforms are the best locations to share these articles as they are relatively simple to understand and should be available in media platforms that are directed or used by individuals not looking for very specific and technical insights into the market.

Bloggers that compare cars to each other on several attributes are also good options to market TDA vehicles. TDA may engage with them, provide them with a trial run in exchange for an article/video on the matter, however, external reviews are a risky option as it isn't always guaranteed they will confirm what the firm wants to communicate.

Finally, some consumers make decisions based on the features a vehicle provides. These tend to be the most demanding consumers and are either, professionals or technically inclined individuals (PwC's CRM specialist). For these customers, the best alternatives for communication are in-depth expert interviews (on video or in writing), detailed articles, trials and their conclusions (comparison between new technology within a vehicle and the previous standard that conclusively shows what the improvement is), etc.

For media channels, these types of communication should leverage on industry newspapers and magazines, industry reports, technical blogs and, naturally, also on the company's social media, website and YouTube pages. In B2B sales, when targeting bigger firms, there is a big chance the decision-makers fall into this category as often there is a procurement director or a fleet manager that is actively looking for this purchase decisions as a major component of their job description (with smaller firms that don't have a specific position for purchases this may not be the case)

**Recommendation 8**

TDA should have expert interviews about their new vehicles on YouTube as well as some articles in relevant magazines such as Prestige Angola. It can be particularly relevant considering the weight that corporate clients have on the current sales of TDA

Ultimately, during this stage, the customer also provides some very meaningful data on their consumption patterns and interests, if only the firm can analyze that data and turn it into usable knowledge. For instance, customers reading articles about specific features in industry magazines that spend a significant amount of time on the platform, indicate that they are more likely to be on the lookout for features and not attributes (most likely an informed customer) and that the features covered in the article (e.g., horsepower, fuel consumption, …) are meaningful to them which provides further information for future contacts between the firm and the customer later in the lifecycle.

**Recommendation 9**

The CRM platform used by TDA should be linked to the videos or articles on social media, and website and, through the SEO data or social media analytics gathered by that content, register which content did a given consumer enjoy the most and what potential features or attributes are they searching for the most. Once gathered, together with all the relevant data captured before, a given consumer should have a profile built automatically by the system that TDA can access at any point during the lifecycle.

## 4.3. Comparison

After investigating the characteristics of the vehicles and learning what to be on the look out for, customers move to the comparison stage of the customer lifecycle. During this stage, customers, armed with the knowledge of what attributes and features matter the most to them, will compare available options in the market in an attempt to purchase the best available alternative (ActiveCampaign's, 2020). During this stage, the role of the sales department begins to have significant relevance as customers should be contacted directly by sales personnel to be convinced of the advantages of buying from the firm as well as establishing a personal relationship with the potential customers. However, as the focus of this thesis is on the marketing of CRM, sales will not be further covered.

Instead, during this stage, marketing in CRM can be relevant for 2 reasons: (1) Showcase available alternatives of the firm and (2) engage with consumers while they consider other firms' options (PwC's CRM specialist's interview)

### 4.3.1. Showcasing the Portfolio

At this stage of the customer lifecycle, the customer segment has been mostly identified (Customer segmentation during the reach stage), data on its consumption patterns has been gathered (preferred attributes and/or features during the research stage) and, as such, now it is time to put all of that data up to good use. Because the consumer already signaled their preferences, the firm should leverage on the customer profile assembled to understand what vehicle is most suited to them (layer 1 of the segmentation process). Once that decision is made by the sales department, the CRM profile of the customer should show that information, which then allows the marketing department to effectively communicate to the consumer on the relevant features of that vehicle, highlighting the ones that are most relevant. During this stage, timing and place is everything. Sending emails with campaigns or just information on the relevant vehicle for the customer, at the time they most often visited the articles or social media pages of the firm, increases the chance they will not just read the information but actually act on it. Likewise, targeted adds on social media regarding the vehicle in question can be great ways to make the consumer consider the offers of the firm. Moreover, all of these communication strategies should have easy to use links to that vehicle's page in the firm's website in order to actively make consumers consider the firm and the vehicle as viable options. During the comparison stage, if the firm has done its job well during the previous ones, the consumer will also often visit the firm's website organically to look for the available alternatives (brand recall).

Once the consumers are visiting the vehicle's page, it is extremely important that they can gather all the information they care about in terms of features and attributes. It should be user friendly, complete, simple to understand yet with links to further descriptions, when appropriate, for those consumers that want to know more. As viable KPIs, the number of times a consumer visits the FAQ page, whether they continue in the website after seeing the

FAQ, the time they spend on that page and on the website as a whole can all indicate whether the website is user friendly, if it answers all the questions consumers might have or not and whether it is captivating enough that consumers want to explore it.

**Recommendation 10**

TDA currently has 3 websites (TDA, Renault and Nissan). On Renault and Nissan, the vehicle information available focuses mainly on attributes, often doesn't mention attributes regarding efficiency in energy consumption, restraining to space, safety and aesthetics and has no information available on features of the car. TDA's website doesn't have any data on the vehicles and has no direct link to the brands websites. As such, TDA should refurbish all of their websites to provide more info regarding their vehicles on their Nissan and Renault websites, organizing that information in 4 or 5 categories or attributes, and for each giving a summary of why that attribute exists (tailors to those who only care for the attributes) and a list of the features that make that attribute a possibility (for those who want to know more), as well as refurbish their TDA website, with a list of their "best vehicles", a brief description of why they are good and links to their Renault and Nissan websites.

### 4.3.2. Block competition

Although consumers look (ideally) at the portfolio of the firm during this stage, a comparison implies they will also look at vehicles from competitors. As such, besides showcasing the existing portfolio, a given firm also needs to intercept consumers while they are looking at the competitors' portfolios so that, even if they find a vehicle they like, they do not purchase without also getting to know the own firm's portfolio. To do this, some options are having ads targeting customers searching for the competition on social media and search engines, run campaigns on similar locations to the competition so that customers are never just exposed to the competitor and be present in as many multi-brand sales portals as possible (not a suitable strategy for luxury brands). For instance, in Angola, most car retailers like Toyota and TDA are present in Angocarro, an online vehicle stand that sell both used and new vehicles.

Understanding not just what they clicked and when but also which ads they saw and what cookies activated them can be extremely informative for a firm to understand information on a potential customer. For instance, lead tracking and mapping is a feature, provided by various CRM systems such as ZOHO that allows a firm to gather data regarding which ad the customer saw, what website or social media did they see it in, what keywords did they search for, how much time did they spend there, etc. Therefore, if a consumer searches on google for "Toyota vehicles" for example, and clicks a paid ad from TDA, the firm will now know that the customer was searching for Toyota when they clicked the ad. More than that, with marketing cookies, it is possible to have access to the customers browsing history, thus realizing, for example, what competitors have they visited recently besides the firm. Although this is an ideal feature, the fact is that, with new privacy policies, this is presumably not going to be an option forever.

## 4.4. Conversion

After the consumer has compared all the available options, it is time to proceed with the purchase. Generally speaking, when the customer has decided to purchase from a firm, there isn't much for the marketing department to do about it, as it is the sales team's job to bring the sale home. However, if the consumer has decided to buy from the competition, there is still something that can be done. In this case, the marketing team faces the challenge of trying to intercept the customer during the purchase decision. Since vehicle purchases, especially in Angola, have to be done in person, the best way to intercept consumers is to have offline campaigns, visible on the way to the competition's stands, that make customers reconsider their decision. Slogans like "you don't get a second chance at a first good impression" or "a car is a big decision; you want to make the right one!" are examples of strong messages that may have the desired effect on the consumers of casting doubt upon their decision. Ultimately, during this stage, it is hard to connect the CRM tools to the advertising, however, if the desired effect is achieved, the customer will return to the previous stage of the customer lifecycle and the firm will have another chance of converting them themselves.

## 4.5. Retention

When talking about the retention stage it is worth clarifying, first and foremost, what is included within retention and what distinguishes this stage from loyalty.

“Customer retention is the way of converting the new customers into the regular clients through creating greater customer value and long term customer satisfaction” (Kotler and Armstrong, 2008). This means that, while loyalty certainly is a way of retaining customers in a firm, price promotions, subscriptions, superior quality or niche portfolios are also ways to retain customers that don’t necessarily imply loyalty.

In the automotive industry, there are some ways customers can be retained. The first way is through cross-selling. When selling the car, a firm can also try to sell complementary goods and services such as car maintenance, regular and mandatory check-ups, or even simpler products like carpets and air-fresheners. For these, a CRM system can be of assistance by registering a purchase date for a vehicle and automatically sending advertising regarding check-ups, maintenance, etc. to the customer before mandatory dates come up.

Alternatively, having specific designs for the vehicles means that, if something breaks (e.g., side mirror), the customer has no alternatives to the firm where the vehicle was bought, thus retaining the customers for complementary sales.

By tracking the online searches of existing customers, the CRM system can identify those searching for services/products sold by the firm and target them with specific campaigns that respond to those needs (e.g., if a customer searches for certified stands providing mandatory maintenance, they should receive campaigns on their preferred media (social media ads or custom emails) regarding those services.

Additionally, some consumers are retained by the quality, or the prices offered and, depending on the customer preferences, retention strategies can differ. For instance, price-sensitive customers can be retained through promotions, whereas quality-driven customers are more likely to accept up-selling attempts like upgrades on vehicles or newer models of the firm’s portfolio.

**Recommendation 11**

Since in Angola cars have a relatively shorter lifespans than in Europe, TDA should use their CRM system to target customers when their vehicles reach 6 months (a bit before that) with advertising regarding maintenance of their vehicles, and after 2 to 3 years with campaigns on newer vehicle models. Moreover, customers should be segmented by the vehicles they own automatically by their CRM system and receive campaigns for upselling opportunities, promotions or complementary services, depending on their preferred attributes and features as well as on their needs at any given time.

## 4.6. Loyalty

During the loyalty stage of the customer lifecycle, the purpose is not just to retain the customer but to establish a true relationship between them and the firm, infusing existing customers with brand loyalty so that, when considering new purchases, there is an emotional response that triggers an immediate preference for the firm. To do so, there are a few techniques that can be useful. Intimacy theory (Stern, 1997) would suggest a personal commitment between the firm's employees and the customers can create a level of intimacy that in turn becomes a trigger for brand loyalty. Certain actions with no obvious intents in selling can generate this relationship (e.g., offers on customers birthdays or on the 1-year anniversary of the first purchase can be interesting ways the customers can be engaged in accordance with the 3rd "C" of intimacy theory – caring).

During this stage, loyalty programs, customized campaigns like birthday wishes and discounts for the customer on their birthdays, emails wishing happy birthday to the customers' children, … are interesting ways to establish a rapport of a firm that cares about its customers.

Another good way to keep customers is by creating forums where they can share their views on how the firm can improve their operations. These are very positive but only if the customer believes their suggestions have been considered and acted upon. Likewise, if they believe their feedback has been dismissed, it may have the opposite effect, generating brand animosity.

CRM systems can greatly automatize all of the marketing campaigns, customizing birthday wishes to the customers and their loved ones by storing names and dates for future use, sending promotions that are adjusted to the owned vehicle, their birthday or the anniversary of their first purchase, etc.

CRM is also useful because it can test the success of these campaigns to understand which customers are more loyal, and which seem to need different approaches.

Loyal customers are extremely beneficial to a firm as they, first and foremost, are more likely to repeat a purchase, even if they are offered better conditions elsewhere, as they expect to be treated better with the firm or simply have an emotional connection with it and secondly, because they are more likely to serve as advocates of the firm, contributing to the firm's advertising through word-of-mouth.

During this stage, a firm can also leverage on loyal customers by creating networking events that generate PR, ask customers to participate in video testimonials or even just written reviews of their experience, create "bring-a-friend" campaigns, …

Ultimately, loyal customers are the ones to look for as they bring both tangible and intangible value to the firm (e.g., hard to measure the impact of the word of mouth of each individual customer). This also means that a CRM system should warn the marketing team when a previously engaged customer of the firm is inactive for a long term. In these situations, marketing can start with some promotions or, the sales team may intervene by contacting the customer directly.

## V. Roadmap to implement

Following the customer lifecycle framework, any given firm in the automotive industry is able to establish a good CRM system that tackles all its marketing needs, however, knowing what our CRM should look like, by itself, is not enough. Implementing a CRM strategy and tool within a firm is a long and complex process that requires a series of considerations to maximize its likelihood of success. In particular, it is extremely important to consider some key success factors of CRM implementation, how these adapt to the firm's organizational culture and how the national culture and consumption patterns of society influence this implementation.

### 5.1. Implementing the tool

Although CRM is not just a tool (Chang, 2007; Kale, 2004; Gordon, 2002; Mendoza et al., 2007), a good CRM system nowadays needs good technology to support it. The first pitfall that many fall into when implementing a new CRM system is they forget the firm is not starting from scratch, but rather already has a rapport in the market and an ongoing way of conducting business. Thus, a CRM system needs to be adaptable to existing software and tools used by the firm (e.g., existing ERPs). In fact, this integration can even create further value since much of the information needed by the marketing and sales teams after CRM has segmented the customers, etc. is actually in their other systems (e.g., if a CRM defines a customer as a part of a segment that is suited for a "Renault Koleos" vehicle, the ERP can already check for the stock of the vehicle and give all that information to the sales personnel and the marketing teams).

Moreover, in order for a CRM tool to be powerful it needs to, first and foremost, gather and compile data from multiple sources (as covered within the analysis), analyze it, update it and prioritize it, all to create a complete profile of potential and existing customers. (kale, 2004) It also needs to automate most of the firms' activities, identifying the needs of customers through segmentation techniques and machine learning, to then choose the appropriate actions and replies to each customer interaction, in a way that maximizes customer acquisition and retention, without straining the human resources of the firm (both in time and cost). Additional to this, a tool that is able to use sentiment analysis to adapt responses to the consumers (Medhat et al., 2014) as well as adapt the communication according to the customers definition of value, which can be either price, quality, price/quality relationship or opportunity cost, is critical for creating better relations with customers. Moreover, a strong CRM tool should be able to constantly update its information, resolving issues of repeated and potentially conflicting data without the need for human intervention (according to various interviews, repeated clients within a CRM database are a significant issue that often results in lack of available information in a given customer profile, and which, when taking place often, lead to an abandonment of the CRM tool by the firm's personnel. Finally, the CRM tool should be easily used by the staff, updatable without significant costs and without requiring a steep learning curve for its user after each update.

## 5.2. Adapting to the people

Since a tool is only as productive as the people that use it, the next key consideration is making sure all the users of a CRM system know what functionalities it has, and how to use them in the most efficient and effective ways.

First and foremost, training is a vital part of the CRM implementation and, so as to fill in all possible gaps, training should have 3 to 4 stages. Firstly (1) joint training sessions with all the users of the CRM tool. These sessions should teach the basics of the tool and give an overview of all the functionalities of the tool, what information is being gathered, how and why. The reason why it is important to make it a joint session is twofold. On one hand, employees lower in the hierarchy are more compelled to adapt a new tool if they feel it is a firm-wide decision and if they see their superiors being compelled to use it as well, and, on the other hand, some functionalities of the tool may seem confusing, irrelevant or not practical, simply because they are linked with options of the tool the employee doesn't need to use. Ergo, a joint session allows employees to better understand the complexity of the tool and the extent to which what they are doing influences the work of others (e.g., a salesperson may not have visibility of the marketing team's work with the CRM tool without this session, yet so much of what the marketing team does is influenced by the accuracy and diligence with which the salesperson interacts with the CRM tool on a daily basis). (2) the second stage is specific training sessions with the staff on the actions they may have to engage in at any given time (e.g., training on scheduling and sending-out marketing campaigns is only relevant to the marketing team and not to the salesforce). (3) the third stage is having an easy-to-use user manual that explains how each action is done and what steps need to be taken to reach the desired results so that, if at any point a user is in doubt about how to proceed with a given action on their CRM, it is easy and practical to solve that issue, proactively and independently. Finally, although optional, (4) having video tutorials available to the employees or even E-learnings is a good way to get new users to learn how to use their CRM system in a way that simultaneously saves money to the firm (less expenses with training personnel) and allows each user to learn at their own pace.

Besides training, implementing an organizational change approach in the firm can be quite useful to motivate everyone to implement this new tool. John P. Kotter in his 1995 article defined the 8-step Process for leading change: (1) Create a sense of urgency, (2) build a guiding coalition, (3) form a strategic vision and initiatives, (4) enlist a volunteer army, (5) enable action by removing barriers, (6) generate short-term wins, (7) sustain acceleration and (8) institute change. For implementing a new CRM system, this can be a particularly useful framework. Urgency can be created throughout the training sessions, by highlighting the immediate need for action to face the competition. A guiding coalition can include members of all departments within the firm, choosing those individuals that, during the joint training sessions display a bigger understanding of the tool and a bigger influence with their peers. A strategic vision and initiatives can be what you expect the future to be and why it will be better than what as been done so far. Should include steps needed to get to the vision that are clearly linked to it. Enlisting a volunteer army consists of making employees want to implement this change. A large following in the right direction can be of great help for the success of the change desired and a good way to achieve it is by showing all the stakeholders how it benefits them. While removing processual barriers is a very relevant next step, the specificities of the Angolan culture mean there is a lot of space for underperformance when monitoring is not firmly imposed and, as such, this is a challenging step. Making sure all those involved feel motivated is vital and the best way to do so is to make sure there are short-term wins that they can reach easily to build-up morale. Once change is ongoing, it is important to monitor it and keep incentivizing to continuously accelerate that change and not let the process fall short halfway through. Finally, instituting change is vital, which means once the new process is fully implemented, there is a need to continue to monitor all stakeholders, to make sure they do not fall into old habits, until the new system substitutes old practices.

## 5.3. Adjusting to the Culture

While all the strategies for implementing a CRM system are similar, culture plays a role in how successful a strategy is and, a strategy that adjusts itself to this additional variable is much more likely to succeed. Below, we can see the application of Hofstede's cultural dimensions model to Angola and Portugal:

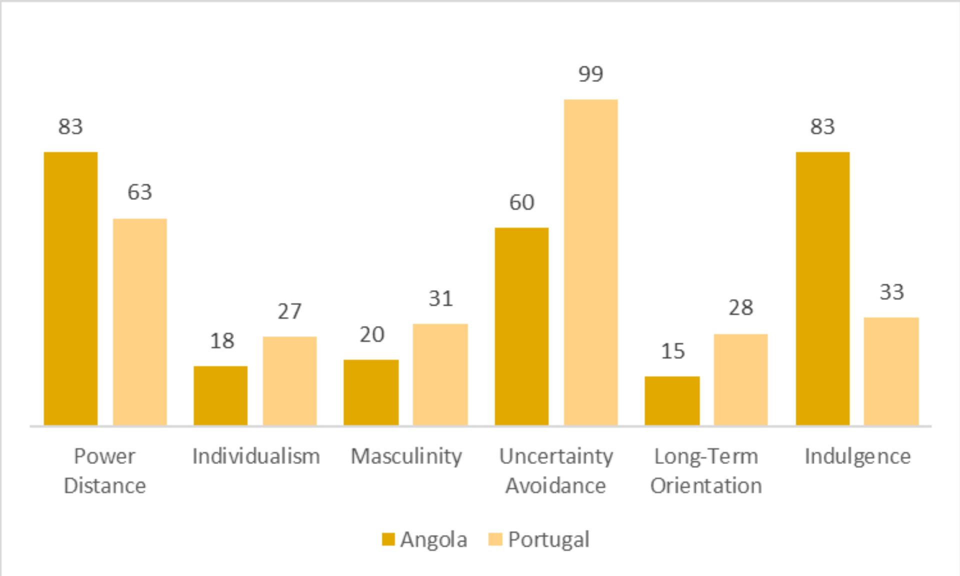


*Figure 2 Hofstede's Cultural Dimensions for Angola and Portugal*

The conclusions drawn from the figure above regarding the culture in Angola are:

- The preferred leadership style is a "Benevolent autocrat" (Hofstede Insights)
- Angola reflects a sense of community loyalty in the country.
- Angolans tend to prefer doing what they like (working to live).
- Angola is slightly risk averse but not too much.
- Angolans tend to consider short-term gains in detriment of long-term ones.
- Angolans are indulgent which means they are very likely to consume when they feel like they might get pleasure from that consumption.

In organizational culture, this means that employees prefer to be told what to do and expect a tough leadership that manages most of the tasks and that they work to live not to be the best so rewards by objectives may not work as well in this type of culture. Instead, focusing on making sales easier may be more efficient than rewarding employees for tougher sales since, when faced with a choice between them, Angolan employees are more likely to prefer the easy sales with less reward than the tough sale.

Additionally, communication in Angola is preferred to be more assertive and to-the-point, so employees should be told, clearly and unequivocally, what to do (Silva et al., 2015)

Regarding the interactions with the exterior, some of the main cultural takeaways that may be relevant are the short-term orientation of consumers which makes them more focused on immediate gains then on long-term benefits and high indulgence levels which means consumers enjoy expenditures that provide gratification and indulge desires (Hofstede Insights). As such, communication on marketing and sales should focus on a hedonic perspective of what the consumption will bring to the consumer.

The high power-distance identified in Angola seems to indicate marketing should focus its efforts on communicating almost entirely to the higher levels of hierarchy within a firm as those are probably the ultimate decision makers.

High vs Low-context communication cultures also play a big role in negotiation techniques (Lin & Miller, 2003) and as stated before, since Angola tends to have a low-context culture which means what the consumer says tends to be most relevant.

## 5.4. Measuring for success

Finally, to successfully implement a CRM strategy, having clear milestones to be achieved is essential. A way to this is by defining monthly goals for each team, with pre-determined KPIs that follow the SMART framework (specific, measurable, achievable, realistic and time-bound). These KPIs should be defined for every team and for each one, there needs to be a defined monitor that makes sure the KPIs are reached and that everyone is capable of doing their part in driving the change within the firm. This step, in particular, requires an involvement from the higher levels of the firm’s hierarchy to make sure all the teams are doing their part.

# VI. Conclusion

CRM is, as seen, more than just a tool and should be accompanied with the appropriate strategy in order for it to be successful. That strategy, in its essence, needs to cover all of the customer lifecycle stages, adapting to the needs and life stages of the customer at each step of the way, as well as the specific characteristics that make a customer unique and different from others. The key point that makes a CRM strategy great is to have only one system that uniformizes all the actions firms into one standard tool, while being able to customize all the interactions with customers in a way that is unique to their feelings, needs, wants, preferences, communication styles, etc.

For this strategy to function properly, having a lot of good data (updated, relevant and treatable) is essential as only through data can this system truly become tailored to the needs of the customers and, thus, perform at its full potential. One of the best ways to do this, is to implement a logic of full interoperability between the CRM system, the firm's website and social media accounts, the offline marketing campaigns and the sales force of the firm, which by all interacting with the customer at different stages of the customer lifecycle, in different locations at different settings, may gather different, yet complementing information about the customer.

To implement a CRM system successfully, a firm needs to take into consideration, culture (organizational and national), current processes and used tools and how these interact with the new CRM and employees' knowledge and capabilities and their capacity to adapt to the new technology. Additionally, to implement the CRM system properly, change management techniques should be applied to lead change effectively, with several KPIs being defined so that success, as a concept, in not subjective, but clearly defined and measurable through SMART goals.

Finally, although this thesis focuses mainly on the marketing aspects of CRM, the truth is a CRM strategy and system need to consider the interests and needs of all the firm's departments and personnel, so that the system is comprehensive, useful, user-friendly, and relevant.

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