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Characterising of Customer Relationship Management and corporate entrepreneurship: A Case Study in a Malaysia logistic service

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Abstract

Whether the logistic service in Malaysia actually distinguish what they are doing or just merely infectious up with the global trends in customer relationship business, the consumption of the information technology to understand their customer relationship strategies is a wonder known as technoentrprenuership to the researchers in the field of information management. CRM as reported in literatures could only happen within the framework of the reality of its determinants. Understanding it or not, logistic service industries that have positively instrument technoprenuership would have placed these determinants immediate their day to day consecutively of their business. This case study, piloted in one of the most prominent logistic in Malaysia that have successfully attained CRM displayed that among the causes that have happened in the logistic are the government support, industry burden, demand from competitive markets, information technology and business strategy, and information infrastructure.

Keywords: *Customer loyalty, Customer value creation, corporate entrepreneurship, Malaysia logistic, Case Study.*

INTRODUCTION

Nowadays, we cannot avoid the technology in our daily life. The using of technology in our life brings more advantages especially in business. As an entrepreneur, we must adapt a technology in order to gain or generate more profit for our business every day and with the proper use of technology, customers can get the products or services that we provide to them all around the world without need to meet them face to face. By using the right platform for the business, it will help the business to know what is the right opportunity for the entrepreneur to grab and provide products and services by make it unique and memorable to the customers.

Business opportunity is a customer's needs and want that can potentially be meeting by a new business. The source of business opportunity based on problem that customers had in daily life, there are new products or services that discover by an accident, from an



existing products and services that the entrepreneur wants to improve, or turn some experience or uncommon knowledge into a product or services that benefits others (Stank, T.P., Keller, S.B., Daugherty, P.J., 2001b). Then, they need to do some market survey in order to know what the customers' needs and want and how they could solve the problems and make the customers remember the products or services that they used.

Innovation and technopreneurship is a new idea, method or devices that used a technology in order to improve something products or services into something new and translating a new ideas into tangible products (Chen et al 2015). It will create new dimensions of performance from good to better use. Before it create new dimension, entrepreneurs need to understand the concept of innovation so the finished goods in a better performance. Embodiment, combination, or synthesis of knowledge in original, relevant, valued new products, processes, or services is a concept that needs to understand (Allinson et. Al, 2000). All the innovation must considered the use of technology.

By using technology, we can expand our products and services through the world and can match those according on places and situations. To achieve that, sales must be made aggressively in order to reach the target and generate more profits. Using the right platform, sales can reach the target. Products and services that meet customers' needs and wants will be something memorable to them and they will automatically loyal to use the products or services and achieve their satisfaction and it will generate more profit because of continuously used from the customers (Abdullah & Manan, 2011). We can see that the right way of sales will attract customers to buy and use the products and services.

This paper reports the introductory findings from a case study conducted on one of the most prominent logistic service in Malaysia to explore the determinants that have impacted the development of corporate entrepreneurship in their organization.

However, to our information, there is a scarcity in research that uses corporate entrepreneurship as the dependent variable in logical capital and sustainable competitive advantage's relationship. In line with Malaysia's inspiration to become a high income nation with SMEs as one of the main engine for growth, this research could be able to contribute for the improvement of our SMEs.

Consequently, this paper will pay attention on two leading questions:

1. How customer relationship management boost sustainable competitive advantage in SMEs?
2. How corporate entrepreneurship improve maintainable good advantage in SME?



PURPOSE AND METHOD OF THE STUDY

The purpose of the study is to investigate the Customer Relationship Management that have an impact on the development of entrepreneurship in organizations. The cause behind this purpose is that, empirical studies on CRM in Malaysian organizations are almost none being explored. So, this study can be measured as an early attempt to explore the phenomenon and as such, a case study method was adopted and carried out in one of the most prominent logistic service in Malaysia with the objectives of describing the role of the determinants entrepreneurship. This particular logistic is purposely selected because of its advancement in attaining entrepreneurship and this is reflected by the variety of CRM products and services offered by the logistic. Series of interviews were conducted with the Manager of the logistic who is responsible with the development of CRM products and services. Findings from this study are discussed in comparison with the literatures on CRM. It is hoped that this study can shed some lights on CRM in Malaysia, particularly in the logistic service organizations, before further study can be carried out comprehensively. A conceptual framework generated from the case study is furnished at the end of the discussions of the findings.

FINDINGS

This portion of the paper deliberates the findings from the case study conducted. It twitches with the overview of the corporate entrepreneurship development in the logistic service and tracked by the determinants that are found in the series interviews and document analysis.

3.1 Corporate entrepreneurship Development in Malaysian SME Logistic Service Industry

Earlier studies shows that corporate entrepreneurship mediates the performance of SMEs with exterior environment (Kearney et al., 2013), transformational leadership (Bakar & Mahmood, 2014), technological skills and absorptive capacity (García-Morales et al., 2014) together with IT capabilities (Chen et al., 2015). Hence, authors trust that sustainable competitive advantage can be reached through CRM and corporate entrepreneurship in SMEs. (Hayton 2005) inspected the relationship between customer value creation and business in terms of heterogeneity and accumulation of CRM. By diversity, it includes interest in human capital, innovative work, corporate society, data frameworks and creation forms. Customer relationship management is connected with information, innovation and the capacity of representatives. Customer relationship management can be defined as a knowledge that can be converted in to value (Shah et al 2017). Founded on the literature review, there is a scarcity in research that shows clear relationship between corporate entrepreneurship and customer loyalty and customer value creation that resulting sustainable competitive advantage among SMEs in Malaysia. Certainly, customer loyalty and customer value creation is continuously associated with corporate entrepreneurship particularly in this current economy knowledge based. For that reason, SMEs that are able to exploit and intelligent



customer loyalty and customer value creation by turning their human capital, structural capital and relational capital into sources of sustainable competitive advantage through corporate entrepreneurship are expected to survive the current dynamic and highly competitive market.

Corporate entrepreneurship has long been predictable as a possibly feasible means for promoting and sustaining corporate competitiveness (Bierwerth et al 2015). Corporate entrepreneurship comprises formal and informal activities at the firm level that focus on determining and looking for new business opportunities via corporate offering, innovation and strategic renewal (García-Morales et al 2014). Current studies suggest that corporate entrepreneurship have positive influence on the overall performance of SMEs (Bierwerth et al., 2015; Kaya, 2015). Furthermore corporate entrepreneurship can assist SMEs in achieving sustainable competitive advantage (Corbett et al., 2013; Koentjoro & Eliyana, 2015; Teng, 2007), expressly in this current highly modest global economy to adapt and reintroduce themselves. Though, in order to crop its imperceptible resources for competitive advantage, firms essential a capabilities to renovate corporate entrepreneurship into usable concepts (Zahra, 2015).

3.2. Background of the SME

SMEs obligate a foremost significant role in ASEAN economy. SMEs signify extra than 96% of all enterprises that produce 50 to 95% employment. Furthermore, SMEs to GDP influence is from 30 to 59% and it characterise around 19 to 31% of export to the economies of all ASEAN state members. SME is energetic to Malaysian economy since 1970s and they are now measured as the new train as well as the chauffeur for nation economic growth and development (Hasan et al 2016). Under the proposed SME Master Plan 2012-2020, Malaysian SMEs visualise to become globally competitive all across sectors that enhance the nation's wealth and donate to the social wellbeing Hashim,(2007). This is in route with the government ambition to achieve high income nation by 2020. Four goals have been target under the SME development framework. They are to upsurge business formation, rise the number of high growth and innovative firms, increase productivity and escalating formalization of SMEs. These goals can be realised by focusing on tactical areas such as technology adaptation, market access, human capital development, innovation, legal and regulatory environment, access to financing and infrastructure (SME Corp, 2016). In term of triumph, Malaysian SMEs still covering in term of GDP contribution as likened to its neighbouring ASEAN countries (APEC.org, 2016). Even though the figure has increased from 32.3 in 2010 to 36.3% in 2015, it is still below the 41% target for year 2020.

There are many causal factors that help SMEs to achieve healthier. In economy based knowledge, knowledge is a powerful reserve. The capitalization of intellectual capital can assistance to fully develop internal resources. Rendering to the research-based theory of competitive advantage, internal resources are extra important than the market environment in strategic formulation in instruction to accomplish sustainable competitive advantage (Barney, J. 1991).



3.3. *The Determinants Corporate Entrepreneurship*

Among the determinants that have been recognised from the sequences of interviews and document analysis are:

- a. Customer loyalty
- b. Customer value creation

3.3.1 *Customer loyalty*

Customer loyalty comprises a company's set of measures looking for positive orientation of behavioural intentions of present and upcoming customers to a vendor and its proposal to get stabilization, respectively a development of the relationships with these customers (Shah et. al 2016). Customer loyalty is not achieved by a customer card or a customer club, but by satisfying customer's expectations. Customers parallel their subjective perceptions after purchasing a product and service with their expectations before the purchase decision (Shah & Wahab 2017). This contrast leads to a situation of gratification, in gratification or exceeded customer expectations (customer enthusiasm). The correlation between customer satisfaction and its loyalty is not directly proportionate. When customers assess their satisfaction relative to the performance of the tender (delivery), it fluctuates depending on the customer.

This item could mean just in time delivery, preterm delivery, fully delivery of the order. So customers can be fulfilled, but for dissimilar reasons. Customer loyalty is part of a cause-effect chain that encompasses processes from the early contact with the client to the economic success of the organization. A loyal customer has trust, plans to buy again the same brand, same product and service (Shah et al 2017). Swapping to customer loyalty happens in the fourth stage when this purchasing belief develops repeated purchase and indorses the product or service to other potential customers. The cable ends with the fifth phase which indications to the economic success of the enterprise.

The significant competitive a market is, all the more difficult is to get customer loyalty through the satisfaction obtainable by the products and services delivered. Customer loyalty is not the outcome of strategies applied by the organization or customer clubs. To create effective need, retention strategies and organizations need a thorough understanding of customer behavior (Shah & Wahab 2017). Loyalty is a physical and emotional obligation given by customers in conversation for meeting their expectations. Emotion characterises the feelings, positive or negative, brought to mind by an object or idea. Loyalty is best distinct as a state of mind, a set of attitudes and desires of the client, but they derive from his psyche (Shah et al 2017). Organization's goal is not to make all customers loyal, but to improve the loyalty of individual's customers responding positively. Some clients may answer to incentives, others to services offered only to loyal customers, whereas others may respond to the combination of the two variants. Furthermore, information exchange is a loyalty main providing the link between the customer's mood and behaviour. Loyal customers expect to receive more



information from and about the tender, so communication between the organization and customer is an essential element of loyalty programs (Shah et al 2017).

3.3.2 *Customer value creation*

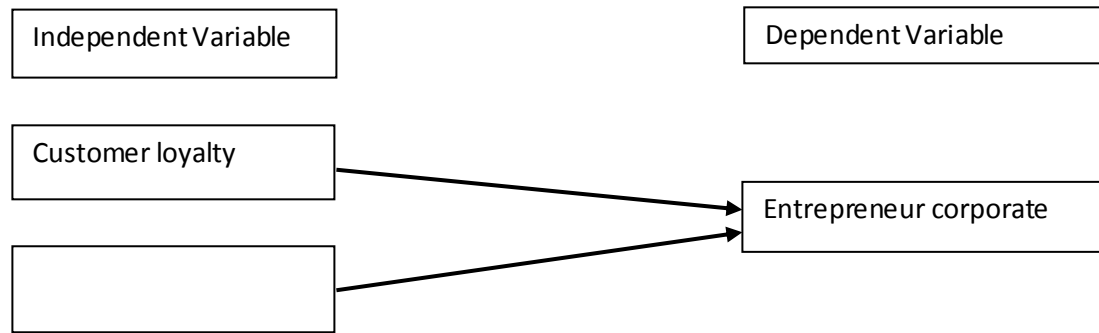
Customer value is a confusing term, as it can be used either from the company's or the customer's perspective (Shah et al 2016). Rare companies know the lifetime value of their customers, or collective customer equity, and more importantly, fewer still know how much customers value their brand, and why. Value creation is perhaps the single most important aspect of any executive's job (Shah et al 2017). As such, crystal clarity on what it is and how it's done should positively be top of mind. Shareholder value is powered by customer value, shareholders leave of absence when customers leave of absence, not the other way around.

Untouched value for all gatherings is common due to the absence of clarity on customer perceptions of value, which is a composite of his or her functional and emotional judgments of product, service, brand, culture, processes, policies, and business model all relative to what the customer is striving to do (Shah et al 2016). A strong understanding of customers' unconscious value equations and perceptions is vital to zeroing-in on management efforts yielding highest return on investment (ROI). Nevertheless most customer research focuses on brand recommendation and sentimentality or new product development. Customer value is typically implied, or awkwardly derived from questions about price expectations, or simply assumed (Shah & Wahab 2017). Nonetheless, Customer Value Management supplies tried-and-true methodologies for determining how customers think about specific value relative to your competitors and to their expectations.

Additional reason for unexploited value is weak management of the interdependencies among entities in the value creation and delivery chain. There are traditional thoughtful charges R&D with value creation, but in authenticity, the customer experience is squeezed even by support functions' internal and external policies. In fact, everybody in the company, plus suppliers and association ,channel partners, plays a role in the snowball effect of decisions as well as hand-offs that finally shape the whole customer experience(Shah et al 2017).

CONCLUSION

In assumption, we have equipped a proposed framework as demonstration below that will be used to investigate entrepreneur corporate and CRM development factors in a logistic industries SME in Malaysia. This framework will be tested on three SME logistic service in Malaysia to further research. Nonetheless, as this is a conceptual paper with reference to the earlier literatures. There is no data collected to empower generalization to other countries. Further study is fortified to assess the developed conceptual framework with the intention to leader SME to stay competitive and can be prolonged for the business to develop and embellishment.



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