MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE

Sumy State University

Academic and Research Institute of Business, Economics and Management

Department of Economics, Entrepreneurship and Business Administration

QUALIFICATION WORK

towards attaining a Master's Degree

specialty   *073 Management,*

<div align="center">(code and title)</div>

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Topic: <u>Critical Success Factors of Customer Relationships Management at Naftaproduct LLC</u>

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The qualification work contains the results of own research. The use of ideas, results and texts of other authors are linked to the corresponding source.

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Sumy – 2024

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE

Sumy State University

DEPARTMENT OF ECONOMICS, ENTREPRENEURSHIP

AND BUSINESS ADMINISTRATION

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"____" _____ 2024.

ASSIGNMENT

for the qualification work

towards attaining a Master's Degree

Student of group <u>BA.m-31an/2y</u>, 2 year of study <u>ARIBiEM</u>

<div style="text-align:center">(Institute)</div>

Specialty 073 "Management"

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Topic of the qualification work: <u>Critical Success Factors of Customer Relationships Management at Naftaproduct LLC</u>

Enacted by the SSU order №_____from "___"_____2024.

Date of finalized Thesis submission: "____"_____ 2024.

Initial data for research: <u>data from author's investigation in company's practices during pre-diploma practice, data from literature review, data from interviews with stakeholders on specific topic.</u>

Content of the main part of the qualification work (list of questions to be considered)

<u>Customer Relationship Management (CRM) and its application in small manufacturing company; Critical success factors of CRM practice inside the enterprise; Challenges, gaps, and areas of improvement in CRM sphere of the investigated company; Strategies for CRM development inside the company.</u>

List of illustrations (should be presented during the defense)

‗‗‗

Date of receiving the assignment: "_____"_____2024.

Master Thesis supervisor _____

<div align="center">(academic title, Name, and SURNAME)</div>

Assignment is accepted for completion: "____"_____2024. _____

<div align="center">Student signature</div>

<u>Notes:</u>

1. This assignment constitutes a crucial component of the qualification work required for the attainment of an educational degree and is positioned immediately following its title page.

2. Upon task completion, students are expected to acquaint themselves with the following:

- A calendar schedule delineating the preparation stages of the qualification work, inclusive of specified deadlines for each stage's implementation.

- The procedural guidelines for assessing the qualification work to identify any indications of academic plagiarism.

- The criteria and requirements governing the evaluation of the qualification work, providing a clear understanding of the expectations and standards to be met.

SUMMARY

The qualification work represents theoretical and methodological basics on the identification and research of multiple factors that have a critical impact on Customer Relationships Management (CRM) within the small manufacturing company. This thesis consists of introduction with outlining of relevance of the chosen topic, 3 chapters, conclusions, list of references with 32 titles. The total volume of work is 60 pages, including 5 tables, and 3 figures, list of references on 4 pages.

Introduction includes justification of the choice of the topic of the work. Then there is definition of the subject and object of research, the goal and task of the research in accordance with the subject and object of the research, description of research methods used in the work, scientific novelty of the obtained results, and practical significance of the obtained results from the work.

The first chapter of this thesis will examine theoretical foundations on customer relationships management, where CRM described as a strategic approach to managing customer interactions. Then, it focuses on peculiarities of relationships management in manufacturing. In this section, we will identify the critical success factors. They include customer data management, which mean accurate, accessible data supports personalization and informed decision-making. Then, employee training and engagement, which describes skilled, motivated staff that are vital for effective crm use. In addition, technology and software implementation presented, and the choice of software platforms to ensure operational efficiency. The last, customer feedback mechanisms, which include systematic collection and use of feedback, improve customer satisfaction and drive business improvements. Additionally, the role of sales department in CRM, highlighted in this section.

The second chapter will consider into the analysis of CRM methodologies at "Naftaproduct" LLC. There is a case-study investigation of current CRM practices within the company. This analysis will include the overview of its processes, and the real state of affairs in customer interaction channels, software solutions, etc. In

addition, it will include the analysis of critical success factors of CRM within the company.

The third chapter will outline the strategic directions and areas for improving effectiveness of company's CRM. There are propositions, such as, prioritization of success factors, technology upgrades, additional training for staff in communication and steps a company can take to strengthen customer feedback processes and improve the onboarding process.

The subject of research in the thesis will be the customer relationship management system, its development in modern conditions, internal activities, the process of finding new customers and interaction with regular customers. During this research, we analyzed what factors affect or hinder success in the field of customer relations of a company in a manufacturing industry.

The object of the diploma thesis is the small production enterprise "Naftaproduct" LLC, which is located in Lebedyn, Sumy region, Ukraine. The company specializes in the production of oils and lubricants for various purposes, and has its own sales department for the sale its products to customers, and for providing customer support, feedback gathering, and other interaction processes.

The main purpose of this research is to examine existing issues and identify the critical success factors that influence the successful implementation and utilization of CRM and can help the analyzed company to maximize the effectiveness of its CRM strategies.

In the context of this thesis, various research methods used to collect data and analyze information. The choice of research methods depends on the objectives of the research, the nature of the research questions and the available resources.

In the analysis of CRM peculiarities within specific enterprise, we will use the method of observations. Conducting observations in a workplace or industrial setting allows researchers to directly observe and document managerial behavior, work processes, and interactions.

Qualitative methods mostly used in such research, include a qualitative case study as the main framework for this study. This approach allows for an in-depth

exploration of CRM practices in the specific context of a small manufacturing company. The case study methodology is particularly suitable for investigating complex organizational processes, such as CRM, where multiple factors, such as technological, human, and operational, interact dynamically

Additionally, interviews conducted with key stakeholders, including sales managers, customer service representatives, and IT personnel responsible for the CRM software. The interview focused on understanding their experience with CRM, their perception of its effectiveness, challenges faced and suggestions for improvement.

Key words: COMPANY, CUSTOMER RELATIONSHIPS, CUSTOMER SERVICE, ENTERPRISE, FEEDBACK, MANAGEMENT.

List of conventional designations, terms, abbreviations

API – Application Programming Interface

CRM – Customer Relationship Management

ERP – Enterprise Resource Planning

R&D – Research and Development

SMEs – Small and Medium-sized Enterprises

CONTENTS

INTRODUCTION

Customer relationship management (CRM) has become a key component of today's business landscape. As markets become more competitive and consumer demands evolve rapidly, organizations are turning to CRM systems to enhance customer engagement, improve operational efficiency and drive sales growth. This is particularly important for local manufacturing companies, which often operate in niche markets and rely heavily on maintaining strong, long-term relationships with a limited customer base. Unlike large corporations, small manufacturers may not have the luxury of significant brand recognition or extensive resources, making effective CRM practices even more critical to their survival and success.

The role of CRM goes beyond simply tracking sales and interacting with customers. It covers understanding customer needs, anticipating future requirements, managing product customization requests, and providing a high level of after-sales service and support. For the analyzed company with its own sales force, customer interaction tools can optimize communication, optimize sales processes and provide valuable information about customer behavior, which is important for achieving a competitive advantage. Thus, studying the critical success factors for CRM in the analyzed firm is not only appropriate but also necessary to provide the company with strategies that can help it thrive.

The object of the diploma thesis is the small production enterprise "Naftaproduct" LLC, which is located in Lebedyn, Sumy region, Ukraine. The company specializes in the production of oils and lubricants for various purposes, and has its own sales department for the sale of products to customers, and for providing customer support, feedback gathering, and other customer interaction processes.

The subject of my research will be the customer relationship management system, its development in modern conditions, internal activities, the process of finding new customers and interaction with regular customers. During this research, we will analyze what factors affect or hinder success in the field of customer relations of a company in a specific industry.

Many companies face numerous challenges in effectively managing customer relationships. Limited financial and human resources often mean that CRM initiatives are underfunded or poorly implemented. Sales departments at the forefront of the customer experience may struggle with legacy systems, inefficient processes, or a lack of integration between CRM software and other business functions such as production or inventory management. Resistance to change and insufficient training of employees in CRM technologies can further hinder a successful implementation.

In addition, the difficult economic situation has a negative impact on small producers in Ukraine, and the demand for their products encourages the development of relationships with customers to improve the process of cooperation with existing customers, attract new ones and increase demand in general.

Another critical challenge of modern companies is the collection and use of customer data. Many small manufacturers do not have well-established processes for collecting and analyzing data, resulting in missed opportunities to understand customer preferences or improve service delivery. Additionally, without adequate feedback mechanisms, companies may not be able to adapt to changing market conditions or customer expectations.

The purpose of this research is to examine existing issues and identify the critical success factors that influence the successful implementation and utilization of CRM and can help the analyzed company to maximize the effectiveness of its CRM strategies.

The main tasks of this thesis are:

- Evaluate the importance of different CRM elements, such as data management, technology infrastructure, and customer feedback, features of the application of methods and practical means of customer relationships management;

- Analyze the customer relationships management activities ot manufacturing enterprise, the work of their directions, and structural elements;

- Analyze the current CRM practices in a case study of a "Naftaproduct" LLC, and identify gaps or areas for improvement, analyze the effectiveness of the organization's communication system.

-       Provide actionable recommendations on how small manufacturing company can optimize its CRM strategies to enhance customer satisfaction and drive business growth in the current conditions.

-       Contribute to the broader understanding of CRM success factors, offering insights that could be applied to the similar businesses in the manufacturing sector.

In the context of this thesis, various research methods were used to collect data and analyze information. The choice of research methods depends on the objectives of the research, the nature of the research questions and the available resources.

A qualitative case study design was chosen as the main framework for this study. This approach allows for an in-depth exploration of CRM practices in the specific context of a small manufacturing company. The case study methodology is particularly suitable for investigating complex organizational processes, such as CRM, where multiple factors, such as technological, human, and operational, interact dynamically.

To supplement qualitative insights, a mixed-methods approach partially integrated, incorporating quantitative analysis where appropriate. This combination enables a robust evaluation by triangulating data from interviews, surveys, and CRM software usage metrics, ensuring both depth and breadth in the analysis.

The data collection process used a combination of primary and secondary sources to gather complete and up-to-date information. Interviews conducted with key stakeholders, including sales managers, customer service representatives, and IT personnel responsible for the CRM software. The interview focused on understanding their experience with CRM, their perception of its effectiveness, challenges faced and suggestions for improvement.

Data from interviews, open-ended survey responses, and document reviews coded and categorized into themes related to the identified critical success factor. Themes were compared across roles and departments to identify patterns, discrepancies, and unique challenges in CRM implementation.

The study integrates multiple critical success factors — customer data management, employee training, technology, collaboration, and customer feedback — into a unified framework tailored to small manufacturers. While many studies have been conducted on CRM success factors in large organizations or other industries, this study:

- Emphasizes how these factors are interrelated in a resource-constrained environment;
- Provides a factor prioritization model based on real-case problems;
- This prioritization scheme has practical implications for other small manufacturing enterprises.

The scope of this study focuses on a small manufacturing company that has its own sales force responsible for customer relationship management. The study will examine CRM from various perspectives, including technological, organizational and human factors that influence its success.

The first chapter will include theoretical foundations on customer relationships management, where CRM described as a strategic approach to managing customer interactions. Then, it focuses on peculiarities of relationships management in manufacturing. In this section, we will identify the critical success factors. They include customer data management, which mean accurate, accessible data supports personalization and informed decision-making. Then, employee training and engagement, which describes skilled, motivated staff that are vital for effective crm use. In addition, technology and software implementation presented, and the choice of software platforms to ensure operational efficiency. The last, customer feedback mechanisms, which include systematic collection and use of feedback, improve customer satisfaction and drive business improvements. Additionally, the role of sales department in CRM, highlighted in this section.

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Analyzing a specific organization such as "Naftaproduct" and its CRM practices through case studies provides a deep and contextual understanding. Case study include a detailed analysis of real organization, and helps to understand specific peculiarities in their real-life context. Conducting the study will provide valuable insights into the specific company's practices and challenges within the industry.

1. Theoretical foundations on critical success factors in Customer Relationships Management

1.1. Customer Relationships Management in manufacturing sector

Customer Relationship Management (CRM) is a strategic approach that organizations use to manage interactions with current and potential customers, with the goal of improving customer satisfaction and driving business growth. The concept of CRM encompasses a variety of practices, strategies, and technologies that allow businesses to manage and analyze customer interactions throughout the entire customer lifecycle. According to Prior, Buttle, & Maklan (2024), CRM has several core attributes, such as organizational capability, system that centers on the creation and maintenance of profitable customer relationships. CRM is also about the design and delivery of superior value propositions. In addition, at the same time, CRM grounded in insights from customer-related data. Given these attributes, we can conclude, that CRM is an organizational capability that centers on the creation and maintenance of profitable customer relationships through the design and delivery of superior value propositions grounded in insights from customer-related data. It involves using customer data to improve marketing, sales, and service processes, ultimately enhancing customer loyalty and business performance.

The history of CRM dates back to the 1980s when companies began adopting database-marketing strategies. By the 1990s, the emergence of technology platforms like enterprise resource planning (ERP) systems laid the groundwork for CRM software solutions. As computing power increased and the internet became more accessible, CRM tools evolved to integrate sales, marketing, and customer service activities into unified platforms. With the rapid development of technology, CRM has become a centralized document repository that allows organizations to profile and manage their customers' documents while it is fully integrated with the companies' business system. (Nguyen, Sherif, & Newby, 2007). In recent years, CRM has continued to advance with the integration of artificial intelligence and big data analytics, enhancing predictive capabilities and enabling more personalized customer experiences.

The application of CRM in the manufacturing sector has distinct characteristics compared to other industries such as retail or service businesses. In manufacturing, CRM systems often tailored to support complex supply chains, manage sales cycles, and process individual orders. Research has shown that CRM in manufacturing not only improves customer interaction, but also enables the company to spot purchasing trends, better forecast manufacturing requirements, and reward its best consumers, thereby increasing their loyalty (Kracklauer, 2004). CRM initiatives in manufacturing must consider both B2B and B2C relationships, emphasizing the need for robust data management systems that provide insight into customer needs and future market trends.

Small and medium enterprises face unique challenges and opportunities when implementing CRM systems. Resource constraints often limit the ability of small firms to deploy sophisticated CRM technologies (Nguyen & Waring, 2013). However, small businesses can benefit from the greater flexibility and closer personal relationships with customers that may be leveraged through CRM strategies that prioritize customer feedback and personalized service offerings.

Moreover, CRM in manufacturing often involves the integration of customer data with operational processes such as production planning and inventory management. Prior, Buttle, & Maklan (2024) suggest that manufacturing companies that align their CRM strategies with supply chain operations can achieve better demand accuracy, and reduced lead times. Such coordination ensures efficient fulfillment of customer orders, increasing overall customer satisfaction. The adoption of Industry 4.0 technologies, such as the Internet of Things (IoT) and real-time data analytics, has also begun to influence CRM practices in the manufacturing sector, offering new opportunities for predictive maintenance and automated customer service (Kamble, Gunasekaran, & Dhone, 2020).

Despite these advances, many small manufacturing businesses are still hesitant to invest in CRM technology due to concerns about cost, complexity, and change management. The literature argues that successful CRM implementation in this sector requires a clear understanding of customer needs, employee training, and a strategic

approach to data integration. Therefore, examining the critical success factors for CRM in the conditions of real company is essential to identify best practices and mitigate common barriers.

1.2.   Identification of critical success factors in CRM

1.2.1. Customer data management

Customer data management is the cornerstone of any CRM, providing the foundation for personalized customer experiences and informed business decisions. In CRM systems, customer data covers a wide range of information, including personal data, purchase history, preferences and reviews. Properly managing this data is critical to CRM success, but it also requires addressing several challenges related to accuracy, availability, and integration. According to Buttle & Maklan (2019), by analyzing customer data, companies are better informed about which prospects are most promising, and the offers to make

One of the primary goals of customer data management is to ensure data accuracy. Accurate data enables organizations to build trust with customers through personalized interaction and reliable communication. Nguyen, Sherif, & Newby (2007) emphasize that inaccurate or outdated data leads to inefficiencies such as excessive marketing efforts or poor customer service.

Secutity is another important factor in customer data management. An ever-increasing number of cyber-attacks on databases (storing customer data and other sensitive business information) is a major challenge for enterprises. These attacks can severely affect business performance and the overall survival of the enterprise on the market (Bakator, et al., 2021). CRM systems must provide employees with easy access to relevant customer information while maintaining an appropriate level of data security organizations must address data privacy and security issues to maintain customer trust (Romano & Fjermestad, 2007).

In addition, accessibility improves responsiveness by enabling frontline staff to meet customer needs more effectively (Chen and Popovich, 2003). However, achieving this requires balancing accessibility with privacy concerns and compliance with data protection regulations such as the General Data Protection Regulation

(GDPR) in Europe. The GDPR conception of information security incorporates confidentiality, integrity, availability, as well as an interest in system resilience (Hoofnagle, Van Der Sloot, & Borgesius, 2019).

Data integration between systems and departments is equally important to CRM success. Segregated data can hinder collaboration and lead to misalignment in customer interactions. The integration of data from various interaction points such as sales, marketing and customer service creates a complete view of the customer journey (Lemon & Verhoef, 2016). This holistic perspective enables businesses to identify trends, predict behavior and align strategies with customer needs.

Despite its importance, customer data management is not without potential gaps and areas for improvement. For example, Reid & Catterall (2005) identifies common problems such as a poor matching of individual customer records, duplicate customer records and missing fields that can undermine the effectiveness of CRM. Solving these problems requires a systematic approach, including the use of centralized databases and automated data cleaning tools. In addition, organizations should prioritize employee training to ensure that employees understand the importance of data accuracy and adhere to best data handling practices.

New trends in customer data management include real-time data processing and the use of customer data platforms (CDPs). Real-time data allows companies to respond instantly to customer inquiries or concerns, increasing customer satisfaction and loyalty. CDPs, on the other hand, consolidate data from various sources, including online and offline interactions, into a single view of each customer. By integrating data from disparate sources such as CRM systems, email marketing platforms, website analytics, and social media, CDPs provide businesses with a comprehensive understanding of their customers' preferences, behaviors, and purchase history (Lopez, 2024). However, small businesses may find it difficult to implement these technologies due to cost and complexity, suggesting a need for affordable, scalable solutions tailored to their needs.

Customer data management plays a key role in CRM success, ensuring that customer information is accurate, accessible and integrated. Although technological

advances have created new opportunities to improve data management techniques, challenges such as resource constraints and data placement remain.

1.2.2. Employee engagement

Employee engagement is another key success factor for customer relationship management (CRM) initiatives, as it directly affects the effectiveness of implementing CRM tools and strategies. Engaged employees not only use CRM systems more effectively, but also contribute to the creation of a customer-oriented organizational culture. Factors such as training, motivation, leadership, and alignment with organizational goals play a critical role in promoting employee engagement within CRM.

Adequate training is a major factor in employee involvement in CRM. A study by Jami Pour & Hosseinzadeh (2021) emphasizes that CRM goes beyond just technology adoption so that the success relies at the core on a fundamental change in the organizational culture, organizational commitment for building better relationships with customers. Training should be tailored to specific roles, such as sales, marketing or customer service, to meet their unique CRM responsibilities. In addition, continuous learning opportunities help employees adapt to new technologies and processes, thus maintaining engagement over time.

Motivation and recognition are also important in maintaining employee commitment to CRM practices. Employees are more likely to engage with CRM systems if they feel their efforts are valued and productive. Payne and Frow (2004) emphasize the importance of linking CRM performance measures to individual and team incentives such as bonuses or recognition programs. This approach not only increases motivation, but also strengthens the alignment between employee behavior and organizational CRM goals.

Leadership and communication have a significant impact on employee engagement in CRM. Effective leaders act as champions of CRM initiatives, communicating their importance and ensuring that employees understand how their roles contribute to the organization's customer relationship strategy (Prior, Buttle, &

Maklan (2024). Transparent communication builds trust and reduces resistance to change, especially in the early stages of a CRM implementation. Leaders also play a critical role in solving problems, providing feedback, and creating an enabling environment that encourages engagement.

Another important factor is the alignment of CRM goals with the broader goals of the organization. Employees are more likely to engage with CRM systems when they see a clear connection between their work and the company's success. The need for organizations to create a shared vision that integrates CRM practices into overall business strategies. This alignment ensures that employees view CRM as a valuable tool for achieving both individual and collective goals.

Despite its importance, employee engagement in CRM often faces challenges. Resistance to change is a common obstacle, especially when CRM implementation disrupts established work processes (Chen & Popovich, 2003). To mitigate this, organizations should involve employees in the planning and implementation phases, allowing them to contribute and feel involved in the process. According to Fjermestad & Romano (2003), top managers' support and users' involvement can reduce the resistance to changes. Involving employees in CRM processes ensures that the organization maximizes the value derived from the system.

Small businesses often face additional barriers to engaging employees, including limited budgets for training and incentives. However, Harrigan, Ramsey & Ibbotson (2011) suggest that even resource-constrained businesses can improve engagement through non-monetary strategies such as creating opportunities for professional growth and fostering a collaborative work environment.

1.2.3. Technology and software

Technology and software implementation are integral to the success of customer relationship management (CRM) initiatives, providing the tools needed to collect, analyze and act on customer data. Effective implementation of technology allows organizations to optimize work processes, improve interaction with customers and obtain useful information. However, achieving these benefits requires careful

consideration of system integration, user-friendliness, and scalability, as well as addressing common challenges such as robustness to adoption and cost containment.

Choosing and implementing CRM software is key to determining its impact. Poor selection of software vendor or inadequate customization can lead to project failures (Karp, 2024). Software selection should be aligned with organizational goals and customer engagement strategies. Features such as data analysis, automation, and customer segmentation are essential to optimizing CRM practices. In addition, customer-centric organizations seamlessly integrate marketing and other business processes in one system to serve customers and respond to market pressures (Chen & Popovich, 2003). Failure to integrate systems can lead to data disconnection and inefficiencies that undermine CRM effectiveness.

Ease of use is another critical factor in implementing CRM software. Employees from various departments, including sales, marketing, and customer service, must interact with the software on a regular basis. Intuitive interfaces and optimized functions are critical to encourage adoption and minimize resistance. When software is too complex or unintuitive, it can be difficult for employees to use it effectively, leading to underutilization and reduced return on investment. Training programs and user support systems can help address these issues by ensuring that employees feel confident using the technology.

Scalability is especially important for small and medium-sized enterprises (SMEs), which often have limited resources but are eager to grow. Flexible CRM systems that can adapt to changing business needs are more likely to deliver long-term value. Soltani and Navimipour (2016) note that cloud-based CRM solutions have gained popularity due to their scalability, cost-effectiveness, and ease of deployment. These systems allow small businesses to access advanced CRM functionality without the high upfront costs associated with on-premise solutions.

Despite its advantages, the implementation of technology in CRM is not without problems. Resistance to change is a common obstacle, especially in organizations with established work processes and legacy systems. (Nguyen, Sherif, & Newby, 2007) emphasize that involving employees in the selection and

implementation process can help mitigate resistance by fostering a sense of ownership. In addition, management buy-in and clear communication about the benefits of CRM technology are essential for employee engagement.

Cost is another major concern, especially for small manufacturing companies with limited budgets. High implementation and maintenance costs can deter investment in advanced CRM solutions, even when the potential benefits are clear. Chalmeta (2006) suggests that organizations conduct a cost-benefit analysis to identify available solutions that still meet their needs. Modular, open-source CRM systems offer cost-effective alternatives, allowing businesses to implement only the features they need.

Data security and compliance are becoming increasingly critical when implementing CRM technology. With data privacy regulations on the rise, organizations must ensure that their CRM systems meet legal standards. Secure data storage, encryption and access control are important functions to protect customer information and maintain trust organizations must address data privacy and security issues to maintain customer trust (Romano & Fjermestad, 2007). Failure to address these issues may result in legal sanctions and reputational damage.

Technology and software implementation are key to CRM success, but their effectiveness depends on thoughtful planning, employee engagement, and alignment with business goals. Removing barriers such as resistance, cost constraints, and security concerns can help organizations maximize the benefits of CRM systems while strengthening long-term customer relationships.

1.2.4. Interdepartmental communication and collaboration

Cross-departmental communication and collaboration are vital elements of successful customer relationship management (CRM) initiatives, as they ensure a seamless and cohesive customer experience at all touchpoints. Effective collaboration allows departments such as sales, marketing, and customer service to work toward common goals, promoting a unified approach to customer relationship management.

These synergies are essential to improving the customer experience, improving operational efficiency and driving organizational growth.

One of the key aspects of cross-departmental interaction in CRM is the integration of processes and workflows. In this sphere, success often depends on the alignment of departmental activities to create a consistent customer journey. For example, the marketing team's campaigns should align with the sales team's customer outreach efforts, while customer service should be equipped with information gathered from both sales and marketing interactions. Without such alignment, customers may experience a mismatched experience, leading to dissatisfaction and reduced loyalty.

Centralized data exchange is the cornerstone of interdepartmental communication in CRM. Chen and Popovych (2003) argue that access to a single comprehensive view of customer data allows departments to collaborate effectively by reducing misunderstandings and duplication of effort. Modern CRM systems facilitate this integration by acting as centralized repositories of customer information, including purchase history, preferences, and past interactions. However, seamless data sharing often requires a robust technology infrastructure and clear data governance policies.

The role of leadership in fostering collaboration cannot be overstated. Effective leaders ensure that teams understand the strategic importance of CRM and encourage cross-departmental collaboration. Payne and Frow (2004) note that supportive leadership helps break down silos and fosters a collaborative culture. Regular cross-functional meetings, joint training sessions, and shared performance metrics are practical strategies for improving communication and alignment between departments.

Despite its importance, cross-departmental collaboration in CRM faces several challenges. One common problem is having departments where teams work independently rather than collaboratively. Organizational culture plays a critical role in overcoming this problem, as fostering an atmosphere of trust and mutual respect can encourage departments to prioritize collective goals over individual agendas

(Harrigan, Ramsey & Ibbotson, 2011). Additionally, giving employees the tools and resources they need to collaborate effectively is essential to solving the challenges of siled operations.

Another major concern is potential conflicts between departments, especially when priorities and metrics differ. For example, a sales department may focus on short-term revenue goals, while a marketing department emphasizes brand building and customer acquisition. (Nguyen, Sherif, & Newby, 2007) recommend establishing shared performance measures that are aligned with the main CRM goals to minimize conflicts and ensure that all teams are working toward the same goals.

Technology plays a critical role in enabling cross-departmental collaboration in CRM. Integrated CRM platforms allow teams to share insights, track customer interactions, and coordinate actions in real-time. Soltani and Navimipour (2016) highlight that tools such as collaboration software, chat applications, and project management platforms improve communication and streamline workflows. However, ensuring that employees are trained to use these tools effectively is critical to maximizing their impact.

Organizations should regularly evaluate their collaboration practices, collect employee feedback, and identify areas for improvement. Reinartz, Krafft & Hoyer (2004) suggest that process of continuous improvement and adaptability through regular meetings helps organizations respond to changing customer expectations and market dynamics.

Communication and collaboration between departments is essential to CRM success because it enables organizations to deliver a consistent and customer-centric experience. By addressing issues like isolation and conflict, investing in technology, and developing a culture of collaboration, companies can improve their CRM practices and achieve sustainable growth.

1.2.5. Customer feedback mechanisms

Customer feedback mechanisms are a fundamental component of effective customer relationship management (CRM) because they provide valuable

information about customer preferences, expectations and areas for improvement. The ability to collect, analyze and respond to customer feedback is a critical success factor that can significantly impact customer satisfaction, loyalty and organizational development. By establishing a continuous feedback loop and visualizing results, data analytics ensures that CRM systems remain agile, responsive and customer-centric, ultimately strengthening customer relationships and increasing overall satisfaction (Nilashi, et al., 2023).

Table 1.2.1. Impact of customer satisfaction on customer loyalty. Source: Rane, Achari & Choudhary, 2023.

Sl. No.	Impact of Customer Satisfaction on Customer Loyalty	Nature of Impact
1	Increases likelihood of repeat purchases	Revenue impact
2	Increases likelihood of recommending the product or service to others	Referral impact
3	Increases positive perception of the brand and company	Brand perception impact
4	Increases customer retention	Churn reduction impact
5	Increases willingness to pay a premium price	Pricing impact
6	Improves customer engagement and interaction with the company	Engagement impact
7	Increases customer lifetime value	Customer Lifetime Value (CLV) impact
8	Reduces negative word-of-mouth referrals	Word-of-mouth impact
9	Increases customer advocacy	Advocacy impact
10	Increases brand trust and loyalty	Trust impact

Customer loyalty is strongly influenced by trust, so it is extremely important for companies to establish trusting relationships with their customers. Trust is the foundation of any relationship and is developed over time through consistent actions that demonstrate reliability, integrity and business consistency (Rane, Achari & Choudhary, 2023).

Customer feedback can be collected through a variety of channels, including surveys, social media platforms, customer feedback, and direct communication with sales and customer service. Payne & Frow (2004) emphasize that the use of multiple channels provides a complete understanding of customer sentiment. Digital tools such as online surveys and mobile apps have further streamlined the process of gathering feedback, allowing organizations to reach a wider audience and collect responses in

real time. However, the effectiveness of these tools depends on developing clear and relevant questions that encourage meaningful input.

Analyzing customer feedback is critical to obtaining useful information. Advanced CRM systems include analytics tools that can process large volumes of feedback and identify trends or recurring issues. Soltani and Navimipour (2016) highlight the importance of sentiment analysis and natural language processing (NLP) to interpret qualitative feedback from sources such as social media or open-ended survey responses. These technologies allow businesses to quantify customer sentiment and prioritize issues that require immediate attention.

One of the key challenges in customer feedback mechanisms is ensuring that feedback is translated into meaningful action. Payne and Frow (2004) argue that organizations must establish clear processes for solving customer problems and incorporating suggestions into business strategies. For example, if feedback highlights dissatisfaction with product delivery times, organizations should work with their logistics team to identify and resolve bottlenecks. Closing the feedback loop by informing customers of actions taken based on their input increases trust and engagement.

Despite its importance, many organizations struggle to implement effective feedback mechanisms. One common problem is low response rates, especially in surveys, which can limit the representativeness of the data. Harrigan, Ramsey & Ibbotson (2011) suggest encouraging participation, such as offering discounts or rewards, to encourage customers to provide feedback. Additionally, companies should ensure that requests for feedback are not too frequent or intrusive, as this can lead to customer fatigue and reduced engagement.

Another challenge is managing the volume and variety of feedback. For example, small manufacturing companies may lack the resources to manually process and analyze large amounts of data. In such cases, automation tools and CRMs with integrated feedback management capabilities can help streamline the process.

Customer feedback mechanisms also play an important role in facilitating innovation. Feedback provides insight into unmet customer needs and emerging

trends, allowing companies to develop new products or improve existing ones. Reinartz, Krafft & Hoyer (2004) note that organizations that actively engage in customer feedback are better positioned to maintain competitive advantage by adapting to changing market demands.

New technologies such as IT and machine learning are changing customer feedback mechanisms. For example, chatbots can interact with customers and collect feedback in real time, providing instant assistance (Chalmeta, 2006). Machine learning algorithms can analyze feedback data to predict customer needs and recommend targeted actions, improving CRM effectiveness. However, small businesses may struggle to implement these technologies due to cost and complexity, highlighting the need for scalable solutions tailored to their needs. Customer feedback mechanisms are essential to CRM success, offering organizations the insights they need to improve customer experiences and build lasting relationships.

1.3.   The role of sales department in CRM

Despite its technological advancements, the core principles of CRM remain rooted in relationship marketing theory, which emphasizes the long-term value of customer relationships rather than focusing solely on individual transactions. Relationship marketing advocates that businesses should invest in creating and maintaining trust, satisfaction, and commitment among customers (Morgan, 1994). Modern CRM strategies leverage digital tools to collect and analyze data that inform these relationship-building efforts, making CRM a critical component in achieving strategic business objectives.

The sales department is the front line of customer relationship management in any company. It plays a key role in establishing and developing customer relationships by providing personalized service, collecting customer feedback, and managing orders. CRM projects require constant attention from an implementation project team with representatives from sales, marketing, manufacturing, customer service, information technology, and therefore joint efforts and ongoing collaboration (Chen & Popovich, 2003). But, in such conditions, the sales department makes the most important contribution in the everyday CRM process.

First, the sales department classifies customers based on criteria such as industry (in our case, automotive, industrial, agricultural, etc.), order size, frequency of purchase, and specific product needs. This segmentation helps in tailoring sales approaches and promotional activities. For example, auto repair shops may prioritize frequent small-lot deliveries, while industrial customers may require large bulk deliveries with ongoing supply contracts.

Sales representatives use CRM data to offer quality and customized service solutions based on the customer's purchase history and preferences (Lindström, 2021). For example, they can recommend customized solutions and flexible discounts for customers who order products in barrels. This personalized approach increases customer satisfaction and builds loyalty.

Additionally, the department actively manages leads generated through marketing campaigns, online ads, and customer referrals. By tracking interactions in the CRM system, they ensure timely follow-up with potential customers, nurturing these leads through the sales funnel until conversion (Laaksonen, 2024).

Another important point that sales managers are available to collect feedback on product performance and service quality. This direct line of communication is critical to identifying any issues early and providing quick solutions. These interactions also help the sales team build long-term relationships and trust with customers.

2. Analysis of CRM methodologies at "Naftaproduct" LLC

2.1. Overview of the analyzed company

The "Naftaproduct" LLC is the Ukrainian enterprise specializes in the production of lubricants and oils and other oil refining products that are specifically designed for use in the automotive, agricultural, railway, marine, and industrial field. It is located in Sumy region, Lebedyn, Zaliznychna street, 1. Company's products are aimed to provide optimal performance, protection, and longevity for engines, transmissions, and other vital automotive components. The enterprise may offer a range of different types of lubricants and oils, such as motor oil, transmission fluid, gear oil, hydraulic oil, and more. Moreover, enterprise providing selling their production to wholesalers or retail shops by whole Ukraine. They also make customer support and giving the best solution for each client.

Ownership structure of this company is Limited Liability Company (LLC). This is a flexible form of business ownership that provides limited liability protection to its owners. LLCs are treated as pass-through entities for tax purposes, meaning profits and losses are passed through to the owners' personal tax returns.

Organizational structure is functional. This structure organized around job functions. It consists of director and board of shareholders on the top. Two founders are holding company's shares and main assets of company. Then there is a director, who performs the role of administrator and authorized person to sign documents. Then there are other functional departments with managers on each position, such as research and development department with technical director and laboratorian, finance department with accounting functions and financial director on the top, production department with storekeeper, who responsible for production and warehousing.

My pre-diploma practice was proceeded at the sales department with sales director on the top, where employees are responsible for customer relationships, logistics, and marketing. Each department is responsible for a specific aspect of the business, and employees report to department heads.

"Naftaproduct" LLC operates in the national market. The national market is the most suitable for enterprise of such scale that has the resources and capabilities to serve the needs of customers across the country. The national market may offer a much larger customer base, extensive opportunities for growth, and a lower risk of dependence on local or regional markets. However, further expansion on a national market may require significant investment in infrastructure, logistics, and marketing, regulatory compliance, and a scalable business model to succeed in a competitive and dynamic market.

There are few the main competitors on the domestic market. We can divide them of imported and domestic manufacturers and their brands. From the imported, there are such global manufacturers, presented in table:

Table 2.1.1. Main competitors of "Naftaproduct" LLC on the Ukrainian national market. Made by author, based on market overview

Manufacturer	Brands	Region
Global Manufacturers		
Shell PLC	Shell	Great Britain
TotalEnergies SE	Total	France
ExxonMobil Corporation	Mobil1	USA
Chevron Corporation	Texaco, Havoline	USA
FUCHS GmbH	FUCHS	Germany
Liqui Moly GmbH	Liqui Moly	Germany
Domestic manufacturers		
VIP-Oil Lubricants LLC	VIP-Oil	Ukraine, Lviv
JV YUKOIL LLC	Yuko	Ukraine, Bila Tserkva
KSM-TRADE LLC	TEMOL, S-Power KSM Lubes, Protec	Ukraine, Kyiv
Euro Oil Production LLC	EUROOIL, Wexoil	Ukraine, Kryvyi Rig

MC AVEX LLC	AVEX	Ukraine, Fastiv

All these competitors have the main positions and the biggest shares on the market of production and selling lubricants and oils. All of these companies have a significant presence in Ukraine and offer a range of lubricants and oils for different types of vehicles and different equipment.

In addition, the company has partners and suppliers of raw materials for their production. It can be basic oils, or additives, or other chemicals needed for production of lubricants and oils. The main of them are "ENI", "Infineum", "Evonik", "Afton Chemicals", and others. The company has partnership relationships with different distributors to buy raw materials and to sell ready production to the clients.

The main clients of the "Naftaproduct" LLC are businesses and individuals that own or operate vehicles, such as cars, trucks, motorcycles, and other types of vehicles or equipment that require lubrication and oil for optimal performance and maintenance.
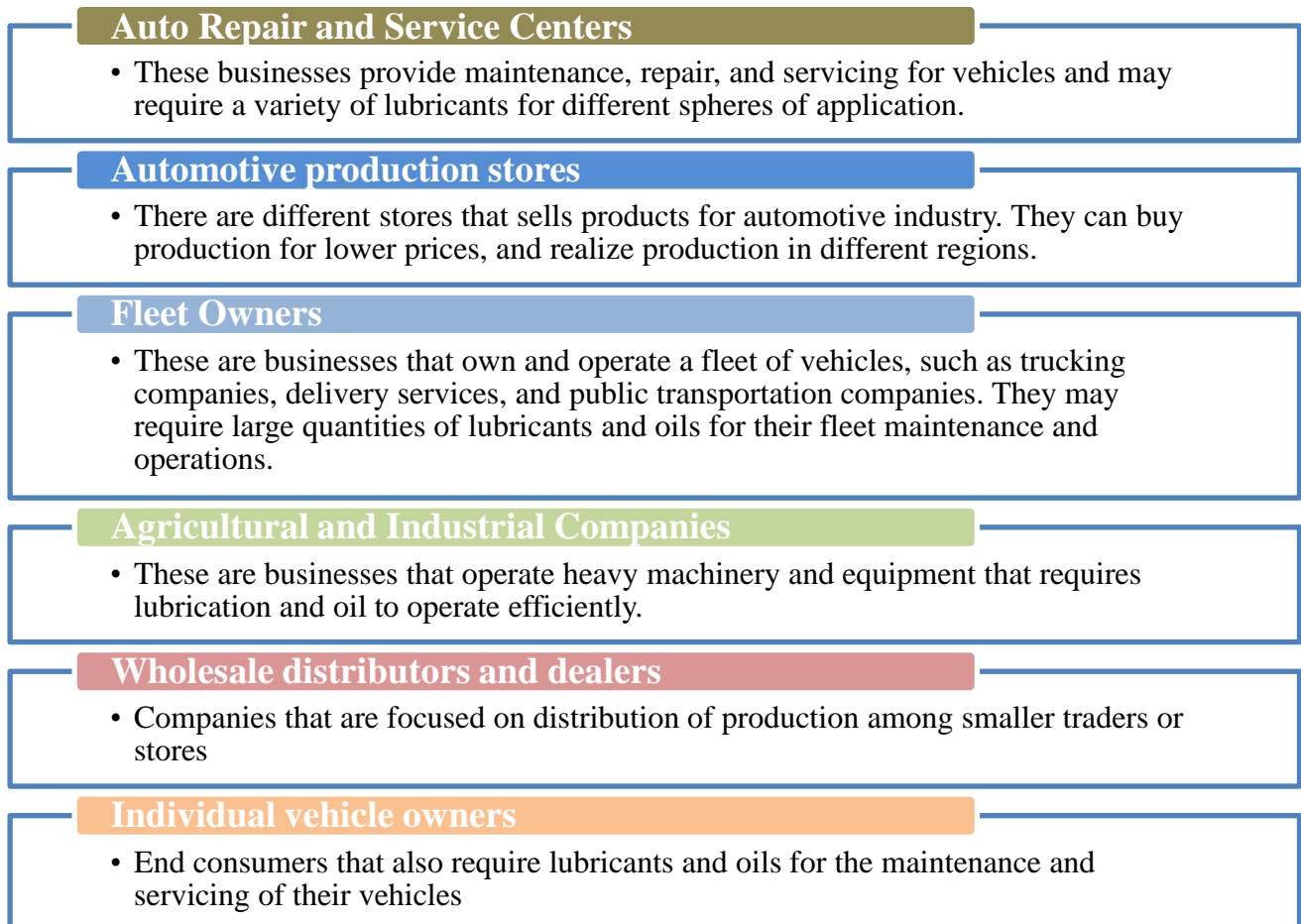
Auto Repair and Service Centers
- These businesses provide maintenance, repair, and servicing for vehicles and may require a variety of lubricants for different spheres of application.

Automotive production stores
- There are different stores that sells products for automotive industry. They can buy production for lower prices, and realize production in different regions.

Fleet Owners
- These are businesses that own and operate a fleet of vehicles, such as trucking companies, delivery services, and public transportation companies. They may require large quantities of lubricants and oils for their fleet maintenance and operations.

Agricultural and Industrial Companies
- These are businesses that operate heavy machinery and equipment that requires lubrication and oil to operate efficiently.

Wholesale distributors and dealers
- Companies that are focused on distribution of production among smaller traders or stores

Individual vehicle owners
- End consumers that also require lubricants and oils for the maintenance and servicing of their vehicles

Figure 2.1.1. Main groups of customers of "Naftaproduct" LLC. Compiled by author, based on company's customer data analysis

2.2. Analysis of current CRM solutions in the company

2.2.1. Customer interaction channels

The company uses several channels to interact with customers, ensuring comprehensive and consistent communication. Deciding which channels to use and in what combination (including at what time and with which segments) is a matter of being aware of the channel members and channel options available and then evaluating them in the context of the company's business situation. This requires a full understanding of the nature of each channel type, including how it functions, and what benefits and limitations it offers (Payne & Frow, 2004).

We can divide a company's relationship with customers into two models, namely B2B (business to business) and B2C (business to consumer). The differences between the two business models are becoming from day to day, very thin, as both

models get closer to each other. Thanks to technology, these models became so close that one can hardly drive a line between them or proclaim one better than the other (Abdullai, & Nuredini, 2020). Such directions cross between all groups of consumers. Because in each segment we meet with retailers and end consumers.

The main channels through which the analyzed company sells its products are identified, and these channels involves:

- Direct sales (pick-up)

Given the technical nature of oils and lubricants, direct communication is critical, especially with B2C customers. Local residents and individual enterprises of the region have the opportunity to buy goods at the place of production, which allows customers to get additional discounts due to the absence of delivery costs, as well as to receive individual services, such as bottling in consumer containers, or to buy separately the manufacturer's containers, for example, PET bottles, to reduce the cost.

- Communication by phone and e-mail

The company maintains a dedicated customer service line and email support for processing inquiries, placing orders, sending invoices for payment, discussing delivery and payment details, and after-sales service. These channels are especially important for fast, real-time communication, such as confirming order details or providing immediate assistance with product issues.

- Online platforms and e-commerce integration

The company has its own website where customers can view product catalogs, place orders, track deliveries and view their purchase history. In addition, the company showcases products on e-commerce platforms such as Prom, Bigl, Rozetka and dropshipping platforms such as Hubber. In addition, the company cooperates with independent online stores to increase brand awareness in the online market. Thus, the sales department has the ability to form orders for wholesale buyers and load them into vehicles for delivery, as well as process individual orders for shipment to dealers or directly to customers, for example, in a dropshipping format.

- Social media and digital marketing

The company uses social media platforms (such as Facebook and Instagram) to engage with customers, share industry insights and promote new products. In addition, digital marketing activities such as e-mails inform customers about promotions, price updates and company news.

- Customer reviews

The Company regularly collects customer feedback, such as personal inquiries by phone or text, as well as by collecting feedback from online platforms or from our dealers. Articles from these appeals or positive feedback are forwarded to the R&D department or the production floor, or to the accounting departments, depending on the nature of the problem. This helps the sales force and management team make data-driven decisions to improve product offerings and service quality.

Efficiently gathering, analyzing, and responding to customer feedback can drive product and service improvements. Focusing on this area will help the company better meet customer needs and enhance satisfaction. Constant and proactive communication is the most crucial thing that will help the company to strengthen customer relationships, which will lead to higher customer retention rates.

2.2.2. Company's customer data management

In the context of the analyzed company, customer data management is the cornerstone of successful customer relationship management. Successful customer knowledge creation depends on organizational structures, processes and personal skills, but it also requires appropriate information system (Khodakarami & Chan, 2014). This process involves the systematic collection, storage and analysis of customer information to improve business strategies and customer interactions. At this company, effective data management helps adapt sales approaches, anticipate customer needs, and maintain high levels of customer satisfaction. The company collects data about customers through several interaction points that presented in the table 3.1.1.

Table 3.1.1. Interaction points for gathering customer data

Interaction point	Ways of realization
Direct sales interaction	Gathering information during meetings with customers, calls and product demonstrations; document customer preferences, purchase history, feedback on product performance, and any specific requirements or concerns.
Digital channels	Company's website, pages on e-commerce platforms, online advertisement. Customers can place orders, request prices, or access product information, generating data about purchasing behavior and preferences.
Customer reviews	Feedback through local surveys, direct communication, from online stores, from wholesale dealers.

The collected data then entered into the 1C CRM system, where it is stored and organized for easy search and analysis. Integration of 1C CRM with other modules (such as accounting and inventory management) allows real-time updates of customer data and provides a comprehensive view of each customer's interaction with the company.

1C CRM is the main platform for storing customer data, with an emphasis on creating a unified and centralized customer database. The system stores various types of information, including:

- Contact details (names, addresses, phone numbers and email addresses of customers);

- Purchase history (detailed records of previous orders, including product types, quantities, order dates and payment statuses);

- Interaction logs (notes of sales, or additional notes for any separate order);

- Customer search (quick search of customer information based on name order size, purchase date, additional notes, and other relevant criteria);

The Company prioritizes data security by implementing access controls to ensure that only authorized personnel can view or modify confidential customer information. Using secure data storage protocols and regular backups helps protect data from loss and hacking.

Despite the strengths of a company's customer data management practices, some weaknesses or gaps hinder the effectiveness of its CRM strategy.

Manual data entry by sales representatives sometimes results in errors or inconsistencies. Incorrect information, as misspelled customer names or incorrect order details, can negatively affect customer satisfaction and make data analysis difficult. And there are cases when the customer mistakenly received the wrong product or did not receive it.

Since the company uses basic analytical tools in 1C CRM, this complicates advanced data analysis, such as predictive analytics. This limitation prevents the company from making full use of the data it collects, in particular to identify new

market trends or predict customer behavior. Therefore, this item deprives the company of additional flexibility within the market.

Although 1C CRM integrates with various internal systems, it is difficult to synchronize databases. In the real situation, there are discrepancies between the data in the program and the actual balances in the warehouse. This is due to a late update or lack of current data update. This does not create additional problems when the product is made to order, but it creates problems when the product is needed for urgent shipment and it is not in stock, which creates discomfort for the customer.

In addition, sometimes the database lacks the completed personal information of the client. This makes it difficult to quickly find phone numbers, contact email addresses, especially for new employees in the department, or any additional notes on shipping and payment terms for individual customers.

The current approach to segmentation is not granular enough to address the diverse needs of different customer segments. For example, industrial customers may have different requirements compared to automotive shops, and a lack of detailed segmentation may result in generic sales and marketing strategies that are not effectively targeted to specific customer groups. Therefore, without additional information, it is difficult to identify the customer and provide individual offers.

2.2.3. Employee's engagement in enterprise's CRM process

Effective use of CRM tools, adherence to best practices of interaction with customers largely depends on the skills, knowledge and motivation of the sales staff. The challenge for business leaders is establishing a tangible connection between what the answers to these two questions: the degree of customer loyalty on an external level, and the degree of employee engagement on an internal level (Gonring, 2008).

To ensure that the sales team can effectively use the CRM software, the sales director conducts a short training course where new employees can learn the workflow inside the program, its interface, accurately enter customer information, and update data in real time. The training emphasizes the importance of keeping clean and accurate records to avoid errors, how to prepare basic types of documents

correctly, and other aspects. The training includes modules on how to interpret and use customer data. This helps identify buying patterns and use these insights to tailor their promotional offers and product recommendations. For example, understanding a customer's past orders can help a sales representative suggest the right lubricants for a particular piece of equipment or quickly respond to inquiries from repeat customers. Employees are trained in how to respond to inquiries from potential customers and provide support. This aimed at standardizing the sales process, ensuring consistent interaction with potential customers and reducing the likelihood of missed opportunities.

Despite the company's efforts to train and involve employees in the use of the CRM system, there are gaps that hinder the effectiveness of these initiatives. For example, the initial training of new employees may not be enough to fully understand the capabilities of the software. Given the complexity of the system, a basic introduction may not provide general control, leading to underutilization of features and tools. Therefore, sometime new employees have to constantly consult and work on mistakes with experienced employees of the department.

In some cases, the quality of training of employees may be inconsistent, as specialists are busy with their main work tasks, and training is an additional burden. This can lead to varying levels of competence among sales staff, with some finding it difficult to use the system effectively.

An additional weakness is that not all sales representatives in the department may fully see the value of using the system, especially if they have had success with traditional sales methods in the past and are used to storing or transferring information and communicating separately without any software. Resistance to change, lack of perceived benefits, or fear of increased monitoring and accountability leads to low engagement and limited adoption of CRM tools within the department.

In addition, the frequency and depth of current training may not be sufficient. That's why, by investing in solid training and facilitating engagement with a CRM system, a company can maximize the effectiveness of its customer data management

and sales processes, leading to a better customer experience and improved business results.

2.2.4. Company's software solutions

The company uses 1C CRM, a product of the 1C company, to optimize customer relationship management processes. 1C CRM is a popular choice among small and medium-sized enterprises (SMEs) in Ukraine and post-Soviet countries, known for its powerful integration capabilities and flexibility (Smolentseva, Gainulova, Akhmedova, Khabibullina, & Yunusova, 2022).

1C CRM seamlessly integrates with wider 1C package that includes ERP, inventory management and accounting modules. This integration enables real-time data flow between sales, production and finance, ensuring that the sales team has up-to-date information on product availability, order statuses and customer payment history (Shiryaev, 2024).

1C CRM provides detailed customer analytics, including purchase history, order frequency, and payment history. The sales department uses this information to identify the best customers, track sales performance, track debt for individual customers. For example, they can monitor the level of discount for individual consumers, or offer additional discounts on bulk orders to customers with large purchasing volumes.

The software includes tools to monitor the performance of individual sales representatives, for each account individually or for the entire sales force. Managers can set goals, track performance and identify areas for improvement. This feature helps align sales with the company's strategic goals.

After interview with manager responsible for correct work software between departments, it was concluded that along its advantages, this software also has its disadvantages and limitations. There are the main of them:

- Customization Challenges

While the software offers flexibility, customizing it to the specific needs can be difficult. System modification requires 1C programming experience, since the

program has its own platform, and it may be necessary to involve specialists or external consultants. This increases the overall cost and complexity of use.

- Outdated interface

Compared to modern CRM systems such as Salesforce or HubSpot, 1C CRM often has a less intuitive and outdated user interface. Sometimes it's less user-friendly and harder to navigate without directions.

- Interaction with the user

System complexity can lead to a less optimized user experience because simple tasks require multiple steps. For example, it is difficult to synchronize customer personal information, customer contacts, and it is difficult to quickly find the information we need about a customer. Therefore, in most cases, there is a need to use additional lists, and it is also difficult to synchronize such data between each employee.

- Limited integration with external tools

Although 1C CRM integrates well with other 1C products, it may have limited compatibility with external third-party applications, such as advanced marketing automation tools, email marketing services, or other CRM systems. The lack of full integration prevents the company from using a greater variety of software solutions.

- Additional setup and maintenance costs

The need for constant setup, IT support and software updates add to the total cost of ownership. The company needs to hire specialists every month or quarter to maintain and update the system, which increases the overall costs.

- Analytics and reporting

Although 1C CRM provides standard reporting tools, its analytical capabilities are very limited compared to specialized CRMs. For advanced data visualization, predictive analytics, or statistics, built-in tools are not enough and may need to integrate third-party analytics solutions, which can be challenging.

Despite these limitations, 1C CRM remains a popular choice for many small and medium-sized enterprises in our region due to close integration with accounting

and ERP modules, familiarity with local business practices, and relatively low initial costs.

2.2.5. Communication and collaboration between employees

Effective communication and collaboration between different departments, especially the sales department, is critical to the successful implementation of strategies in customer relationship management, especially in a manufacturing company. In the context of CRM, the collaboration between sales, marketing, production and accounting departments used to ensure a seamless interaction with customers (Khodakarami & Chan, 2014). Current company practices include regular meetings between departments and collaborative problem solving

As mentioned earlier, using CRM software provides a centralized database where customer information, sales history, order status, and communication logs are available to different departments. This sharing allows the sales force to check product availability, the customer's order history and any past interactions, helping to provide consistent and informed customer service.

The company uses digital communication tools such as e-mail, messaging applications and other functions to facilitate the rapid exchange of information between departments. These tools help coordinate responses to customer inquiries, manage order updates, and share important information about new product launches or promotions.

To improve cooperation, the company's management holds weekly meetings with the participation of the sales, accounting and production departments. These meetings held to review current sales initiatives, discuss customer feedback, and agree on future marketing strategies. For example, during the launch of sales on a new online site, sales departments provide feedback on customer reception. These discussions also help plan production to accommodate fluctuations in demand.

The sales department is the main point of contact for customer feedback and regularly shares feedback with the production or R&D teams (Tintelnot, 2023). There was a case when many canisters from the same batch began to leak, the sales department forwarded the complaints to R&D, and improved packaging developed for this type of canister. This feedback loop allows for continuous product improvement, aligning customer needs with company offerings and increasing overall satisfaction.

Coordinated communication exists for companies to quick responding to changes in consumer demand or market trends. For example, if sales data indicates increased demand for a particular lubricant, the production team can adjust the production schedule accordingly. In addition, collaborative planning helps allocate resources more efficiently, whether it is planning production based on sales forecasts or adjusting marketing budgets to target key customer segments.

Despite these concerted efforts, the company faces several challenges. Even with a centralized CRM, there can be a tendency for departments to work in isolation, especially when sharing detailed information. For example, the sales department may collect negative feedback and report to managers, but this information is not always fully communicated to the production or research teams. Failure to share information can lead to missed opportunities to optimize promotional offers and improve product features based on direct customer input.

Even though a company uses different means of digital communication, the lack of a standardized approach to communication between departments can lead to inefficiencies. Important messages can be lost in long email threads or scattered across different messaging apps, leading to misunderstandings or delay in responses. For this reason, there are regular misunderstandings when one manager or storekeeper is informed, but the accountants are not, and each representative needs to be informed separately.

In addition, not all relevant departments may be consistently involved in CRM-related activities or decision-making processes. For example, the production team may not always be able to participate in the discussion of customer feedback, which

can prevent the use of valuable ideas in product development and quality improvement.

2.2.6. Customer feedback and adaptation process

Customer feedback is another important component of successful customer relationship management, especially for manufacturing companies where brand reputation depends on consumer behavior. Employees relate directly with customers on a daily basis. It is important, then, to provide them with feedback programs regarding the implementation of the CRM strategy. Opinions based on employee experiences constitute an important tool for gauging effectiveness (Mendoza, Marius, Pérez & Grimán, 2007).

Feedback on product quality, performance and features helps the company identify specific areas for improvement. For example, if customers frequently mention problems with oil viscosity or the presence of impurities, the R&D team can conduct research and adjust the formulation. By responding to feedback related to service issues, such as delayed mail or poor communication, the team can make adjustments to improve the overall customer experience and reduce dissatisfaction. Actively seeking and responding to customer feedback demonstrates a commitment to customer satisfaction.

Customer complaints are inevitable, but they can provide valuable information to improve products and services. An effective complaints process is critical to maintaining customer satisfaction, building loyalty and preventing negative radio broadcasts. There is a customer complaint process as shown in the figure 3.1.4.

```
┌─────────────────┐
│ 1. Receiving    │
│    complaints   │
└─────────────────┘
        ┌─────────────────────┐
        │ 2. Clarification of │
        │    details          │
        └─────────────────────┘
              ┌─────────────────────┐
              │ 3. Internal review  │
              │ and investigation   │
              └─────────────────────┘
                    ┌─────────────────────┐
                    │ 4. Development of a │
                    │    solution plan    │
                    └─────────────────────┘
                          ┌─────────────────────┐
                          │ 5. Communication    │
                          │ of the decision     │
                          └─────────────────────┘
                                ┌─────────────────────┐
                                │ 6. Implementation of│
                                │ corrective actions  │
                                └─────────────────────┘
                                      ┌─────────────────────┐
                                      │ 7. Follow-up with   │
                                      │    the customer     │
                                      └─────────────────────┘
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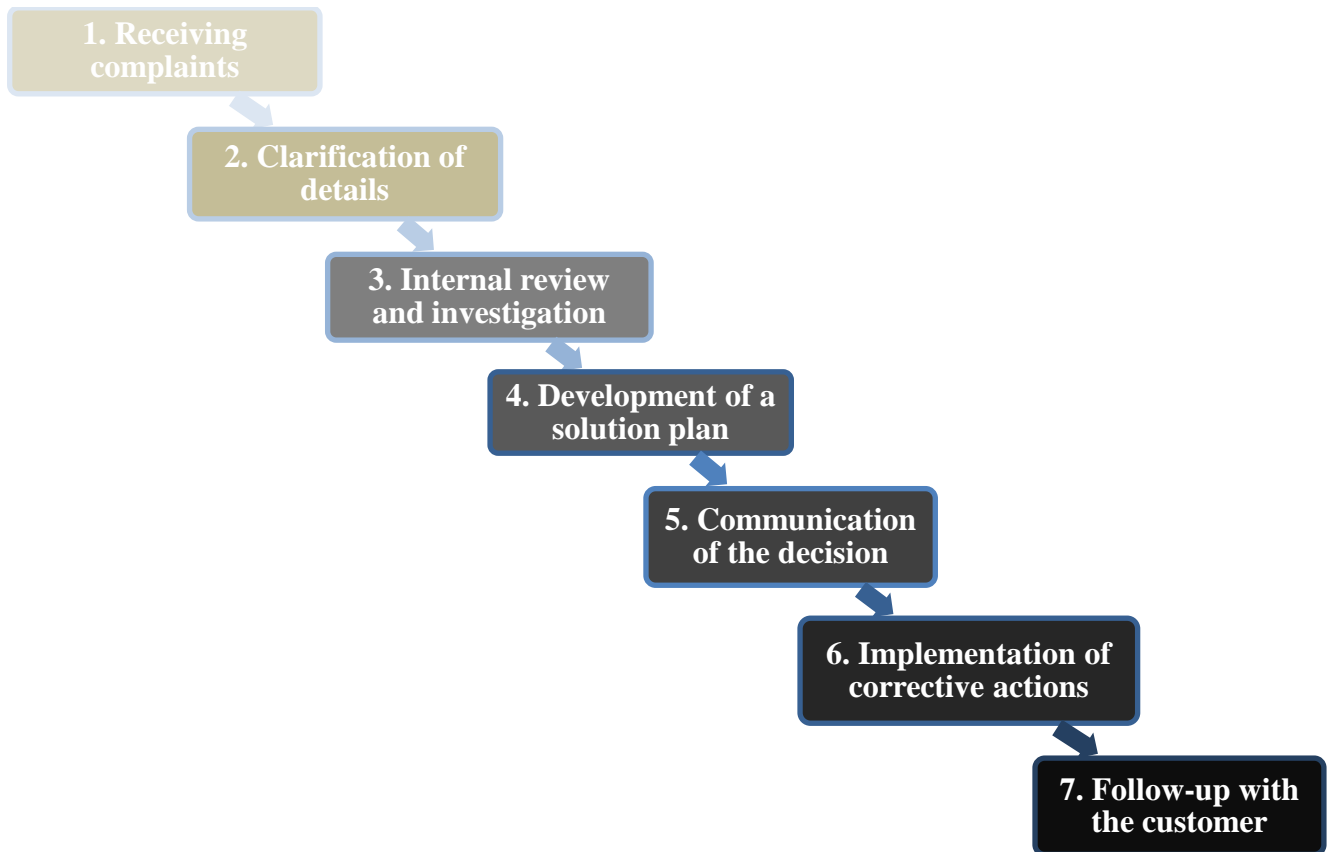
Figure 3.1.4. Customer complaint solution process in the enterprise

1) Receiving complaints

Customers can submit complaints through several channels, such as phone calls, emails, the company's website, or social media. The sales and customer service teams are usually the first point of contact for receiving and handling these complaints.

2) Clarification of details

It is very important to confirm the complaint as soon as possible, ideally within one day. A department representative will contact the customer to confirm that their complaint has been received and is being reviewed. This initial response helps reassure the customer that their problem is being taken seriously and sets expectations for next steps. At this point, the representative may ask for additional information to better understand the issue. For example, if the complaint is about lubricant performance, the representative may ask about specific conditions of use, lot numbers, and any observed problems.

3) Internal review and investigation

Based on the nature of the complaint, the matter is transferred to the appropriate department for further investigation. For example, if a complaint is about product quality, it is sent to the R&D department and the production team for analysis.

If the problem is due to a delay in delivery, the logistics specialist will check the order and delivery details. The assigned department then conducts a root cause analysis to determine the source of the problem. In the event of a product defect, this may include testing samples from the same batch to detect any deviations from quality standards.

4) Development of a solution plan

Once the investigation is complete, the team develops a plan to resolve the issue. This plan may include providing a replacement product, offering a refund, or making process changes to prevent similar problems in the future.

The proposed plan for solving the problem is reviewed by the manager, for making appropriate decisions. Sometimes coordination between multiple departments may be necessary, especially if the decision involves a product recall or production adjustment.

5) Notification of the decision to the client

The representative contacts the customer to explain the results and suggest possible solutions that the company will use to solve the problem. Transparency in this communication is key; customers must be informed of what went wrong and how it will be fixed.

6) Implementation of corrective actions

If a complaint indicates a recurring or serious problem, the company takes immediate corrective action. This may include stopping production to address a quality issue, updating the product formulation, or revising packaging instructions.

For more systemic problems, a company can implement long-term improvements, such as upgrading equipment or changing suppliers to improve the quality of raw materials.

7) Follow-up and feedback

Once the solution is implemented, a call or email is sent to the customer to ensure they are happy with the outcome. This control not only confirms that the problem has been solved, but also helps to assess the current level of customer satisfaction.

It is important to note that some weak sides are present in this sphere of enterprise's operating. There is limited formal analysis of feedback data collected from various sources. Currently, customer feedback is often considered on a case-by-case basis without a structured process of aggregation and trend analysis. Such an ad hoc approach can lead to a loss of information or a slow response to new problems.

The company's process for implementing changes based on customer feedback is quite slow due to the passive response of some employees, especially when it comes to adjusting product formulations or manufacturing processes. Time spent adapting based on feedback can lead to delays in meeting customer needs, which will reduce satisfaction.

3. Strategic directions and areas for improving effectiveness of company's CRM

3.1. Success factors prioritizing

For smaller manufacturers, implementing a CRM strategy tailored to their specific needs can bridge the gap between limited resources and the demand for personalized customer interactions (Anshari, Almunawar, Lim & Al-Mudimigh, 2019). Based on the analysis of the critical success factors of customer relationship management at "Naftaproduct" LLC, several key areas for improvement identified. The following propositions focus on setting up specific priorities by executives between departments to reach success factors in practice, implementing specific technology upgrades, improving employee engagement, and further creating a foundation for continuous improvement.

Taking into account the results of the analysis, the company should focus on the following critical success factors in order of priority. This is necessary for further strategic planning to analyze the real situation in each area, assess the capabilities of the company and the team to apply efforts where they are most necessary, rather than being scattered across several projects, and avoid irrational spending of finances and time. In addition, it is necessary to plan properly the flow of resources to overcome existing problems. Therefore, the analyzed success factors in order of priority, in accordance with the company's conditions:

1) Customer data management. This factor includes providing accurate, comprehensive and accessible customer data, which is the basis of effective CRM. Improving data quality and ensuring uninterrupted access for all departments will improve customer interaction and decision-making.

2) Employee engagement and training. The success of CRM initiatives largely depends on the ability and willingness of employees to effectively use CRM tools. Ensuring that the sales and customer service team is well trained and involved maximizes the benefits of the CRM system.

3) Customer Feedback and Adaptation. Effectively collecting, analyzing, and responding to customer feedback can help improve products and services. Focusing

on this area will help a company better meet customer needs and increase satisfaction.

4) CRM Technology and Software. Improving the functionality and user awareness of CRM software will directly impact the effectiveness of customer relationship management processes.

5) Team Communication and Collaboration. Strengthening cross-functional collaboration will allow for a more cohesive approach to customer relationship management and problem solving.

According to these priorities, we can formulate the strategic aims, actual for strengthening situation in each factor. They presented in figure 3.1.1.
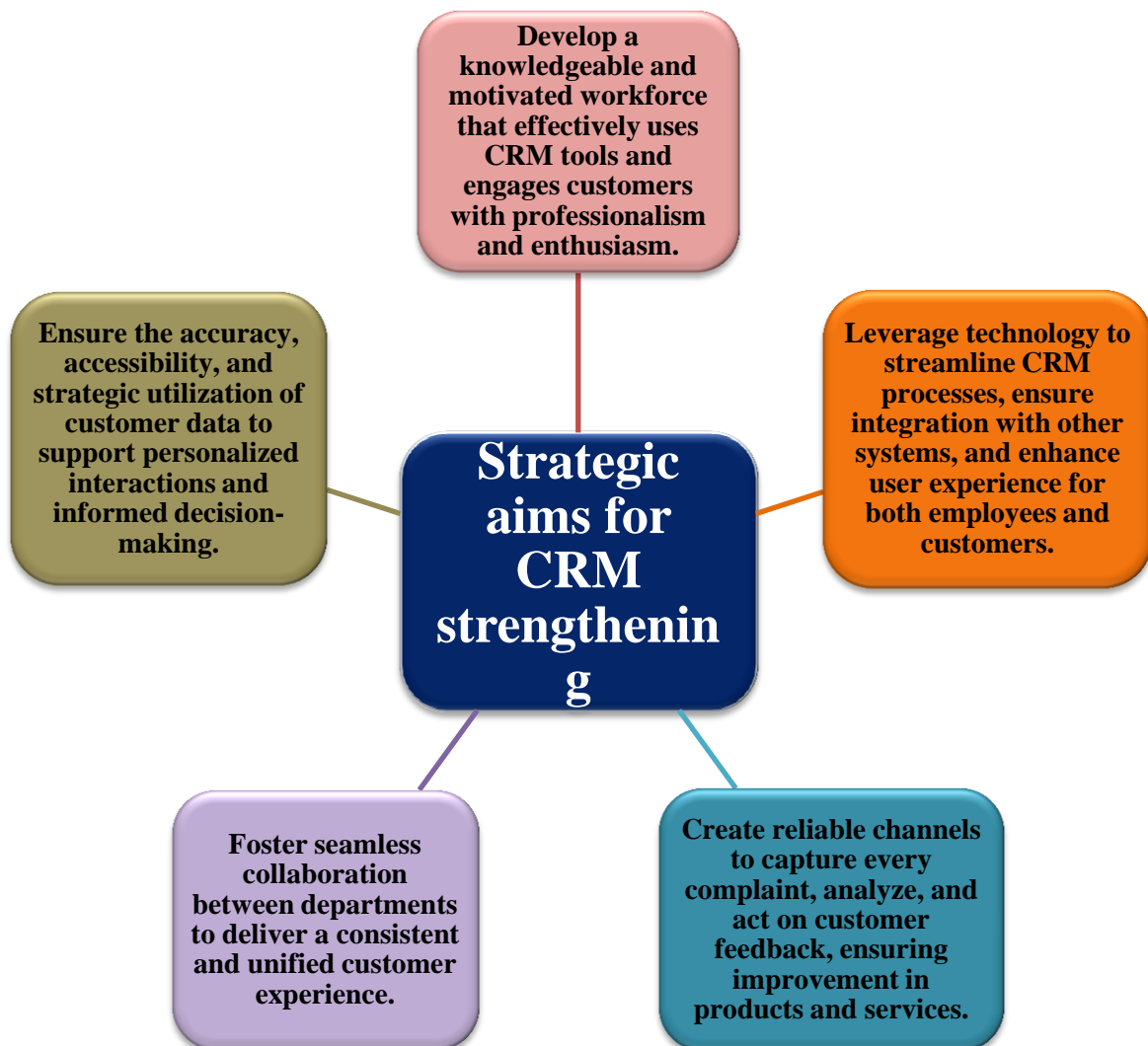
Figure 3.1.1. Strategic aims for strengthening of CRM success factors for "Naftaproduct" LLC. Compiled by author

3.2. Practical solutions for improving CRM effectiveness

3.2.1. Establish clear data governance policies

For further improving the quality and availability of user data, company management should establish clear data collection, use, and security policies to meet common standards for all employees, thereby greatly simplifying access and search for user data and improving the customer service process.

The first aspect of the policy is to identify, accept, and approve the unified standards of customer data interaction for every employee in the sales department. A data management policy defines the principles, processes, and responsibilities for managing customer data to ensure its ethical, secure, and effective use. There are some propositions to company focusing on CRM, what elements the policy should include. They presented in table 3.2.1.

Table 3.2.1. The main elements of data governance policies. Proposed by author

Element of policy	Aspects	Notes
Data Collection	List of documents for client registration	Make list of documents for registration and conclusion of an agreements with legal entities
	Minimum Necessary Collection	Collect only the data required for business operations
	Customer Consent	Identify clear procedures for obtaining consent before collecting data
Data Usage	Purpose Specification	State how different types of customer data will be used by specific purposes
	Prohibited Uses	Identify activities that are prohibited, such as selling customer data to third parties
Data Security	Access Control	Restrict access to the system ensuring only authorized personnel can view or edit sensitive data
	Incident Response Plan	Develop a clear plan for remediating data breaches, including notification procedures for affected customers
Data Quality	Data updates	Establish a routine for regular check and updating customer information
	Data validation	Implement validation rules in the CRM system to minimize data entry errors
Data Retention and Disposal	Retention Periods	Define timeframes for retaining different types of data
	Data archiving	Define the norms for archiving and deleting from database
Accountability	Data governance officer	Assign responsible individual to oversee policy implementation and updates
	Employee instruction	Conduct instruction for all employees on data management policy

Another aspect of such establishment reforms should be the implementation and use of a unified platform to consolidate data from all interaction channels, providing complete customer profiles. To engage employees, we can suggest implementing a unified platform, such as Microsoft Teams or Slack, integrated with a CRM system that can facilitate more seamless communication. These platforms offer features such as instant messaging, video calling, and file sharing that facilitate real-time team coordination and reduce reliance on fragmented communication methods.

Another aspect of the new policy should include implementing processes for immediate data entry and updates, such as integrating mobile CRM access for field sales representatives.

Additionally, implementing a formal feedback process in which customer information from the sales team regularly documented and communicated to other departments can improve responsiveness. For example, the sales department can prepare a monthly client brief and discuss it in cross-departmental meetings; ensuring timely action taken on recurring customer issues.

There are steps a company can take to strengthen customer feedback processes and improve insights-based onboarding.

1)   The most important aspect is the joint effort to develop a constant feedback mechanism. Establishing a formal process for reviewing, prioritizing, and acting on customer feedback can help ensure that issues are resolved quickly.

2)   Holding cross-functional meetings to review feedback and implement changes can speed up the onboarding process and improve responsiveness. This approach allows the company to continuously collect feedback, rather than relying only on random surveys or interactions with salespeople.

3)   Regularly creating and distributing short customer feedback reports to all relevant departments can inform the entire organization about customer sentiment. These reports should highlight key issues, track progress on typical complaints and provide useful information for continuous improvement.

3.2.2. Comprehensive training for employees on CRM effective implementation

The success of CRM initiatives largely depends on the ability and willingness of employees to use effectively the CRM tools. Ensuring that sales and customer service teams are well trained and engaged will maximize the benefits of a CRM system.

There is a need for additional training to ensure a full understanding of the entire CRM process. The training includes modules on how to interpret and use customer data. Sales reps learn to create reports, analyze customer-buying patterns, and use that information to tailor their promotions and product recommendations. For example, understanding a customer's past orders can help a sales representative recommend the right lubricants for specific machines.

Training should also focus on improving the communication skills of the entire team to achieve common customer communication standards such as effective communication, active listening and problem solving. Sales staff must learn to build relationships with customers, handle objections, and provide personalized service based on customer needs and preferences.

That is why there is a need in specific training program that should be provided for customer service team.

The main goals of the training program are:

- To improve employee understanding of CRM principles and their importance;

- To develop skills in using CRM software;

- To improve customer interaction skills and strategies;

- To promote collaboration across departments to improve CRM practices.

The training should conducted in five daily meetings during one week, in most preferable time for representatives of each team, to gain mutual understanding of processes, and their implementation.

The meetings will conducted in the form of discussion of key issues in teams or all together, by using team-building collaborative activities, simulations of real-life

customer interactions to build confidence and interactive sessions for detailed CRM and software training.

The program will include five main phases during five daily meetings, in which teams representatives will consider various aspects of CRM, in the following order, presented in the table 3.2.2.

Table 3.2.2. Comprehensive training program plan. Proposed by author.

№	Phase of training	Description	Key questions to discuss	Duration
1	**CRM Basics**	Make overview of CRM and its strategic role in the company.	• How does CRM benefit both customers and the company? • What are the key success factors in CRM, and how do they apply to our roles? • What challenges do we currently face in managing customer relationships, and how can CRM address them? • How does CRM align with the company's strategic goals?	1 Hour
2	**CRM software training**	Investigate advanced usage of the 1C CRM platform, its features and capabilities.	• What are the main features of the CRM system we use and not use, and how do they support our tasks? • How can we navigate the CRM dashboard to access customer data efficiently? • What are the best practices for entering and updating customer data to ensure accuracy? • How do we generate reports and analyze customer trends using CRM tools? • What troubleshooting steps can we take if encounter technical issues with the CRM software?	2 Hours
3	**Customer interaction techniques**	Present best practices for handling customer inquiries and complaints. Organize role-playing exercises for effective communication.	• How can we ensure consistency in customer interactions across all touchpoints? • What are the best practices for addressing customer complaints effectively? • How can we personalize our interactions to build stronger customer relationships? • What are some examples of common customer scenarios, and how should we respond?	2 Hours

			• How do empathy and active listening contribute to successful customer interactions?	
4	**Inter-departmental collaboration**	Discuss how different departments contribute to CRM success. Propose the tools and strategies for improving coordination and data exchange.	• How do different departments contribute to the success of our CRM strategy? • Discuss, what communication tools and practices can we use to improve collaboration and unify communication between departments? • How can we ensure smooth handoffs of customer information between teams? • What are common bottlenecks in interdepartmental coordination, and how can we address them?	1 Hour
5	**Performance assessment**	Gain feedback from workers on their own preferences and propositions for further development in each sphere of customer relationships. Make feedback session to identify areas for further improvement.	• Are there any features or processes in the CRM system that require further clarification? • What challenges teams still facing in using the CRM tools effectively? • How can we enhance future collaboration to better address employee needs? • What additional resources or support would help improve CRM performance?	1 Hour

The costs expected from this training program include:

▪ Fees for hiring professional trainers or CRM software specialists;

▪ Costs for development of e-learning modules, manuals, and guides;

▪ Printing costs (Handouts, training manuals, and other printed materials);

▪ Food costs for additional snack during sessions.

The expected results predict that the training program will ensure that employees not only acquire practical knowledge but also engage in critical thinking about CRM's role and impact within the company.

3.2.3. Integration of software with other systems

CRM systems as technological enablers that designed to combine island solutions and to support business processes in the areas of marketing, sales, and service. They serve to integrate and provide access to all customer information and contact channels based on a central database (Torggler, 2008).

Company's CRM software should be fully integrated with its enterprise resource planning (ERP) and supply chain management systems to provide a unified view of operations. This integration allows seamless tracking of orders, inventory levels, and customer interactions.

Integrating the CRM with other enterprise databases is critical to creating a unified, efficient, data-driven operating system.

Key reasons include:

➢ Improved data accuracy and availability

By connecting CRM with ERP and supply chain systems, data duplication is reduced, providing consistent and accurate information across platforms. This availability allows teams to make more informed decisions.

➢ Improved customer experience

Unified systems provide a holistic view of customer interactions, purchase history, and preferences, enabling personalized service and faster problem resolution.

➢ Streamlined operations

Integration eliminates silos between departments, improving communication and coordination. For example, sales teams can track order statuses directly from CRM without having to contact shop floor or warehouse workers.

➢ Real-time insights

Integrated systems provide real-time analytics across the business, allowing us to adapt more quickly to market changes or operational challenges.

➢ Cost and time efficiency

Automating processes, such as moving customer orders from CRM to ERP, reduces manual input, minimizes errors, and saves time.

➢ Scalability and growth

Integrated systems are better able to adapt to business growth because they provide a scalable infrastructure that accommodates the increased complexity of data and operations. Integrating a company's 1C software and databases involves a systematic approach to ensure seamless data flow, functionality, and operational efficiency across different systems. There is the proposed plan of integration. It will consist of ten key steps, and will require common efforts for their implementation.

Step 1: Define integration goals

- Identify specific business needs, such as real-time data exchange or simplified workflows;

- Identify measurable outcomes, such as improved order processing speed or enhanced reporting capabilities.

Step 2: Assess existing systems and databases

- Review system architecture to understand compatibility and limitations;

- Identify data redundancy and redundancy in the current setup;

- Document APIs, protocols, and data formats supported by the software.

Step 3: Plan an integration strategy

- Choose the integration type: direct connection, middleware, or enterprise service bus (ESB);

- Identify the scope of the integration by specifying which data fields, processes, or functions that will be linked;

- Identify tools or platforms to facilitate integration, such as middleware solutions (e.g. MuleSoft, Zapier) or custom APIs.

Step 4: Map and standardize data

- Map how data fields in one system correspond to fields in another;

- Standardize data formats to ensure consistency (e.g., date formats, currency types);

- Resolve discrepancies, such as duplicate records or mismatched fields.

Step 5: Develop integration components

-        Implement selected APIs to exchange data between systems;

-        Set up middleware to serve as a bridge between disparate software.

Step 6: Test integration in a sandbox environment

-        Perform data flow testing to ensure accurate information exchange between systems;

-        Simulate user interactions to validate workflows in integrated systems;

-        Check for potential errors, such as incomplete data transfers or system conflicts.

Step 7: Implement security measures

-        Set up user authentication and access control policies;

-        Ensure data protection regulations that are adhered to.

Step 8: Deploy the integration in a live environment

-        Schedule the deployment to minimize disruption to ongoing business operations;

-        Enable real-time synchronization or scheduled updates as needed based on business needs.

Step 9: Monitor and optimize the integration

-        Collect user feedback to identify pain points or areas for improvement;

-        Regularly update the integration components as system updates or new requirements occur.

Step 10: Train employees

-        Provide hands-on training for employees involved in using the software;

-        Provide refresher courses when new features or updates that released.

In result of the integration, sales and manufacturing departments can access consolidated customer data, improving engagement strategies. All departments will have a common understanding of order statuses, inventory levels, and marketing results. In addition, such integration reduces delays caused by manual data searches or communication between departments. Real-time insights allow the company to forecast trends, anticipate customer needs, and manage risk more effectively.

By integrating CRM with ERP, marketing platforms, and supply chain management tools, small manufacturing companies can create a cohesive operating environment that improves efficiency, increases customer satisfaction, and supports growth.

CONCLUSIONS

During the study, we examined the factors that are critical to a company's success in the area of customer relationships. Customer relationship management (CRM) has become an indispensable tool for various companies at any level of activity that seek to thrive in a competitive environment.

In this master's thesis, the study focused on a small manufacturing company with its own sales department responsible for customer relationship management. The study examined CRM from various perspectives, including technological, organizational, and human factors that influence its success. The analysis was based on data collected through literature, personal examples and observations, interviews with key personnel such as sales managers and customer service representatives, and an assessment of CRM tools and processes currently in use.

For "Naftaproduct" LLC, effective CRM practices are crucial for maintaining customer satisfaction, increasing sales efficiency, and maintaining long-term loyalty. Through a detailed analysis of the critical factors of CRM success, this study highlighted several key areas that can significantly affect the success of CRM implementation and its overall impact on business results.

The first critical factor identified is the Customer Data Management. An accurate and accessible customer data is the foundation of a successful CRM. The ability to collect, store and analyze customer information enables companies to personalize interactions, anticipate needs and make informed business decisions. However, deficiencies in data accuracy and integration were identified, indicating a need for standardized data entry protocols and better system integration.

Employee buy-in is also critical to the successful implementation and ongoing use of CRM systems. Engaged employees are more likely to input accurate and comprehensive data into the CRM system. This leads to better customer insights, more effective sales strategies, and improved customer satisfaction. In contrast, if employees are reluctant or resistant to using the system, the quality of the data may suffer, leading to inaccurate analysis and poor decision-making.

When employees understand the strategic importance of CRM and see how their use of the system contributes to the company's goals, they are more likely to adopt a customer-centric mindset. This alignment helps create a unified approach to sales and customer service, enhancing overall business performance.

The next factor considered in this study is technology and software. CRM technology adoption is another critical factor influencing CRM outcomes. User-friendly, customizable, and scalable systems allow a company to tailor CRM functionality to its specific needs. However, CRM technology adoption is not without its challenges. Poor software usability, lack of customization, and inadequate vendor support can hinder adoption and usage. For enterprises, affordability and ease of implementation are key factors, making locally developed or open source solutions more attractive than global, enterprise-grade systems.

In addition, CRM success often depends on effective communication and collaboration between departments, including sales, marketing, and customer service. Cross-functional teams help ensure that customer insights are shared and acted upon across the organization. However, research highlights a common problem of organizational silos that can hinder collaboration and lead to inconsistent customer experiences. Companies of all sizes are not immune to communication gaps, especially when roles are unclear or responsibilities overlap. Structured workflows and collaboration platforms can mitigate these issues, contributing to a more aligned CRM strategy.

The ability to collect, analyze, and respond to customer feedback is another key factor in CRM effectiveness. Feedback mechanisms help businesses understand customer satisfaction, identify areas for improvement, and adjust their strategies accordingly. For the company under review and in the manufacturing sector in general, incorporating technical feedback into product development is particularly valuable in fostering long-term customer loyalty. Challenges with using feedback include the lack of structured processes for analyzing qualitative data and integrating insights into strategic decisions. Research has shown that proactive feedback processes supported by analytics tools can significantly improve CRM outcomes.

Within the study, the most suitable strategic solutions, proposed to the analyzed company. There is a need in establishing clear data governance policies that will unified for every employee in the company, and will give possibility to set up rules and principles of customer interaction, and to collaboration between departments.

Another strategic solution is to provide an employee training for every employee, involved in customer service process. When sales representatives trained and motivated to use the CRM system effectively, they can streamline their workflows, automate routine tasks, and spend more time on customer engagement. This boost in productivity can lead to higher sales and better customer retention. Employee engagement in CRM processes translates into more proactive and personalized customer interactions. Sales staff who buy into the CRM strategy are more likely to leverage customer data to tailor their approaches, anticipate client needs, and build stronger, long-lasting relationships.

The study also highlights the importance of seamless integration with existing business systems, such as enterprise resource planning (ERP) software, to avoid data fragmentation and improve efficiency. The third strategic solution is implementation of seamless integration of company's databases and customer data standardization. There is plan of integration, which consist of ten steps. By following these steps, a company can successfully integrate its software and databases, creating a cohesive operational ecosystem that enhances efficiency, accuracy, and collaboration across departments.

The findings of this study have broader implications for small manufacturing companies beyond the oils and lubricants industry. In an increasingly customer-centric marketplace, small businesses must recognize the importance of robust CRM practices as a means to differentiate themselves and build stronger relationships with their customers. Effective customer data management, well-trained employees, and effective use of technology are not only critical to improving sales performance, but are also vital to maintaining long-term customer loyalty.

For small manufacturers, implementing a CRM strategy tailored to their specific needs can bridge the gap between limited resources and the demand for personalized customer interactions. By prioritizing data accuracy, improving employee skills, and using the right CRM software, these companies can achieve a better understanding of customer preferences, anticipate market trends, and respond more quickly to changing demands. In addition, developing a culture of cross-functional collaboration and actively seeking customer feedback can help these businesses remain agile and competitive in their niche markets.

The implications of these findings underscore the need for small manufacturing firms to view CRM not just as a tool but as a strategic approach integrated into every aspect of their operations. By properly focusing on critical success factors, even resource-constrained companies can build strong, long-term customer relationships and drive sustainable growth.

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