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**CRM software implementation and
internationalization of SMEs**

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ABSTRACT :

Previously, the international expansion of organizations has been explained through the ability to establish and develop relationships between suppliers and buyers in international markets. In the case of SMEs, it has been difficult to establish theories explaining the development of these relations due to the lack of systematicity and individual focus in managing them. One approach explaining a more systematic establishment and development of supplier-buyer networks is customer relationship management, to which CRM software usage has become increasingly popular even amongst SMEs. However, the CRM software implementation and its connection to the international expansion of SMEs are yet understudied in the literature.

Therefore, the objective of this thesis is to examine the relationship between the two concepts and provide implications for CRM software usage for SMEs that aim to increase their international commitments. This is done by covering the relevant literature on SME internationalization and CRM software implementation, after which a multiple-case study of five Finnish SMEs that have implemented CRM software and operate cross-nationally is conducted.

The results support a positive relationship between CRM software implementation and SMEs ability to operate internationally. The findings suggest that SMEs can increase their ability to collate information on foreign customer networks, subsequently improving the efficiency of developing them especially when the number and complexity of the network relations rise. In the highly competitive international environment, the benefits of being able to utilize different digital tools to grow and survive are acknowledged; therefore, the study presents CRM software utilization in SMEs bears a positive association with the ability to access international networks and increase resource exchange with them.

Furthermore, the study underlines that by developing capabilities to retrieve and deal with key information, SMEs are able to develop an important resource, namely knowledge of their operations, foreign customers, and markets. Thus, the findings suggest that comprehensive CRM software implementation supports SMEs' ability to develop such knowledge, which increases their international commitments. As a result, this study introduces the functionalities of the CRM software and activities that support the implementation to increase knowledge of the key success factors of CRM software implementations in SMEs; therefore, providing practical implications on how SMEs can increase their international commitment. Overall, this thesis contributes to investigating and understanding a connection between the international expansion and CRM software utilization in SMEs, subsequently extending the literature on CRM software implementation and internationalization of SMEs.

KEYWORDS: Internationalization, small and medium-sized enterprise, CRM, CRM software implementation, customer network

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1 Introduction

The purpose of this chapter is to introduce the thesis - and justify the rationale for the chosen topic. First, background information, problem area and main research question are discussed. Further, the intended contributions and objectives of the study are presented. Towards the end, the key concepts and the structure of the thesis are introduced.

1.1 Background for the study and problem area

In small-open economies, the role of international trade has been rising constantly due to increased need for international exposure; as a result, even small- domestic companies face the pressure to internationalize their operations (Albaum & Duerr, 2011). Small firms are forced to operate internationally merely to survive because domestic markets do not offer sufficient growth opportunities (Dabic, Maley, Dana, Pellegrini & Caputo, 2020). This is one of the reasons internationalization, the process in which a firm systematically increases its international operations, has become a central research topic offering a plethora of explanations for this process (Paul, Parthasarathy & Gupta, 2017).

Two perspectives to internationalization research include the resource-based and network perspectives (Dabic et al., 2020). These approaches are specifically connected to small- medium enterprises (SMEs), as the SME internationalization process is shaped by uncertainty and pressures from resource constraints meaning SMEs prefer to form networks to access resources (Chapman & Cumbers, 2004). In this study, networks are understood as connections between suppliers and buyers to exchange resources (Håkansson & Ford, 2002). Billore & Billore (2020) further elaborate that the mutual exchange relationships are important especially for SMEs as they can increase the number of resources accessed through the systematic development and establishment of these network relations. Moreover, the effective development of networks relates to faster and more efficient access to further networks in the foreign markets, which should result in more probable international market extension known as increase in international

depth (Ojala, Evers, & Rialp, 2018; Hsieh, Child, Naroo, Elbanna, Karmowska, Marinova, Puthusserry, Tsai, & Zhang, 2019).

Therefore, one of the important questions is how SMEs can establish and develop these relationships to support the international expansion. One approach that provides explanation to this process deals with customer relationships as a key part of firm's international networks and by developing various relations with customers, firms can expand internationally (Saleh & Saheli, 2019). The customer-oriented strategy is already known to appear as continuity in firms' operations internationally due to the increased ability to acquire tangible and non-tangible resources from the networks as well as avoid liability of foreignness in markets (Arslan, Golgeci, Haapanen, Tarba, Cooper & Degbey, 2020). SMEs increasingly follow this strategy and are acknowledged to boost their competitiveness and survival rate in international markets (Saleh & Saheli, 2019).

Pohludka and Štverková (2019) support this idea by implying that in globalized markets SMEs face difficulties in gaining sustainable competitive advantage; however, those organizations that adopt a customer-oriented approach have shown to strengthen their position internationally. Therefore, the increase in firms' international commitment could be achieved through more effective establishment and enhancement of foreign relationships (Powell, Noble & Han, 2018). Moreover, as Chapman and Cumbers (2004) as well as Payne and Frow (2005) imply, the effectiveness of network development further embeds a link to the resource perspective to internationalization as increasing number of resources are accessed because of more effective development of relationships that create mutual value.

The perspective explaining the achievement of the benefits mentioned above, concerns adopting a strategical approach to managing customer relations referred as Customer Relationship Management (CRM) (Ou & Banerjee, 2009; Powell et al., 2018; Sarijärvi & Puustinen, 2020). The basis in CRM is built on the acquirement of knowledge on current and potential customers (Pohludka, & Štverková, 2019). Knowledge about customers

enables the classification of them, which should ultimately lead to developing those relations that further evolve into long- repeatable profitable relationships (Mazurencu, Mihaescu & Niculescu-Aron, 2007; Pohludka, & Štverková 2019).

According to Ou and Banerjee (2009), the success of CRM lies in three factors: 1) integrating customer strategy, 2) organizational processes, and 3) information technology (IT). This study will focus on the last perspective as the digitalized environment has caused IT to be one of the most important factors in CRM strategy. This complies especially with the SME perspective, as utilization of IT is connected to CRM effectiveness compared to traditional methods. Therefore, utilization of CRM software to support CRM has increased among SMEs and the decreased software prices have enabled SMEs to access them. As a result, it is found suitable for this study to adopt focusing on an IT-based approach to CRM. (Ou & Banerjee, 2009; Pohludka & Štverková, 2019).

Moreover, the popularity of the IT-based CRM bases on the value created for all shareholders through more effective interactions; therefore, utilizing IT in CRM translates to competitive advantage compared to companies that do not utilize such system, which in case of open economies results in international commitment (Mazurencu et al., 2007). Moreover, Powell et al. (2018) continue that companies that adopt this “machine-based view” in their CRM are presumed to achieve superior efficiency and effectiveness in customer commitment, which is also known to contribute to the creation of competitive advantage and survival in international environment. Due to the improved relationship development contributing to resource constrained SMEs international expansion and creation of competitive advantage, more effective management of these relationships and CRM software implementation is potentially connected to SME international expansion (Chapman & Cumbers, 2004). Glavas, Mathews, and Russel-Bennet (2019) support this view by implying that utilization of ICT-based tools improves the ability to connect with supply chain and making them more efficient, and therefore, bears a positive association with SME internationalization subsequently embedding a link to the CRM software and international expansion.

However, Powell et al. (2018) imply that less than 40% of companies showed comprehensive implementation of CRM software after initially investing in the system. Therefore, it is important to map, how the CRM software can help SMEs and how the implementation process can be supported in a way that companies succeed to integrate CRM software as a part of their overall customer-oriented strategy, and ultimately increase their international commitment. In addition, understanding how the IT-based CRM can be utilized by internationalizing SMEs is essential because investing in such system causes uncertainty due to the combination of resource constraints (e.g., time and knowledge) and the concurrent low success rate of the implementations (Powell, Noble & Han, 2018; Ko, Kim, Kim, and Woo, 2008). Therefore, this study tries to comprehend the literature on SME internationalization and CRM implementations and establish a connection between them.

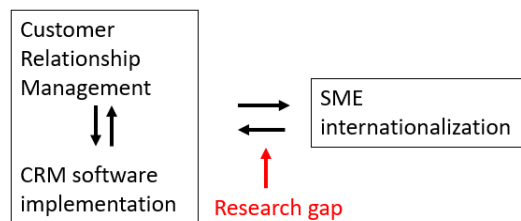


Figure 1 Positioning of the thesis

1.2 Research question

Based on the rationalization of the topic the thesis studies CRM software implementation in SMEs, the activities affecting the achievement of software goals, and investigating a potential relationship between the implementation and SME internationalization. Based on the aim of the thesis the research question is formulated as follows:

1. *How do internationalizing SMEs implement CRM software to support their international expansion?*

To answer this research question, the thesis brings together the literature on CRM software implementation and SME internationalization. The goal is to establish a connection between these two topics, and at the same time provide practical implications for SMEs that seek to implement CRM software effectively and aim to compete in international markets. Finally, a theoretical framework is established based on the literature review section and qualitative research conducted with SMEs that have internationalized and utilized CRM software while doing so. To achieve these goals, the detailed objectives of the study are as follows:

1. To establish a theoretical basis by addressing to the current literature on CRM software implementation and internationalization in SMEs and establish connection between these research areas,
2. To collect and analyze the primary data by conducting the qualitative multiple-case study that would inductively deepen the existing theoretical knowledge;
3. To extend and bring together the internationalization and CRM software literature by deriving a model on CRM software implementation during international expansion from the SME perspective;
4. To provide practical implications for SMEs that seek to enhance their internationalization activities by implementing CRM software.

1.3 Intended contributions

This study intends to provide several contributions. *First*, this study contributes to SME international expansion research and aims to extend the network- and resource perspectives. It is done by investigating if and how SMEs can increase their foreign commitment through developing international customer networks and increase their access to resources by utilizing CRM software. *Secondly*, this study aims to extend the CRM software implementation literature from the perspective of SMEs and introduce theoretical implications on their CRM software usage. While previous research has much focused on larger enterprises, the recent development in the CRM software industry has increased their availability for SMEs, supporting a need for a study that explains the

implementation specifically from the SME perspective. Additionally, even though both these theoretical areas have been studied individually, there is still a gap in the literature explaining the potential relationship between these concepts in detail. As a result, the purpose is to provide a framework for SMEs that try to expand in international markets and consider utilizing CRM software as a main tool; subsequently, aiming to extend the internationalization research by presenting a way of effectively developing SMEs international customer networks.

1.4 Terminology

This thesis applies several terms and concepts; their definitions are listed below.

- **Customer Relationship Management (CRM)** is a business strategy that focuses on a comprehensive strategic management of the customer in every touchpoint with the company to achieve identification, analysis, attraction, and retention of profitable customer relationships (Ou & Banerjee, 2009; Adebajo, 2003).
- **CRM software** implies managing customer relations through a data-based platform that collects and analyzes customer-related data (Mazurencu et al., 2007). The outcome of such software is the ability to carry out traditional CRM functions more effectively by achieve more efficient allocation of resources, increase sales- and profitability as well as superior customer service, retention- and experience (Ko, Kim, Kim, & Woo, 2008).
- In the European Union there are specific measurements to determine whether a company can be referred as a small - and medium sized enterprise – **SME**. Companies are considered as a SME if they have under 250 employees, below 50 million in annual turnover, and the balance sheet total value is maximum 50 million at the end of the fiscal year (Berisha & Pula, 2015).

- According to Paul, Parthasarathy & Gupta, (2017) a commonly adopted definition for **internationalization** is it being the process in which firm increases its international operations in incremental stages. Moreover, it is referred as the steps in which the organization is increasing their awareness on the influences of international transactions in their future as well as establishing and conducting business in a foreign country (Paul et al., 2017).
- **SME internationalization** comprises the internationalization process characterized and shaped by resource constraints (e.g., financial & human) in the small medium enterprises. Therefore, research on SME internationalization focuses has introduced interorganizational relationships and business networks as key contributors in explaining SME internationalization process. (Oehme & Bort, 2015)

1.5 Structure of the thesis

In this section the structure of the remainder of the thesis is introduced. In the next chapter the relevant SME internationalization theories for this study are discussed and a connection between CRM software implementation and internationalization of SMEs is elaborated on. The second part of the literature review introduces the analysis concerning CRM software, its implementation, goals, benefits, and challenges from the SME perspective. After that the methodology of the thesis is presented and the reliability and validity of the study is discussed. This is followed by presentation of the key findings and results based on the primary research and finally, there is a discussion of the connections between theoretical framework and the collected data, based on which the conclusions are made.

2 Theoretical background

The purpose of this chapter is to introduce and assess the key literature concerning SME internationalization, development of CRM, and CRM software implementation in SMEs.

2.1 SME internationalization – resource and network perspectives

This sub-chapter will cover the relevant literature of internationalization and introduce an integrated approach to SME internationalization and information technology (IT). It is done by first introducing the internationalization process and the key theories explaining it from the SME perspective, and towards the end of the section a potential connection between modern IT supported international expansion and SME internationalization is explained. As the focus in this study is on SMEs, internationalization process is considered different from the ones in larger organizations due to the different levels of organizational resources, capabilities, and strategies. Therefore, the following analysis of the internationalization process is conducted specifically from the SME perspective and is not to be considered directly applicable for larger companies.

One of the most common definitions of internationalization is it being the process in which firm systematically increases its international operations in incremental stages and expands business operations into markets new to the firm (Paul et al., 2017; Arslan et al., 2020). For SMEs there are numerous reasons to increase their international commitment. Especially in small-open economies companies face increase in international expose, and due to the increased competitiveness and hindered growth opportunities in the domestic markets SMEs are forced to internationalize their operations (Albaum & Duerr, 2011; Dabic, Maley, Dana, Pellegrini & Caputo, 2020). As a result, the threshold to expand to international markets decreases (Albaum & Duerr, 2011). Through successful expansion of international dimensions SMEs are able to avoid the risks of operating in single markets as well as show superior financial and operational performance compared to their native counterparties due to the ability to facilitate increasing number of business opportunities (Beneki, Papasthopoulos & Tsagris, 2011).

To carry out an internationalization process, companies face multiple decisions and must choose, for instance to which markets to enter, as well as the method of extending to those markets known as the market entry mode (Papadopoulos & Martín, 2011; Dabic et al., 2020; Hsieh et al., 2019). These decisions also influence the speed of internationalization- understood as the specific period which a company intends to reach a specific state since the establishment, as well as on the depth of international expansion, explaining the level of commitment in international markets after the initial entry (Papadopoulos & Martín, 2011; Dabic et al., 2020; Hsieh et al., 2019). To make the correct decisions and successfully expand operations, a thorough analysis on the firms' competencies, characteristics, and the internationalization strategy should be conducted (Beneki et al., 2011).

It is acknowledged that the internationalization process of firms' is often shaped by organizational competencies (e.g., size and IT level), resources (e.g., knowledge, financial & human), and strategy (Glavas et al., 2019). As this study is conducted from the SME perspective, two of the theoretical perspectives found to be specifically relevant in explaining the reasons for SME internationalization are the- resource- and network perspectives (Dabic et al., 2020). Specifically, the two perspectives to internationalization are considered applicable for SMEs, as their operations are often characterized by pressures from tangible and intangible resource constrains, impacting their willingness to develop foreign networks to remove the risks (Chapman & Cumbers, 2004). Therefore, Oehme & Bort (2015) also emphasize the role of interorganizational relationships and business networks as key contributors to SME internationalization.

Traditionally, these networks are understood as a collection of connected business relationships that enable mutual benefits, and where resources are exchanged (Johanson & Vahlne, 2011). The exchange of resources comprises non-economic, such as knowledge and guidance to avoid liability of foreignness and access further networks from the partners, as well as economic such as direct exchange resources between suppliers and

buyers (Chapman & Cumbers, 2004; Brouthers, Dung & Rothlauf, 2016; Håkansson & Ford, 2002).

However, since this study focuses on investigating a connection between CRM software and internationalization of SMEs, it adopts a more customer- and knowledge-oriented approach to network relationships, which are expected to be created and developed as Håkansson & Ford (2002) implied, with suppliers and buyers. As a result, the ability to enter and operate in the foreign markets can be explained by the ability to recognize well as the by ability to develop long-lasting and resourceful relationship with these network relations (Brouthers et al., 2016; Birkinshaw, Bessant & Delbridge, 2007). Therefore, Birkinshaw et al. (2007) suggest that main the challenge for companies relates to this ability to recognize, form, and retain high performing networks.

From the SMEs perspective, it also is important to recognize that the development of supplier and buyer networks occurs in a more personal level; therefore, effective establishment and development of them is elaborated for the organizations ability to grow, and in most cases to the internationalization of firms (Thrikawala, 2011). However, there has been a difficulty to build generalizable theories on SME networking as it often relies on individuals and their characteristics. Individuals are known to perform social actions differently, suggesting that theoretical constructs are more difficult to build (Onwuegbuzie, Dickinson, Leech & Zoran, 2009).

As a result, this study focuses on studying companies that adopt customer-relationship management as a key part of the operations and utilize software to support their CRM processes. Companies that adopt CRM as a corporate level strategy have shown more unified way of networking, which is expected to bear a positive relationship with the establishment of wider theoretical constructs due to the more recognizable ways of network development (Soniya, Billore, Gautam & Billore, 2020). Even though the recognition of systematic networking activities is known to be challenging due to the nature of SMEs operations, the increasing popularity of CRM has caused SMEs also to focus on

more systematic ways to establishing and strengthening networks with key customers (Saleh & Saheli, 2019). Therefore, there is already some evidence of companies increasing their international presence and removing uncertainty in foreign markets through CRM, since it is known to connect to their ability to create profitable long-lasting partnerships (Saleh & Saheli, 2019).

However, since Birkinshaw et al. (2007) discuss that companies often face challenges in creating and developing these high-performing networks, those companies that develop an efficient way of recognizing, forming, and developing their key international customer networks can support their foreign operations as well. Hence, the existing research has already identified the usage of IT as an important facilitator of more effective network creation and therefore, companies that adopt IT in their business are also known to expand faster internationally (Zahra, 2005). This the effect of IT in internationalization is discussed next.

2.2 IT utilization and SME internationalization

The highly acknowledged model in explaining the firm's internationalization process is the Uppsala Model, which explains that the international expansion occurs in line with knowledge increase, which is achieved through experience with foreign operations (Hsieh et al., 2019). Therefore, the increase in international operations can also be explained through the companies' ability to gain information from the foreign markets and the potential networks (Hsieh et al., 2019). However, as the lack of resources, including knowledge, is an important contributor for the SME internationalization behavior, the internationalization process of SMEs is expected to be slower than their larger counterparts (Johanson & Vahlne, 1977). In addition, existing research suggests that only after the experience and knowledge has accumulated, companies are expected to be ready to commit resources into the international expansion, supporting the internationalization being a time-consuming process for SMEs (Hilmersson & Johanson, 2016). Therefore, especially SMEs with scarcity of knowledge have known to expand to geographically and

culturally proximate markets and increase their international commitment step by step (Johanson & Vahlne, 1977).

However, more recent studies have challenged this view as the likes of international new ventures (INVs) are known to operate internationally since inception and do not follow the experience accumulation perspective (Hilmersson & Johanson, 2016). Zahra (2005) supports this view by explaining that the efficacy and validity of the Uppsala Model has been questioned ever since the research has been introducing INVs internationalization processes. In the modern concept the firms internationalize almost immediately since inception and have higher chances of successful foreign expansion, meaning the experience-based can be challenged in the prevailing interconnected international environment (Zahra, 2005). As mentioned above, an important contributor to such ability is the quicker and increased access to networks, which has been explaining the early internationalization of smaller organizations (Zahra, 2005). This further strengthens the presumption of the importance of developing international networks for smaller organizations when expanding cross-nationally.

As implied earlier by Chapman and Cumbers (2004), the development of networks is crucial for SME internationalization, suggesting that there is a need to investigate how companies can systematically conduct the networking process. Therefore, this study adopts an IT based approach to the network development and investigates the potential effect of CRM software utilization to companies' ability to develop networks and therefore, internationally expand. As implied earlier, the existing research shows that technology usage in firms bears a positive association with the level of internationalization as companies that engage in IT can collate information resulting in improved networking, which is acknowledged to be connected to increased number of international transactions (Glavas et al., 2019). This is also supported by Lecerf & Omrani (2020) as they suggest that increasing level of IT in SMEs has a positive influence on the adaptability, information flow and development of internal competitiveness. Hence, the ability to accelerate the collection of information is expected to remove the knowledge accumulation

constraints affecting the internationalization expansion (Cheng, Zhong & Cao, 2020). Therefore, Cheng et al (2020) also argue, the knowledge accumulation-based view explaining the internationalization process by Johanson and Vahlne (1977) is no longer viable due to the IT focused environment.

Moreover, Beneki et al. (2011) suggest that through adopting IT-based systems companies can increase their international commitment after the initial entry as well. As the more traditional models lack in presenting those actions that the firms should take to increase the international commitment post- entry, there is a need for a study that contributes to the international expansion post-entry (Hilmersson & Johanson, 2016). Therefore, the focus of this study is not on CRM software usage solely as a strategy for initial international entry, rather on studying the achievement of international depth – or post entry expansion perspective to SME internationalization.

To conclude, one perspective explaining the ability to increase the firm's international commitment and resource exchange, comprises the recognition and development of foreign customer networks. This process is supported by developing sources to gain knowledge on these networks and one way for companies to develop such knowledge is by leveraging IT based systems (Cheng et al., 2020; Glavas et al., 2019). In the next section, existing research explaining the connection between systematic development and establishment of customer relationships to SME internationalization is presented.

2.2.1 Internationalization and CRM software utilization

Considering the internationalization behavior of firms, the previous discussion shows technology utilizing firms having superior performance in international markets due to the increased knowledge on business opportunities, and the ability to differentiate themselves- and create competitive advantage for those that utilize it (Glavas et al., 2019; Lecerf & Omrani, 2020; Harrigan, Ramsey & Ibbotson, 2009). Therefore, Harrigan et al. (2009) imply that those SMEs that adopt an IT based approach to customer relationship

development, show higher level of internationalization and appear to achieve improvement performance of the CRM and, therefore overall operations.

The reason for the potential connection to the international expansion is a result of technology driven systems not only in increasing the opportunities for developing foreign relationships, but by providing data to enable the delivery of improved and more targeted relationship functions (Dabic et al., 2020). Since the ability to establish and develop tight networks is essential for SMEs merely to survive internationally, companies that engage in technology-based CRM are known not only to improve their ability to expand into new markets but strengthen their relationship among the existing ones by appearing as more legitimate partners (Arslan et al., 2020). In the following figure the potential connection between CRM software and post-entry expansion is elaborated (see Figure 2). At the same time, the theoretical perspectives explaining the topic and the connections are presented to clarify the theoretical contributions of the study.

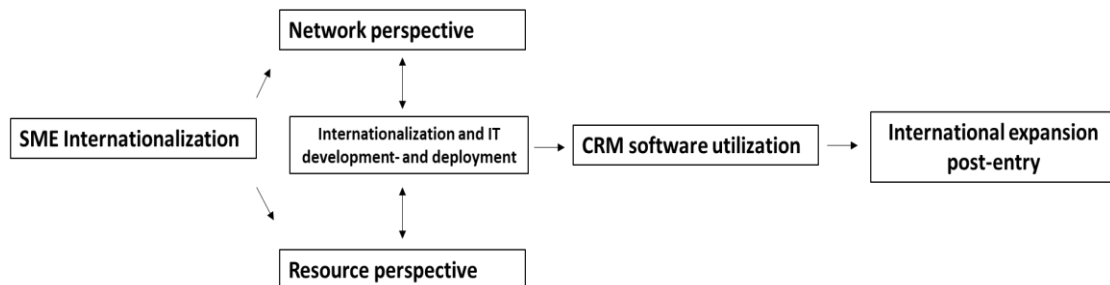


Figure 2. Connection between SME international expansion and CRM software utilization

Overall, the literature presents that IT usage bears a positive association to generating networking opportunities during internationalization as well as enabling a more effective way of developing them; therefore, it is expected to affect the ability to increase in international commitment of SMEs. Thus, to establish a systematic way of developing and establishing international networks for SMEs, the study investigates the role of CRM software implementation to the international expansion of SMEs.

However, as presented in the Figure 2 above, the international behavior of companies using IT as a strategy during their initial internationalization has been already studied extensively in the literature, which is why this study adopts a multidimensional perspective internationalization (Hsieh et al., 2019). This means that this study focuses on investigating if companies can increase international commitment after the initial entry, referred as post-entry expansion in the Figure 2 (Hsieh et al., 2019).

As Cheng et al., (2020) present, there is already some evidence suggesting that the increase the firm's international commitment post-entry can be also positively affected by developing abilities to collect information through utilizing different technologies; therefore, there is a need to extend the literature specifically from the SME perspective and study the benefits, pitfalls and means of developing such source of business intelligence in practice. Therefore, the next chapter investigates and further rationalizes the CRM software development and deployment during SME international expansion, as well as presents how and why an IT based CRM system should be implemented comprehensively.

2.3 Customer relationship management and IT

The adoption of CRM as a strategy or merely as a corporate philosophy is caused by acknowledgement from the benefits of effective relationship management with customers (Beneki et al., 2011). Therefore, CRM bases on customer acquirement as well as customer retention as a corporate level strategy where individualized customer-relationships are not only created but developed to create stakeholder value (Harrigan et al., 2009). However, according to Mazurencu et al. (2007) and Harrigan et al. (2009), to adopt a modern view on CRM, technology enabled systems must be utilized, and implementing IT based CRM thoroughly in a company has a pivotal role in maximizing the potential benefits of CRM. Thus, CRM has been recently introduced as customer relationship management that leverages information technology (Saleh & Saheli, 2019). However, this organizational transition to technology-based CRM is found to be unsuccessful for most organizations (Powell et al., 2018). Moreover, SMEs and their organizational characteristics such as resource- and knowledge constraints add to the difficulty

to implement these systems, which is why this study will focus on the studying the implementation of software-based CRM from this aspect.

2.3.1 CRM software implementation characteristics and challenges in SMEs

In this section the CRM software implementation process is presented specifically from the SME perspective. The overall adoption process consists of three stages according to Ko et al. (2008). The *first* step requires the management to have a positive perception towards CRM system as it affects their ability to recognize the benefits, which in turn affects the decision to adopt software. *Secondly*, if the perception towards a such system is positive, the company then starts to look software for their specific purposes. *Thirdly*, after a suitable software has been found, the company can move to the last phase, which is the implementation of the chosen software. As this study focuses specifically on establishing a connection between international expansion and CRM software utilization, the study focuses on last phase, namely the software implementation. (Ko et al., 2008).

However, as Powell et al. (2018) discuss, the success rate of companies implementing CRM software thoroughly is below 40%. In SMEs, the lack in financial and human resources concerning technology implementations is an important contributor (Snider, Silveira & Balakrishnan, 2009). Due to the need to invest time, capital and human resources in the implementation, the process is risky for SMEs; therefore, regardless the prices of the software have decreased, the indirect costs of the implementation cause uncertainty. For instance, the time used for the implementation process instead of carrying out operational activities can be considered a central opportunity cost. Such risks can hinder the willingness to thoroughly implement a system. (Snider et al., 2009).

Adding to the resource scarcity, SMEs characterize in low in-house IT-skills and often lack in the knowledge of the capabilities of these software (Snider et al., 2009; Adebajo, 2008). Adebajo (2008) presents that one of the most important benefits of these software is the ability to integrate different company systems (e.g., ERP, email, and social media channels) to a single platform to maximize efficiency and usage of the software.

However, for SMEs this type of integration might appear as a hindering factor when there is a lack in IT-skills and knowledge on the potential benefits gained from the integration (Ghobakhloo, Hong, Sabouri & Zulkifli, 2012; Mazurencu et al., 2007). Therefore, when SMEs seek to implement such system, studies suggest usage of external aid has a positive impact on the adoption process, resulting in a higher adoption rate in those SMEs that have been using external aid (Ghobakhloo et al., 2012).

Adebanjo (2008) also characterize challenges of CRM software implementation because of inadequate planning. Snider et al., (2009) support this as that the lack of strategical long-term planning influences the ability to recognize the opportunities as well as overall costs and organizational competencies in the implementation process. Saini, Grewal & Johnson (2010) continue by suggesting that the success of CRM implementation depends on organizational capabilities to interpret the received information and form it into strategies. Therefore, via strategical planning of the implementation process the software competencies as well as overall costs including either in-house training or external aid can be recognized.

Furthermore, Mazurencu et al. (2007) discuss that SMEs often leave the software treated as a single purpose tool instead of developing an ecosystem around it. As discussed earlier, this is due to the scarcity of IT knowledge and strategical planning in small-medium organizations (Snider et al., 2009). At the same time research shows that overuse of the technology can have a negative effect to customer commitment in SMEs (Harrigan et al., 2009). Saini et al. (2010) discuss that companies implementing CRM software should avoid any overreliance on the technology; therefore, instead of solely maximizing operational effectiveness of processes companies should continue to focus on the strategic goals of the system, which adds to the difficulty of the implementations. Powell et al. (2018) support this view by indicating that especially small-medium organizations increase customer commitment through balancing man and software-based CRM functions. Thus, even though companies disproportionately benefit from the usage of the software, maintaining balance between software usage and the human perspective in

functions that require in-depth service is essential for SMEs (Powell et al., 2018; Harrigan et al., 2009).

After determining the requirements and long-term plan for the system, when introducing a new IT system to the end-users, a lack of commitment from the sales personnel referred as user resistance is common (Kim & Kankanhalli, 2009). When organizations introduce a new software, they may end up introducing another system interconnected to the other company applications. This lack of integration might appear as a lack of interest from the users adopting the system, and negative perception predicts the intention to not use the system thoroughly (Kim & Kankanhalli, 2009). Thus, the management should contribute to the system integration and user involvement- and training in the development and deployment process to increase the understanding of the software, thus affect the implementation amongst the users positively (Adebanjo, 2008; Kappelman & McLean, 1991).

Overall, the resource poverty has a significant role in shaping the implementation process for SMEs (Ghobakhloo et al., 2012). Even though the software costs have decreased, the indirect costs are a key factor influencing the overall success of the process, and often influences the as SMEs ability to recognize the potential capabilities of the software, let alone implement them.

2.3.1.1 Benefits of implementing CRM software

In this section the rational for the implementation of CRM software is provided. As Mazurencu et al. (2007) imply the lack of knowledge in SMEs influences their ability to benefit from the software and therefore, most fail to utilize the whole potential of the system. Thus, this section also provides insight into the software capabilities presented by the current literature. According to Lee et al. (2014), when companies seek to maximize organic growth, utilizing a system, which integrates key data is a necessary part of today's business. Thus, utilizing CRM software enables the collection and creation of a database of the key networks and CRM processes. One of the first benefits of building CRM

software-based database according to Pohludka & Štverková (2019) is the ability to classify the networks, for instance based on their value and potentiality. Therefore, companies can determine the relationship status, and to focus on the most relevant (Lau, Nakandala, Samaranayake & Shum, 2016). This should result in more targeted relationship functions to those able to generate turnover in the future and lead to more beneficial operations (Lau et al., 2016).

Furthermore, Saini et al. (2010) discuss IT-based CRM offers a tool to integrate all company's CRM activities (e.g sales & marketing) to a single package. Thus, it is possible to organize and maintain accurate information of the divergent functions and manage them more effectively (Lee et al., 2014). The information management also offers a tool to future strategic decision-making and forecasting which was earlier determined as an issue in SMEs (Snider et al., 2009). This ability to store, collect and interpret data as well as automatically conduct these functions should also speed up the service as well as enable the development of them, therefore improving both, customer experience and organizations internal competitiveness (Adebanjo, 2008). Ko et al. (2008) support this by implying that technology-based CRM has been linked to increased customer repurchase, improve the quality of the relationship and improved operational outcome.

One of the benefits of these IT based systems relates to the ability to provide new business opportunities as well (Saini et al., 2010). For instance, in b2b markets, Ancillai, Terho, Cardinali & Pascucci (2019) suggest that 82% of buyers are influenced by digital social environment during the purchasing process. Thus, through software integrations, companies could utilize social interaction platforms as a tool to gather data, and practice sales functions more effectively (Ancillai et al., 2019) This type of data creating ecosystem is one of the benefits that software incorporated with other systems can leverage to provide more effective way of networking and subsequently improve the customer experience as well (Adebanjo, 2008).

As a conclusion, IT based CRM is known to enable a more accurate gathering and analysis of customer information, which leads to comprehensive knowledge of them and improved customer relationship development. Moreover, CRM through software increases the efficiency and quality of functions, leaving flexibility for human capital to be targeted elsewhere, which is essential in SMEs (Lee et al., 2014; Adebajo, 2003).

2.4 Success factors in CRM software implementation for SMEs

Based on the analysis on the CRM software- and IT implementation in SMEs, an allocation of different implementation activities was made: Supporting activities and functional implementation were separated to clarify the different goals each group of activities is trying to achieve to ensure implementation. The purpose is to highlight the importance of both categories for the comprehensive implementation to provide a wide theoretical basis. Next these critical contributors to implementation are introduced.

2.4.1 Functional implementation of CRM software for SMEs

Adebajo (2003) and Torggler (2008) imply that the CRM software functions consist of collaborative- operational and analytical CRM. The collaborative approach comprises software as a database for managing contacts (e.g., status, address, contact history) and utilizing other company systems in collaboration to import this customer data (Torggler, 2008; Saini et al., 2010). This is often the most basic purpose of the CRM software. However, the software offers operational CRM functions such as marketing, customer service, and sales functions. Next these operational functions are presented in detail.

First, Torggler (2008) and Powell et al. (2018) suggest that companies utilize software marketing functions to deliver targeted information at the right time to ensure continuous interaction with key customers. Furthermore, the software enables planning and assessment of these marketing campaigns based on data gathered by the system. *Second*, Torggler, (2008) and Powell et al. (2018) present that the software is used to support the sales, including functions such as offer - and order management. The purpose is to create

more effective sales processes by improving documentation and data flow to provide more accurate service and communication. The existing research suggest that sales department benefits from the software usage as it leads to better customer retention and the ability to expand customer base (Harrigan et al., 2009). Moreover, Ancillai et al. (2018) suggest that the recent development of digital social environment around the software has enabled the recognition and connection with prospects. Especially in B2B markets this has showed to foster customer acquirement and retention; however, in SMEs a human touch should be adopted in the most important touchpoints as personalized experience is still considered important for smaller businesses. (Torggler, 2008; Powell et al., 2018).

Thirdly, software is known to be used for customer service functions, for instance to automatically manage appointments, for scheduling service requests as well as managing complaints and feedback (Torggler, 2008; Powell et al., 2018). Regarding customer service functions, Powell et al. (2018) imply that small business customers still hope to have a genuine, personalized experience when in contact with the supplier customer service. Hauser and Katz (1998) support this view and emphasize that companies expect to receive more personalized service instead of receiving information immediately. Therefore, companies must pay attention not to overuse the technology in customer interaction, rather use the system as a tool to gather data and be more effective and precise in the future (Saini et al., 2010). As a side benefit this can have a positive effect on decreased volumes regarding further service requests and therefore, customer satisfaction (Hauser & Katz, 1998).

Finally, literature introduces data analytics- and support as a critical part of CRM software (Powell et al., 2018; Adebajo, 2003). Data analytics is also divided into the operational categories. *First*, performance analysis on ongoing marketing activities can be conducted to determine the interest towards the company as well as analyze the effectiveness of marketing. *Secondly*, sales analysis focuses on interpretation of sales KPI's, future sales forecasts, and sales process development. *Thirdly*, service analysis comprises

analysis of service touchpoint data, which is utilized for improving the service process. In the data analytics and support, studies again show positive results when there is a balance between software and human based approach (Powell et al., 2018; Adebajo, 2003; Harrigan et al., 2009).

2.4.2 Main supporting functions of CRM software implementation process

In this section the activities that encourage the daily usage and therefore, support the implementation of the software are presented. As presented earlier, Adebajo (2008) characterize most failures of CRM software implementation because of inadequate planning. Snider et al. (2009) continue by implying the lack of strategical long-term planning influences the ability to recognize the overall costs, opportunities, and capabilities of the software. This is considered crucial for SMEs as they face a risk in the implementation failures through resource scarcity, which is why this study suggests that careful consideration of implementational steps should be conducted before introducing such system.

In SMEs, the support and participation of management is essential for software implementation (Snider et al., 2009; Farhan, Abed & Ellatif, 2018). Ghobakhloo et al., (2012) discuss that management characteristics (e.g., perception, attitude, support, knowledge, and commitment) directly influence the level of implementation as well as provides outlines for the usage. Thus, their attitude and supportiveness for the process much defines the ability to implement software thoroughly. Moreover, management is also responsible for continuous user participation which affects the willingness to use software, especially as change is often perceived negative predicting the lack of thorough usage (Kim & Kankanhalli, 2009). Thus, management should pay particular attention to constant end user involvement and training to increase the understanding of the software (Adebajo, 2008; Kappelman & McLean, 1991).

Studies further show that during IT implementations, systems should be incorporated to a firm's daily operation so that its members can access, store- and retrieve information without barriers (Lecerf & Omrani, 2020). This is closely related to company system

integration as introducing a new application interconnected to the other company applications or ERP systems often leads to user resistance. Thus, the failure of integration usually appears as a lack of interest from the users as an increase in company systems is usually perceived negative and therefore, predicts the intention to not use the system thoroughly (Kim & Kankanhalli, 2009). As a result, a working ecosystem that benefits the users is expected to bear a positive relationship to implementation success. For instance, Küpper, Lehmkuhl, Wittkuhn, Wieneke, & Jung (2015) discuss that companies should adopt an integrated approach to the digital social environment and CRM software, as it is connected to increased networking opportunities and therefore, increased performance in CRM. Therefore, by introducing such tangible benefits that can be achieved in conducting CRM processes through software and introducing only a single platform for the activities are expected to bear a positive relationship with the usage.

However, for most SMEs the lack of IT capabilities to conduct the demanding processes should result them to consider utilizing external assistance when implementing software, which is why the existing studies on SME IT implementations show a positive correlation with the success of the adoption process and usage of external aid (Ghobakhloo et al., 2012). The initial investments in the process might cause management not to consider it but the opportunity cost of developing internal skills can be much higher and result in slower implementation (Snider et al., 2009). Therefore, for the purpose of comprehensive implementation and ability to avoid the system to be treated as a single purpose tool, the research supports the usage of external aid (Ghobakhloo et al., 2012).

Finally, Farhan et al. (2018) imply that companies should develop metrics to analyze the success of implementation as well as to investigate the CRM functions to support daily usage. The purpose is to develop understandable values to functions, impacting the level of attention paid to them, which leads to more thorough implementation and functional improvement of the software (Hauser & Katz, 1998). However, the chosen metrics for SMEs should follow certain principles: 1) they can all be measured immediately, and 2) they should have an impact in the future operations the firm without being too precise

to support daily usage. Approximately five metrics should be chosen as fewer number provides too narrow image of the implementation and higher amount affects the ability to measure them following the rule of immediate measurement and daily applicability. (Hauser & Katz, 1998)

To conclude the previous discussion, the functional implementation and supporting activities form the characteristics of comprehensive CRM software implementation. By adopting them, SMEs can achieve benefits such as increased resource exchange through more effective customer network-formation and development. Hence, it is acknowledged that by successfully implementing CRM software, SMEs expected to positively affect their ability to grow and survive internationally.

3 Research design

The purpose of this chapter is to provide insight into the overall research design and rationalize the chosen method. This is done by first introducing the authors philosophical assumptions, which is followed by the research strategy. After that, the data collection process including case selection as well as data analysis are presented. Finally, the validity and reliability are discussed.

3.1 Philosophical commitments

The research methodology is understood as the specific set of techniques and methods that assist the researcher to conduct the study (Mingers, 2003). The importance on explaining philosophical assumptions is based on the difference in science methods approach to what (ontology), how (methodology & methods) and why (axiology) they are modeling (Mingers, 2003; Eriksson & Kovalainen, 2008). Therefore, these assumptions must be determined to guide and rationalize the process of developing new knowledge consistently.

The approach in this study is exploratory, and it seeks to establish new findings of a phenomenon based on individual's experiences; therefore, a suitable approach for the knowledge development would be interpretivism (Liu, 2016). Also, Alharahsheh & Pius (2020) imply that when developing understanding of a new phenomenon, the interpretivist paradigm is more suitable as it leaves more room for gaining insight and conclusions that may differ from existing research. However, as the interpretive approach is widely context- and value specific, there is a difficulty in providing value free results and therefore, the results can be interpreted differently by researchers (Wahyuni, 2012). Therefore, this study does not aim to provide statistical generalizations to large populations; rather, the aim is to attain analytical generalization and build into the existing theories by exploring a new phenomenon, to which interpretivism is more suitable. Additionally, Eriksson and Kovalainen (2008) imply that interpretivism is more common

approach in qualitative business research, and therefore, is thought to be more suitable for this study.

The next question is how everything can be theorized to provide a reliable, complete, and accurate understanding of the reality. According to Gregory & Muntermann (2011), there are three established principles for theorization, which are deduction, induction, and abduction. The deductive approach comprises the evaluation and construction of arguments based on premises or hypotheses, on the contrary, inductive reasoning is based on new findings through observations, and the abductive approach seeks to develop a new understanding towards a phenomenon (Gregory & Muntermann, 2011). As this study adopts an interpretivist approach and research data is accessed through communication and observation, a suitable approach to theorization would be induction as it allows the recognition of frequent themes and clear links from the data through observations to combine it with the theory (Thomas, 2006). Given the “how”-type research question of the thesis and no intent to derive and test any hypotheses or premises from existing theory, the inductive approach is more suitable for this study. It seeks to understand a new phenomenon through observation, meaning theory can also be developed after the data analysis. Therefore, the primary purpose is to observe the phenomenon and apply a theory on the emerging structures in the raw data to provide a model (Thomas, 2006).

An important phase in the inductive process is also to develop an understanding of the primary topic to be able to identify the relevant themes prior the actual research (Saunders, 2016). The purpose is to enable the researcher to focus on the relevant information and be able to then to collect and analyze the only relevant data. This is followed by identification of the reoccurring themes in the data set based on the developed understanding. Finally, a suitable theoretical approach can be applied to form a framework. One of the benefits of this approach is that it still leaves more room for the data collection and analysis as it enables the identification of potential new theoretical

contributions on the topic after the data collection compared to the lack of this ability in the deductive approach. (Saunders, 2016).

3.2 Research strategy

The purpose of the study is to study a relatively and new phenomenon answer the main research question “*How do internationalizing SMEs implement CRM software to support the international expansion*”, the study is looked through an exploratory approach (Kompier, Cooper & Geurt, 2000). As the study is exploratory in nature, it seeks to establish new findings of a phenomenon understudied in the literature and suitable approach for the knowledge development would be a multiple case study approach (Eisenhardt, 1989). Therefore, the similarities and different across multiple cases can be identified. As the inherent purpose of the research is to connect two separate research areas, how and why questions are to be presented to access the information, this is typical in multiple case studies and therefore supports the view. (Kompier, Cooper & Geurt, 2000).

Additionally, multiple-case study enables the development of richer theoretical constructs (Eisenhardt, 1989; Eriksson & Kovalainen, 2008; Perry, 1998), which corresponds with the objectives of this study. Furthermore, as the researched phenomenon is formed between two topics yet interconnected from each other, to be able to present more credible results of this topic, the perceptions of a larger group are emphasized (Eriksson & Kovalainen, 2008). However, it should be emphasized that the multiple case study approach is still more suitable to generalization in an analytical manner (induction) instead of statistical generalization (Eisenhardt, 1989). The data collection will be discussed in detail in section 3.4 and next, the strategies to information access are presented and the choice is rationalized.

The research strategies divide into quantitative, qualitative, and mixed methods. Quantitative research adopts a measurability approach where sample groups are commonly much larger, as a result the studied objects have numerical values and therefore a statistical analysis can be conducted (Saunders, 2016). However, as discussed above, the goal

is to understand something that is yet to be fully presented in the current literature instead of testing existing theory, indicating that this study should be qualitative in nature. To elaborate, the qualitative approach comprises the interpretation of researched objectives through observation to which, the researcher aims to give a meaning (Eriksson & Kovalainen, 2008). Thus, increasing understanding and developing theory of the phenomenon occurs through investigating the ones that participate in it, meaning there is a more in-depth way of conducting the study (Alharahsheh & Pius, 2020). However, it means that the information received still relies mostly on the researcher's own ability in mapping patterns and properties across the cases (Eriksson & Kovalainen, 2008). Finally, the mixed method approach is adopted when the research adopts characteristics from both, quantitative- and qualitative strategies.

As mentioned above, this approach enables the development of new theoretical approaches after the primary literature review, whereas quantitative research is considered as a "theory-first approach", leaving little room for theory development based on the acquired data (Saunders, 2016). Thus, it should be emphasized that this study and qualitative research in general, are based on gathering secondary data, which is applied to the expressions from those that are studied to gain the primary data, rather than statistical analysis in quantitative study which would suit a more deductive approach (Kompier et al., 2000; Eriksson & Kovalainen, 2008). Based on the literature review, it was determined that there is a lack in the existing research concerning the connection between international expansion and CRM implementation in SMEs. As a result, existing theory cannot be tested in a certain setting, resulting in the approach in the study being based on preliminary research (secondary information) to enable the identification of key themes from both topics. This information is used to clarify the needs for the data collection phase and thereafter, the observed information is applied to existing theory to develop a comprehensive model from this phenomenon.

3.3 Case selection

In a small-open economy such as Finland the role of international trade has been rising constantly due to the increasing international expose; and therefore, the success of companies' international operations is an important topic concerning the overall welfare of such small-open economies (Albaum & Duerr, 2011). As up to 98% of the companies consist of small-and medium enterprises, their role in maintaining economic stability is remarkable (Albaum & Duerr, 2011). Therefore, Finnish SMEs represent a relevant context for the study as their ability to expand internationally has a central position from the macroeconomic perspective.

Furthermore, Finland is considered as a suitable environment to study IT based CRM, due to the long-term experience in digitalization. According to Statista (2019) approximately 40% of Finnish companies already utilize CRM system, which means the frames to study this topic are broad and provide access to multiple cases. This resulted in the ability to gain perspectives from various industries, which would affect the generalizability of the study positively. However, it should still be emphasized that the international expansion as well as CRM implementation aspects focus solely on the SME perspective, which is why the results are not considered to be applicable in case of larger companies.

According to Eisenhardt (1989), in the case study research to be able to focus on theoretically meaningful cases conceptual categories should be established. As this study adopted a multiple case study approach, a criterion for the case study companies was made and is presented as follows:

1. They operate in international markets;
2. They have utilized CRM software during the international expansion;
3. They are founded in Finland;
4. They are all SMEs (see the definition provided on p.11).

3.4 Case companies

In this sub-chapter, the case company- and interviewee selections are presented. Further, the data collection techniques are explained in detail. As the purpose of the research is to answer the main research question, to answer this and the provided category above, the data were collected with those company representatives that are responsible and knowledgeable to both, utilization of the CRM software as well as international expansion of the company. The list of companies for the study was narrowed by setting the criteria as in the list above; however, to gain insight into the international expansion of SMES, companies with growth perspectives and potential were in high priority. As a result, 10 companies that matched these criteria were contacted, five of which agreed to participate in the study. During the selection of suitable companies, it was apparent that the usage of CRM software is wide in Finland, resulting in the possibility to increase the generalizability of the study by concentrating on SMEs from diverse sizes and industries to increase the generalizability of the study. Next, these case companies are briefly introduced (see the summary in table 1).

Valamis Group Oy focuses on providing digital learning solutions. The company was founded in 2003 by the name Arcusys, initially focusing on developing systems (ERP and CRM) for manufacturers. Their first international experience dates to 2007-2010 when they established their first international office in Russia. Their first major international operations began in 2015 when they established an office in Boston, USA. At the time Arcusys began specializing in the digitalization of learning with their Valamis platform, which they later adopted as the name of the organization to support the global growth. Since then, their internationalization has been based on the Valamis platform of digital learning. Due to the complex nature of providing solutions in digital learning environment the internationalization process requires the establishment of local offices, as they depend upon local presence to be able to enter the foreign markets, Thus, the international expansion has occurred through establishment of local office or firm acquisitions.

Vilpe was established in 1973 by Eero Saikkonen to provide solutions for construction industry. Initially the company was called Sienikiinniketuote Oy, which developed a fastener to enable the adjustment of the weight applied to it to increase the durability of holding roof insulations and roofing felt in place. Recently, SK Oy changed its name to Vilpe Oy, as most of the turnover consists of products in this category. Currently they focus on development of innovations for the building industry and their portfolio consists of multiple ventilation- and roofing products and solutions especially for the areas that have difficulties in terms of climate. Their initial international entry occurred in the 1990s to the Russian market, where they currently have six warehouses. Since then, Vilpe has expanded in the European markets and have local presence in Sweden, Poland, Ukraine, and the Baltic countries however, they still are considered as an exporting organization. Foreign markets currently provide half of the total turnover.

Produal was founded in 1987 and initially focused on temperature measurement and frost guards however, quite soon they began concentrating on HVAC. Therefore, in the 1990s Produal started expanding their measurement selection and developed a wider product portfolio in HVAC measurement needs. The initial international entry occurred in the mid-1990s to Swedish markets while further expansion began during 2007 and 2008 to central and Western Europe. Since then, they have been expanding their network further in Europe to seven countries. In these markets Produal focus on building automation and high-quality measurements to achieve energy efficiency of buildings and infrastructures. Currently their international operations occur through exporting however, they have an extensive dealer network abroad, as well as subsidiaries in Denmark, Sweden, France, and England. Additionally, Produal has their own representatives in Poland, Spain, and Italy to avoid the liability of foreignness in the markets. Due to the nature of the industry, there was also need for local presence.

Helaform Oy was established in 1983 by Timo Lahtinen and they focus on providing solutions for sliding doors. Currently, the headquarters is in Finland, and manufacturing facilities in Spain. The initial international entry occurred quickly after the establishment

and therefore, the firm internationalized to Swedish markets in the mid-1980's. Initially, there was no need to establish a subsidiary and the firm focused on exporting. The international operations expanded exponentially and in the coming years the firm expanded into United Kingdom, Norway and the Baltic countries. However, as the knowledge on the manufacturing process for the key components in the sliding doors began decreasing towards the end of the 1990's in Finland, a large proportion of production was moved to Spain. However, the international markets are served through exporting. There has been no need to seek for other internationalization modes, as local dealers are their customer, even though there has been interest towards serving the end-users directly.

One of the selected firms wished to stay anonymous; hence, in this study it is called **Case company 5**. The company was founded in 1994 and provides solutions in the construction and control system industry. The initial international entry occurred soon after the establishment, as a need for the offering was recognized internationally. The internationalization process started from geographically proximate markets, meaning they entered the Nordic countries and Russia. The entry mode was direct exports however, the decision was made due to the lack in suitable partners in these markets. Thus, in the markets where representatives and cooperatives were available, they were utilized to strengthen the local presence.





	Business concept	Founded	Revenue estimation (mil €)	International presence
	Digital learning solutions	2003	12	Sweden, Norway, Denmark, Germany, UK, Russia, India USA.
	Building innovations	1973	21	Sweden, Poland, Ukraine, and the Baltic countries
	Sliding door solutions	1983	3	Sweden, Norway, Baltic, UK
	Measurement- and electrical systems	1987	18	Sweden, Denmark, Finland, France, Spain, Italy, Poland, UK
Case company 5	Construction and control systems	1994	12	Europe, Asia, North America, Middle-East

Table. 1 The summary of case companies

3.5 Data collection

The goal was to interview at least two company representatives in distinct positions to avoid emphasizing only one perspective of each organization. However, to access the in-depth information, the interviewees were required to have expertise in both areas (CRM software & international expansion), resulting in some interviewees suggesting that they are the only ones capable of providing specific enough answers. Therefore, in four of the organizations the interview was conducted with one company representative. Overall, six interviews were conducted. Table 2 below presents the interviewees and their respective companies and positions. To exclude the possibility to interpret the answers solely as interviewees subjective opinions, rather as experts in their field is the reason why the names of them are not presented in the list.

Company	Position	Date and duration
Valamis	Chief Commercial Officer	27.1.2022. 37min
Vilpe	CEO	3.2.2022. 40min & 30min
	Customer Service Manager	
Produl	Sales Director	8.2.2022. 35min
Helaform	Sales Director	11.2.2022. 45min
Company 5	VP Business development and sales	14.2.2022. 40min

Table. 2 Data Collection

To gain as much information as possible from the interviews and be able to develop an understanding of a complexity in detail, semi structured interviews were the most suitable approach (Hox & Boeijs, 2005). This means that there is not a rigid structure for the interview, but a set of open-ended questions divided under separate themes (Hox & Boeijs, 2005). The interview questions were formulated in advance (see Appendix 1). They were divided into four categories, which were also the main themes in the study. The categories followed the study structure 1) introduction, 2) SME international expansion (initial internationalization included), 3) CRM software functional implementation

and, 4) Supporting activities that support the implementation. The goal was to provide an outline for the interview that enables the recognition of similarities in SME international expansion and certain characteristics of CRM software implementation that would support the expansion process across the different cases.

This method to primary data collection was chosen to provide a certain outline for the interview to gain relevant information, without removing the opportunity for each to express their personal aspects or experiences to the topic. Also, this creates more comfortable environment to information sharing as the atmosphere remains casual, without risking the conversation moving to a different topic as the research is still guided by the need of information by the researcher (Hox & Boeije, 2005). The actual data collection occurred through Microsoft Teams or Zoom meetings due to the prevailing epidemic situation with COVID-19. This made organizing the meetings easier as face to face meetings were not in question at the time. Also, the possibility to see the interviewee and interviewer provided the opportunity to establish rapport and provide more personalized experience rather than solely through phone calls. Therefore, the access to information was expected to be wider than in case of solely relying on interviews via phone. With the consent of the interviewees the meetings were recorded and afterwards transcribed however, the interviewees were also provided with opportunity to check the information they shared to ensure the rightfulness of the data, when they so desired.

3.6 Analysis of the data

According to Eisenhardt (1989), there is a difficulty in defining data analysis methods as there are as many researchers as approaches to this. However, the inherent idea behind qualitative data analysis is to investigate each case in detail, and therefore be able to investigate any reoccurring patterns before the generalizations. After that, to avoid any bias, Eisenhardt (1989) suggest a suitable approach would be selecting different categories and look for similarities and differences in these selected groups. Therefore, this study findings are presented as a cross-case analysis, where the findings inside the cases are divided into three main sections which also follows the interview structure:

1) International expansion and CRM software utilization of SMEs, 2) CRM software functional implementation, and 3) Implementation supporting activities. After each case is investigated thoroughly, and the themes are recognized individually, the case findings are combined to an entity under the themes mentioned above. Finally, after the findings are presented, they are reflected to the according literature to generate theory on the topic. (Eisenhardt, 1989).

The data analysis process followed a certain pattern. After the interviews, the data were transcribed verbatim into textual format for their further analysis. Then they were divided into different themes inside a solitary case based on the structure elaborated in the previous section. The most important findings from the stand-alone case studies were then highlighted, which enables the recognition of the common patterns across the cases; therefore, the combination of similarities across cases under the main themes based on the same categorical principle as in the single cases (Eisenhardt, 1989). Therefore, the main results of the study are presented by processing the primary collected data and reflecting it with the secondary information collected in the literature review section.

3.7 Reliability, validity, and limitations of the study

In this sub-chapter, the limitations, validity, and reliability of the study are elaborated. The discussion begins with introducing the limitations whereas the validity and reliability will be discussed afterwards. All research, regardless of the method used has limitations; therefore, a multiple case study that is qualitative in nature is no exception. For instance, even though Perry (1998) implies the suitable case number for this type of research being in between 4-6 with this study presenting five, the inability to interview multiple respondents from each case company is a limiting factor in developing comprehensive knowledge from each case. Moreover, one relevant limitation concerns the nature of the study as it investigates topics that are potentially connected to creation of competitive advantage, meaning some respondents might have been sensitive towards the subject and therefore, avoided providing comprehensive or detailed answers. In addition, even

though the questions were sent before the actual interviews to ensure that the interviewees understand them, they might have interpreted the questions differently. Therefore, Eisenhardt (1989) implies that qualitative researchers can reach premature or false conclusions due to the biases in the information gathering and processing, and for an inexperienced researcher, this should be considered as a limitation.

Even though reliability and validity are usually more relevant in the quantitative approach to data collection, they can also be applied to evaluating qualitative research (Golafshani, 2003). However, according to more general definitions, for an academic research to be scientifically valid, the research should measure truly what it is intended to measure (Golafshani, 2003). The reliability on the other hand, comprises the data collection producing consistent findings over time (Golafshani, 2003). Due to the differences in data collection and analysis phases and researchers increased contribution in qualitative research, the validity and reliability should be approached more as trustworthiness and credibility of the study (Golafshani, 2003; Saunders et al., 2019). This criterion involves, for instance other researchers coming to same conclusion or measurements yielding the same results, as well as transparency and credibility of the study (Saunders et al., 2019; Golafshani, 2003).

Thus, to ensure the credibility of the study, a thorough literature review was conducted and multiple perspectives from a number of references were utilized to avoid any bias and relying to a limited number of academics. However, as the CRM software implementation literature is still relatively narrow concerning SMEs, the author had to utilize existing studies concerning IT utilization when internationalizing as well as apply results from IT implementations generate enough data. Therefore, the trustworthiness of the study is strengthened providing as much transparency during the study as possible especially regarding the data collection and analysis (Saunders et al., 2019). Furthermore, it is ensured by constantly combining and referring the theoretical framework with the primary data received to strengthen the findings.

Additionally, the issue with this study and qualitative research in general, is that there can be multiple interpretations of the same data (Eriksson & Kovalainen, 2008). Therefore, the paradigm in this and qualitative research in general is constructivism, according to which the developed knowledge is a result of social events and therefore, is affected by the circumstances (Golafshani, 2003). This further supports that reliability and validity in qualitative studies should be regarded as trustworthiness and quality of the study. As a result, the ability to achieve validity and reliability of a research get affected from the qualitative researchers' perspectives, which are to eliminate bias and increase the researcher's truthfulness of a proposition (Golafshani, 2003). Therefore, the interviews were designed so that there would be as little room as possible for observer bias or error, and the transparency in data collection is maximized (Saunders et al., 2019).

4 Findings

In this chapter, the data gained from the interviews are presented. The goal was to investigate the potential connection between CRM implementation and international expansion of SMEs. To search for the reoccurring themes in internationalizing SMEs and their CRM implementation, the data from the interviews was categorized based on the theoretical framework. Therefore, the structure of the findings is as follows; 1) Network perspective, 2) Resource perspective, 3) Growth through internationalization, 4) Functional implementation for international expansion, and 5) Supporting activities. The purpose of the structure is to first gain a comprehensive picture of how the software contributes to international expansion process, and next investigate the characteristics in the CRM software implementations in detail. Overall, the following findings are presented as the perceptions of five Finnish SMEs that participate in international expansion and CRM implementation.

4.1 International expansion and CRM software utilization

In this sub-chapter, the results concerning SME international expansion from the interviews are introduced.

4.1.1 Network perspective

The network approach to international expansion was undeniably the most central approach when studying CRM software utilization and the international behavior of SMEs as the software inherent purpose is for developing supplier-buyer relationships. Specifically, when the limited size of the home market decreased the opportunities to expand inside national borders.

“The development of networks really has a significant role when the firm is entering new markets and therefore for the firm’s ability to expand internationally.” (VP Business Development and Sales, Company 5).

“The internationalization begins from developing customer relations. Only after that will the products start moving.” (Sales Director, Prodeal).

Overall, CRM software contributed to the development of international networks in two ways, increased opportunity management, and improved development of customer relations. Thus, when SMEs pursued international expansion, depending on the internationalization mode and the industry, networking, and therefore the CRM software affected the expansion process in separate ways. The first perspective implies that when expansion was dependent on the firms’ ability to recognize and establish new supplier-buyer relationships, operating in the digital environment with the help of the software could leverage opportunities in the existing markets as well as in completely new ones. This applied, for instance to those organizations that utilized an internationalization mode that require less local presence (e.g., exporting).

“The modern system works so that when a new opportunity is received through a website-form integration, the lead becomes available to the sales and marketing department. Therefore, we can already determine from which the customer is interested and be able to serve the customer preferences better than compared with the situation where such information would not be able to be processed...Today these software integrations create possibilities and therefore, we have been able to expand into new markets. It is important to have them in place.” (VP Business Development and Sales. Company 5).

The second approach explains that when the nature of the operations required the establishment of local presence during market-entry; hence, systematic networking through the software occurred only after the local presence was established, which created a different purpose for CRM software during international expansion. As a result, CRM software influenced more on the firm’s ability to expand after they have initially entered the market and the role was more in recognizing and developing further

networks inside the market in question. In more complex entry modes (e.g., subsidiary establishment), the entry process required more attention, meaning network establishment and development occurred when the firm is already present in the markets, therefore leveraging opportunities for new market entry was less relevant.

“The CRM software has been utilized during the whole expansion process and it has been very useful. However, when expanding to completely new markets the role of the system decreases. The software is more useful when expanding in the markets where the company is already present.” (CCO, Valamis).

Even though the number of new networking opportunities depended on the entry mode and nature of the industry, in all cases to be able to expand operations there was a need to develop a systematic way of recognizing and developing networks. This was the most common reason for the case companies to implement CRM software from the networking perspective. In all case companies the software operated as a company level platform to effectively manage and develop the networks especially when the companies were growing, and the amount of information increased. Thus, the software created a more systematic approach to the relationship processes and, therefore better relationship development and customer retention.

“It works as a valuable tool for improving efficiency and when taking things further, it helps to create certain borders for how to deal with the customer and determined the overall processes, sales, orders, deliveries. When this is done, it helps to improve things afterward, and this makes CRM more efficient.” (Sales Director, Helaform).

When everything was available in a centralized software, the entity became much easier to control especially when expanding operations. The ability to track the entire process, meant that the ability to control and develop operations increased, which companies used to provide a better experience for the customers. Therefore, the software

contributed to more efficient development and establishment of networks (new and existing). Furthermore, the software was used to operate in all customer touchpoints, some of which, depending on the software and company competencies, were automated. With some variance in individual preferences, especially the early phases of sales and marketing were considered increasingly useful.

“The CRM software operates as the main tool for relationship management containing all the CRM processes, including sales, marketing, data analytics, and automation. Without CRM, the ability to control these processes would be much more difficult and the software unifies the processes and makes them more efficient.” (CCO, Valamis).

One of the main benefits of efficient software-based relationship management was that it created value for both parties. The customer development processes became more precise and efficient, meaning companies directly benefitted from the usage. As a side benefit, when everything was in digital form, company executives were able to track the activities and develop them accordingly. Thus, improving the customer experience.

“CRM is helpful in a sense that when every information is available of the relationships it has a huge role in delivering improved CRM activities.” (Sales Director, Helaform).

It was emphasized during the interviews that through the comprehensive usage companies can achieve efficiency in CRM, develop knowledge as a valuable resource and develop long-lasting relationships and enable continuous resource exchange. Thus, the resource perspective is discussed next.

4.1.2 Resource perspective

In addition to the network perspective, companies also implemented CRM software to benefit resourcefully. Thus, the first reason regarding these commercial CRM systems

emerged as the development of customer and market knowledge, which was considered a valuable resource during expansion. When such information was in the possession of the company instead of individuals, the knowledge became a resource for the company, and the risk of losing such asset was removed.

“Probably key information would have been lost in the process without such system... It is the most important function that information can be stored and available.” (Sales Director, Produal).

“This kind of information is capital for the firm which is why it is important to have it in the software.” (Sales director, Helaform).

As discussed above, such information was also considered a valuable resource from the international expansion perspective, as possessing such knowledge companies increased the information flow about relationships and markets.

“When expanding internationally the ability to track data across the different markets... provides the opportunity to develop and manage those markets and countries based on the different information received from the system. This has created more effective CRM operations, which is essential for growth.” (CEO, Vilpe).

“When a company grows a need in such pace, it supports the sales management to see what’s happening overall in the foreign markets, how many customers are contacted or created, this creates a wider image of the operations as well as provides key information.” (Customer Service Manager, Vilpe).

Moreover, when such knowledge was generated and analyzed by the software itself, there was an ability to target resources more effectively. As SMEs usually lack both, financial and human resources, when the software can aid conducting an extensive number of CRM functions, the allocation of scarce resources becomes more precise, which

was essential for international expansion. However, to access such benefits requires the comprehensive usage of the software and a unified way to utilize it.

“Developing customer relations takes time, so having the right focus is important so that the resources can be targeted to the things that matter... A decent CRM creates an opportunity to focus on the right things so that the personnel do not use their resources to irrelevant functions.” (VP Business Development and Sales, Company 5).

As companies utilized a more modern software, it assisted in conducting the basic CRM functions semi-automated meaning the personnel were able to directly benefit from the software as they could focus on tasks that require a more human approach. Therefore, companies delegated their resources more effectively regarding the relationship process.

“The processes are automated as widely as possible, which makes processes more efficient when the manual work decreases.” (CCO, Valamis).

The last perspective in developing networks for SMEs regarding resources was to increase the exchange of to them. Knowledge and the ability to focus on the most resourceful partnerships, provided the opportunity to focus on those customers that were able to provide most value. Thus, the software assisted in developing long-lasting relationships and increase the resourcefulness of the relationship.

“CRM is a sales tool; it all begins from that and daily operations including relationship management as well as opportunity management occurs through the system. It is a crucial tool for this, as the business is based on long lasting relationships.” (Sales Director, Produal).

“CRM software helped us to recognize the key customers, which we wanted to focus on, which enabled to focus on those criteria that determined such types of

customers we wanted to focus on. CRM has a large role in helping to determine exactly the type of customer that suits us.” (Sales Director, Helaform).

The software had several contributions to the resource- and network perspectives however, the usage was also acknowledged to be connected to the international growth, and expansion. Therefore, the next section introduces the findings regarding firm’s ability to expand in international markets.

4.1.3 Growth through international expansion

The ability to grow had a central role among the interviewees to implement CRM software. This embedded an important relationship with the international expansion as the small size of the home market forced growth seeking companies to expand in foreign markets. The interviewees implied that the software had been particularly useful during expansion, specifically as an enabler for organic growth by removing important barriers, for instance concerning operational effectiveness and collection and analysis of key information. One central aspect was unifying all CRM activities, and therefore creating circumstances for a corporate level system to increase efficiency.

“Overall, CRM creates a systematic approach to carrying out CRM activities, which improves business and enables growth.” (CEO, Vilpe).

“It makes the processes more efficient and makes the barrier for expansion much lower. So basically, it is a factor that makes internationalization possible for companies. Especially from the management perspective it is useful for controlling the entity and decision-making based on data.” (Sales Director, Produal).

It was emphasized in the interviews that without a centralized system there would be less systematic way of conducting networking processes and they would be more connected to individual preferences. When companies utilized CRM software as a corporate level tool, the processes became more unified and less relied on individuals own

capabilities, which lead to efficiency and therefore, improvement in the company's operations. Additionally, as mentioned above, a notable benefit elaborated by the companies was the ability to remove the potential bottlenecks in accessing key information, which could be used as a basis for systematic growth.

"In recent years as the firm has grown and developed a need for a central data storage, where especially information on ongoing sales activities were recognized. Based on the data analysis, the organization can take actions and grow systematically." (CEO, Vilpe).

"Growth has happened more effectively meaning the results could have been achieved with much less work than without such system.... The CRM system has been making everything easier." (Sales Director, Produal).

Similarly, as in section 4.1, the interviewees again suggested that based on the increased collection and access to information, the software often operated as a tool for leveraging opportunities in foreign markets, making their growth more efficient. This means that the software enabled the collection and analysis of data on potential customers and markets, which supported their expansion activities. Therefore, some companies were able to expand their client base by, for instance establishing information flow between company websites and the CRM software.

"With the software the company can access data from the interest towards the company through website traffic, which helps to get information from potential customers in the area. Therefore, the company can target CRM functions to the potential customers and expand in those markets." (CCO, Valamis).

In most cases the companies were able to utilize the system in a way that information on expansion opportunities was gathered by automatically recognizing and collecting opportunities in the software, which were then developed accordingly. Meanwhile, a

more basic approach to the opportunity development with the software was also recognized with the effects being more indirect, as it comprised the recognition of beneficial partner types for the company, which were then utilized to recognize potential relationships with similar traits. However, such ability to develop knowledge was still acknowledged to positively affect companies' ability to grow, and internationally expand.

“The things determined to certain customers help to search for similarities in the potential ones. Therefore, I find it irrelevant whether it is a new or existing market, it works as an important tool.” (Sales Director, Helaform).

It is apparent that software is essential for organizations that are growth seeking, where the software aids to remove the barriers for dealing with increasing amount of information. Thus, the system assisted companies to create more efficient and systematic ways of developing customer relations, which enabled more effective expansion process. Moreover, some organizations were able to grow automatically, either into new markets or inside the existing ones through collating information through the software.

4.2 Functional implementation to support international expansion

It is acknowledged that the comprehensive usage of the software companies can support SMEs growth by improving their ability to establish and develop customer networks, which in case of small home markets, results in international expansion. However, to access such benefits requires comprehensive implementation; therefore, in this sub-chapter functionalities that can support the international expansion process are discussed.

4.2.1 Functionalities- Centralized data storage

The most common approach to CRM software usage was to generate an ability to collect and analyze customer and market-related data regarding both, existing relationships, and potential ones. In all the studied cases this was also the inherent reason for the

implementation of the software. The purpose was to guide every CRM-related information into the system to make it easily accessible and analyzable to support the daily activities and decision-making. Regarding the case SMEs, this data collection was either done manually or automatically depending on the level of implementation. Regardless, all companies agreed that the ability to make decisions and systematically operate based on the data was the central aspect of CRM software implementation.

“All the data is imported into the system concerning the contact persons and partners and overall, every touchpoint action is imported into the system.” (Sales Director, Helaform).

“Central database for customer information is and was the main purpose but other useful functions that have been coming throughout the years are great supporting functions to the main tool.” (VP Business Development and Sales, Company 5).

The interviewees support that the main purpose of the software was developed around the data storage, which is also emphasized when the company was expanding. Therefore, all the required data was stored in the same place removing any potential bottlenecks in information flow and therefore, created efficiency and supported growth.

“After the company has started growing, there has become a need for such system that can store all the data to keep up with the increased information.” (Customer Service Manager, Vilpe).

Moreover, when all CRM-related functions were integrated into one system, the need for maintaining different platforms and scrolling through them to access information was removed. To be able to operate in international environment the ability to collate such data had a key role.

“The usage of the software is necessary if companies intend to compete in the international environment, which creates a need for a system to manage all the data.” (CEO, Vilpe).

Even though this data availability is and was the most central function, it was also emphasized by the interviewees that the modern software offers much more functionalities compared to the older systems, suggesting the inherent purpose of these systems has developed.

“Before CRM was about only storing the data of the customer meaning they only served the basic purposes of CRM however, the newer systems provide much more availability in terms of functions, which means they have a very different type of purpose compared to the older systems.” (VP Business development and Sales, Company 5).

The main benefits of CRM software are based on the ability to collect, store, and analyze data, which enabled even SMEs to develop customer and market-specific information, which were to be more difficult without such system. However, as the interviewees implied, using modern software comprehensively provides a wider range of functionality, hence the next sections investigate them.

4.2.2 Functionalities- Sales

The most central function of the modern CRM software after the centralized data storage, was it being the main sales tool for the organization. The most common functions comprised the opportunity management process (e.g., lead recognition), customer segmentation and classification, daily communication, and offer management with, of course some variance based on individual preferences. The purpose was to use the platform to conduct sales activities as well as collect information about the phases of sales to deliver an enhanced customer experience.

“CRM is definitely a sales tool; it all begins from that and daily operations including relationship management as well as opportunity management occurs through the system.” (Sales Director, Prodeal).

“The old systems had more narrow qualities, with the current system, the relationships are created and thereafter developed inside the system to deliver a wholesome customer experience.” (VP Business Development and Sales, Company 5).

Additionally, when companies operate in international markets, the ability to deliver customer value even when operations expand was emphasized. Usage of the CRM software was expected to bear a positive effect to the ability to internationally operate as otherwise controlling such information and generating customer value becomes more difficult.

“Software has a big as there are many global customers, which is why carrying out CRM functions becomes much clearer and easier through such system.” (Sales Director, Prodeal).

Numerous other operational sales functions were recognized; however, they were dependent on the case company. Therefore, one of the most relevant in terms of international growth and used extensively by the case companies, was opportunity management. Due to the scarcity of opportunities in the home markets, by operating in digital social environment through the software, companies were able to leverage foreign opportunities, and therefore companies can expand internationally. Depending on the case company competencies, this was done automatically or manually. What was common across all the cases, was that they software was used to classify the opportunities and develop them accordingly.

“Sales functions such as automated lead recognition from international markets have been carried out through CRM software integration with website.” (CEO, Vilpe)

“The customers are segmented through the level of opportunities they indicate. For instance, if the leads are brought from the websites and they see potential, they are moved to sales department, which are responsible for moving the leads forward in the process.” (Sales Director, Helaform).

Interviewees also implied that they had complete sales pipeline that consists of highly detailed phases of customer journey with some of the early phases being automated.

“Concerning sales as there, the user they have been given an opportunity to develop a sales pipeline.” (CEO, Vilpe).

However, in some companies there was no need to develop a standardized sales pipeline due to the different customer types and the need for more human touch in customer touchpoints. What was common on the other hand, was the ability to measure the success of each touchpoint and develop sales processes based on the results.

“The efficiency of CRM has remarkably increased. It is important to be able to track what occurs in the touchpoints.” (CEO, Vilpe).

“Additionally, the data from the offers and orders enables the reporting to the management visually and thereby the development of operations.” (Sales Director, Produal).

The interviewees implied that in most cases there was still a human touch required when in contact with the customer, especially if the companies were expanding to new markets. However, the actions that require less human touch such as new opportunity management and sales analysis were common functions among the case companies that could be done completely by the software and its integrations.

4.2.3 Functionalities- Marketing

As mentioned earlier, the CRM software was considered a sales tool at most, meaning companies did not carry out marketing activities through the system as extensively. Thus, the software was utilized mainly during the first steps of the customer journey, especially to make the opportunities aware of the company. This way companies were able to analyze the potential interests of certain markets and recognize opportunities for expansion.

“Marketing through CRM software is used to check how opportunities are interested in the company and therefore create leads.” (CEO, Vilpe).

As presented, the marketing functions support the ability to determine, for instance the potentiality of foreign customers and markets by investigating the level of interest in towards the company’s offering early on. In practice, this was done by the likes of marketing emails as well as through marketing campaigns. Whilst some software did not offer these functions, companies still utilized the software to track and analyze the data from the functions. This was conducted in the software through integrations of the marketing tools even if software itself did not offer such functionality.

“Produal utilizes campaigns however, email marketing is conducted elsewhere as the system does not have such function. Nevertheless, the system operates as the data storage of the customer information when sending newsletters to make it easier for sales. Also, integration is established between the email tool and CRM to improve processes.” (Sales Director, Produal).

“Marketing functions are utilized through a newsletter tool and therefore, data is used to develop marketing functions.” (CEO, Vilpe).

Even though the marketing functions were mostly used during the early phases of customer journey, they had an important role when providing information for the sales

department in the form of leads and general foreign market interest. Even though not as popular, software also leveraged the opportunity to keep interacting with existing partners, which was conducted through a newsletter tool. Moreover, the software was beneficial especially for analyzing the results and improving the processes accordingly.

4.2.4 Functionalities – Customer service

Of the software functionalities recognized, the customer service functions were the least common. Even though there was interest in the functions, some did not utilize them at all. However, amongst those companies that utilized them, the most used function was customer complaint management through the software, which was used to achieve speedier service and better delegation of requests. Additionally, some companies utilized software integrations with, for instance ERP to track and manage orders more effectively. These two perspectives combined the customer service processes utilized by the companies through the software.

*“Customer service functions such as management of customer complaints are utilized for more effective customer service and customer service development. Also, feedback is collected from the customers of how effective and useful the marketing is, which is used to improve the interest of customers and develop the relationship.”
(CEO, Vilpe).*

“Moreover, processes concerning for example, customer complaints and automated notifications for customers have been developed.” (Sales Director, Produal).

In some cases, the companies utilized a task management tool inside the software to improve the customer service level. This was considered particularly useful when delegating customer requests or complaints to the right people to create a more systematic and speedier way of carrying the activities.

“Also, CRM is connected to other systems to track complaints etc. For instance, the email integration is useful to be able to record them as well as use tasks from the CRM.” (Customer Service Manager, Vilpe).

Even though the customer service functions were not as popular in the case companies, the benefits of having the opportunity to serve customers more effectively and based on data was considered important. As a result, there was a more systematic approach to operating in customer touchpoints it as well as evidence to support the development, which was earlier considered beneficial to support growth and international expansion.

4.2.5 Functionalities – Automation

On the other hand, one of the most common benefits companies accessed when utilizing modern CRM software was the ability to automate the functions. There were several types of functions regarding the operational activities however, similarly to the earlier functions, the most common ones concerned the preliminary stages of customer journey (e.g., opportunity recognition and management).

“Lead management occurs through websites by contact forms and the CRM software itself has automated functions that helps to keep track of functions such as automated notifications.” (Sales Director, Produal).

As implied above, concerning activities that require more personalization, the interviewees suggested that the automatic functions were not as useful. Therefore, the complexity of the industry and small size of operations had an effect to the ability to utilize software in more advanced customer touchpoints.

“Automated marketing functions were utilized; however, the results were not interesting enough for our business. For different industries these types of functions are beneficial. If the organization was larger, then the automated functions would be more useful.” (CEO, Vilpe).

“...from this point the company utilizes the software contacting- and marketing functions manually due to the nature of the operations.” (CCO, Valamis).

Even though there is a lack in automation regarding the advanced phases of customer journey, the interviewees implied CRM software as a central tool where customer data is imported to the system. Therefore, the ability to automatically collect and analyze CRM activities and develop them accordingly was highlighted as a useful function especially from the managerial perspective.

“When everything customer-related data is in the CRM system there is a possibility to generate reports automatically to support the development of the functions as well as keep track of everything.” (VP Business Development and Sales, Company 5).

Through the comprehensive usage of the functionalities, companies positively affect their ability to grow and operate internationally. However, the actions that ensure the comprehensive usage and access to benefits should be further discussed.

4.3 CRM software supporting activities

As discussed, when SMEs seek to benefit from the software in a way that supports their international operations, there is a need for comprehensive implementation of the software. Hence, this sub-chapter focuses on highlighting the activities that support the implementation.

4.3.1 Management support

A central theme during the interviews was management support. As the decision-making was centralized, the management had a pivotal role in the success of the implementation. The interviewees implied that a lack of a clear direction with the usage, the

implementation would have been likely to fail completely, or the system would not have operated as intended. Therefore, several managerial contributions were recognized (e.g., determination of requirements, long-term planning, daily usage support, and user participation), to have a direct relationship with the success of the implementations.

“The goals were clearly defined before the implementation, and it has been successful... The usage of the software has been supported and overviewed so that it would be in use with those that operate in customer touchpoints. This has continued and the management supports the utilization of the software, which is why it is the primary tool for CRM processes.” (CCO, Valamis).

Even though in general level the end-users considered the software useful in the case companies, the early stages of implementation required extensive support from the management. For instance, it was important for the management to clearly define how the system should be used and what is expected from the users.

“Most importantly, how the system is used is more important than the system however, if the system is incapable of meeting the demands of the organization it can cause harm.” (CEO, Vilpe).

In all cases there was change resistance during the initial introduction of the software among end-users, meaning communication and end-user involvement by the management were highlighted. As mentioned earlier, especially important was to communicate why such changes are made and elaborate how the software should be used from the beginning. Additionally, providing the opportunity for employees to express their opinions and participate them to the implementation was recognized as beneficial.

“The messaging and support on why certain things should be conducted. Not just indicate what is going on is important so, the managerial role is to make sure that

everyone recognizes the benefits of the system, which would increase the usage.” (Sales Director, Helaform).

“Additionally, the training of the people to the new system is also important however, challenging due to the change resistance they usually possess. Still, after the implementation the problems usually disappear meaning the problems usually come from the nature of resisting change.” (VP Business Development and Sales, Company 5).

Even though the change resistance among the end-users was high in all companies, after a while the end-users discovered the benefits of the software compared to other methods, the implementations were considered successful.

“The problems have occurred when users have not yet adopted the system however, this has decreased when the users have learned to use such system and therefore, discovered the benefits of it compared to other methods.” (Customer Service Manager, Vilpe).

Overall, the emphasis was on the management in creating such circumstances that support the recognition of the benefits for the end-users. Additionally, the management was responsible for not introducing one additional system, rather the successfulness of the system comes from centralizing the CRM operations, which automatically increases the usage.

4.3.2 Data-analysis and measurement

One of the benefits of the software already elaborated on in the previous sections was the automatic data collection and analysis. Therefore, to support the implementation, management had access to real-time data to support the usage. As implied earlier, the initial phases of implementation required more contribution from the management, therefore creating a need to measure the usage.

“The company uses metrics to support the usage and based on those, for instance salespeople activity is measured constantly.” (CCO, Valamis).

Regardless these were considered useful in some organizations, the usage of metrics to support the implementation was inconsistent. Mostly, the companies felt that such scrutiny was irrelevant.

“We have lots of metrics however, in recent years, we have decreased the everyday usage of them. In the early phase when everything is new people got excited about them, but we have learned that they are not essential and should not be relied that on that much. Therefore, we do not scrutinize them anymore.” (VP Business Development and Sales, Company 5).

The results varied based on the sizes and industries of the companies, as there was no need for tracking the usage when the number of users was limited. On the other hand, the interviewees found it more useful to analyze reports connected to operations in a more general level such as KPIs regarding the development of customers- and market information, and CRM processes and therefore, increase the usage in a company level. As a result, operational data analysis was applicable to all the organizations, and the management was more responsible to personally encourage usage if required.

“Depends on the leader what they demand, I utilize weekly reports generated from the system as a daily tool. If you do not utilize such system, it gets left out. As a Group level, monthly checks are based on CRM reports meaning every country uses it.” (Sales Director, Produal).

“Recently the organization has started to develop their business based on sales KPIs to make operations more effective. Essentially the functions inside the organization are improved however, CRM is also utilized in gathering feedback from customers,

which creates data, and based on those metrics the operations are developed.” (CEO, Vilpe).

One benefit of the software was that ability to generate reports and make them are available for everyone and therefore, users were also able to investigate the key data themselves. Therefore, through transparency, the operations could be developed without any extensive managerial actions.

“We want to improve the reporting so that there is information available immediately for salespeople. For instance, to generate a report that could be utilized in everyday operations that would have all the relevant information.” (Sales Director, Helaform).

“It is quite new, last year we have started to utilize them and to collect information ...especially sales managers are now interested in the system and KPIs when actual numbers are available. This enables the improvement of the operations.” (Customer Service Manager, Vilpe).

Even though there were differences in the role of data measurement and analysis for the software implementations, in most cases they were used to support the operations in a general level. Next, the findings concerning the usage of external aid are presented.

4.3.3 External assistance

The role of the external assistance was highlighted during the most complex scenarios, for instance during the creation an ecosystem (e.g., system integration) around the software, which was essential for companies' ability to benefit from the software and support their growth. Thus, the interviewees implied that they use an external partner, either a consultancy company or the software provider's own team to support in the most difficult tasks even though there was also a willingness to develop internal skills. Due to

the lack of issues regarding the software usage itself, the external partners were used when software requires customization or other systems are integrated.

“The company has not faced any problem cases when, for instance the IT-support should have been contacted. The company only utilizes a consultancy to support larger software modifications.” (CCO, Valamis).

“External assistance has been used to conduct the most difficult activities however, there are also paid IT manager that carries out the smaller processes. Also, internal skills have been developed at the same time meaning there is also internal IT knowledge.” (CEO Vilpe).

Due to the lack of IT-related issues after initial implementations, the management was often responsible for the daily support. However, as mentioned above, most of the interviewees implied that it is reasonable to trust on a partner to carry out the most complex tasks.

“The management supports in daily usage, but when it is related to IT the system provider supports in these areas. This type of support is rarely needed and requires the kind of expertise that is more reasonable to be searched elsewhere.” (VP Business Development and Sales, Company 5).

“As in daily operations there is no need however, concerning IT issues there is a support service provider utilized. So, the management is responsible for the daily support functions.” (Sales Director, Helaform).

Overall, due to the lack of issues with the software usage after the initial implementation, the role of external assistance decreased whereas the managerial role remained central constantly.

4.3.4 System integration

To be able to utilize CRM software comprehensively, integration of other company systems in the software was considered central, especially when increasing operational effectiveness as well as recognizing new business opportunities. The most common integrations with the software included company websites, social media as well as other operational systems such as company ERP and email. Specifically, these integrations were made to collect and analyze information from a single platform, which helps to grasp the otherwise complex scenario of using multiple systems.

“The data is imported through LinkedIn- and website integrations. The company recommends utilizing the system in every touchpoint, which is why data is also imported manually to the software via an email integration.” (CCO, Valamis).

Through comprehensive system integrations, companies were able to develop knowledge and make decisions for operations in general as well as increase their access to foreign opportunities. It is acknowledged that the more information companies were able to acquire to a single platform, the easier it became to be able to develop operations. Furthermore, one additional motive for system integration was the ability to create efficiency of CRM activities.

“The early stages of sales and marketing are carried out through automatic collection of data through a website integration.” (CCO, Valamis).

“The offer tools are integrated into the system in the future to make the sales processes easier for the salespeople, which is also important. The purpose is to decrease the number of systems used and make it possible to use only one system for the purpose.” (Sales Director, Produal).

Especially from the perspective of effectiveness and thorough user adoption, these integrations had a pivotal role. When there was only one centralized system for all processes

the companies had a seamless way to access data on operations as well as increase access key customer and market knowledge. As a result, the system integration was a highly emphasized aspect when companies aimed to support international expansion.

5 Discussion

In this chapter, the findings from the empirical study are connected to the theoretical premises discussed in the literature review. The chapter is organized around the same themes identified in the Chapter 4. As a result of the discussion, the study offers a model connecting CRM software implementation with SME international expansion.

5.1 CRM software implementation and internationalization of SMEs

In this sub-chapter, the network perspective to internationalization is discussed first, after which the findings and theory on resource perspective are presented. Finally, contributions on international growth of SMEs are elaborated.

5.1.1 Network perspective

The extant literature presents that companies that originate from small-open economies expand in international markets since the saturated domestic markets require companies to operate internationally to grow and survive (Albaum & Duerr, 2011; Dabic et al., 2020). The findings support this as the size of the domestic decreased the opportunities in the home markets and forced companies to operate internationally. For this ability to expand, the development of supplier buyer relationships remained central. Therefore, the results comply with the existing research on the network perspective to internationalization and the ability to develop international networks contributed to explaining the firm's ability to operate as well as expand in international markets (Hsieh et al., 2019). Therefore, the creation and development of international networks comprising activities from relationship acquisition to retention are connected to the CRM software.

What was not discussed comprehensively in the literature was that the extent to which CRM software supports new market entry was dependent on the choice of entry mode. Whilst the results highlight the role developing supplier buyer networks during international expansion, the establishment of local presence before entry was also central.

Therefore, the results are in line with Brouthers et al. (2016) as some companies established local presence to avoid liability of foreignness, which cannot be achieved solely by operating through digital environment. Thus, it is acknowledged that especially in complex industries that benefit from local presence, there CRM software contributes to the expansion post-entry, meanwhile in low commitment entry modes the software can directly provide the needed information for market expansion. However, what was similar across cases was that companies were able to collate information of networking opportunities through CRM software in the ones the companies are already present (Glavas et al., 2019).

The prior research also suggests that the ability to systematically establish and develop networks is the main challenge for companies that expand internationally suggesting that effective networking bears a positive relationship to the ability to compete in international markets (Harrigan et al., 2009; Saleh & Saheli, 2019). The findings imply that CRM software utilization supported companies' ability to systematically recognize and develop their foreign customer relations, which positively impacts their ability to survive internationally (Arslan et al., 2020). Furthermore, this lack of systematic networking was previously recognized a challenge for SME as due to the unique ways of relationship building, which put more emphasis on the individual abilities (Onwuegbuzie et al., 2009). Therefore, companies were able to develop a more systematic- and unified approach to recognizing and maintaining the customer relationships after the implementation, which supported their ability to develop the companies' operations. As Birkinshaw et al. (2007) discuss, the ability to generate long lasting relationships for companies' performance is highlighted; therefore, there is a demand for SMEs to implement software to support the process. Overall, the CRM software had a leading role of delivering the key networking activities in the case SMEs supporting the network perspective to international expansion.

5.1.2 Resource perspective

The literature presents that SMEs develop networks to access resources, either non-economic or economic (Chapman & Cumbers, 2004). As this study focuses on supplier-buyer relationships, resources are expected to be accessed through the development of these exchange networks (Chapman & Cumbers, 2004). Therefore, the ability to recognize and build such relationships benefit internationalizing SMEs (Harrigan et al., 2009). The results suggest that CRM software usage bears a positive association with improved customer relationship functions, which connects to increased access to tangible and intangible resources including goodwill and further networks to support SME internationalization (Arslan et al., 2020).

Furthermore, the extant research suggests that knowledge is an important factor explaining SME international behavior which is expected to be slower due to the time-consuming knowledge accumulation process in SMEs (Hsieh et al., 2019). However, the access and utilization of IT-systems was known to increase and speed up the access to information suggesting that smaller firms could internationalize their operations faster, while not suffering from the knowledge constraints (Cheng et al., 2020). The results in this study support the existing research on IT based internationalization since the case SMEs supported their ability to develop and access foreign customer and market information through the software usage. As a result, the findings suggest that through CRM software companies were able to store and retrieve key information and potentially remove the resource constraints affecting the speed and effectiveness of their international expansion. Therefore, the results differ from Johanson and Valhne (1977), suggesting that SMEs internationalization process is not characterized by resource constraints (e.g., knowledge), when utilizing CRM software comprehensively.

Furthermore, the literature also posits that companies that utilize IT based systems, benefit from reduced costs of operations due to more efficient business practices, as well as from the increased business opportunities (Glavas et al., 2019; Lecerf & Omrani, 2020; Harrigan et al., 2009). The results comply with the existing research, as through CRM

software usage companies were able to delegate resources more effectively as well as improve the efficiency of CRM processes. Therefore, the results did not support any direct relationship with reduced costs, rather presented an indirect approach through the more efficient operations.

5.1.3 Growth through international expansion

Johanson and Vahlne (1977) imply that due to the slower ability to develop and process knowledge, SMEs are expected to expand their international operations slower. In markets where domestic markets do not offer sufficient growth opportunities, this results in slower expansion of operations. However, the findings suggest that implementation of CRM software enabled more rapid growth by removing these bottlenecks regarding the ability to collate information on foreign markets- and networks, supporting a more rapid foreign expansion. The results are similar with Zahra (2005) and Glavas et al. (2019) as the ability learn and develop knowledge of foreign markets and networks positively affects SMEs international behavior and the ability to grow.

Furthermore, Harrigan et al. (2009) discuss that systematic and efficient development of network relationships positively affects the SMEs ability to compete, and therefore operate in international environment. The study provides evidence that the implementation of CRM software supports the recognition of customer relations as well as improves the networking process by making the CRM activities more efficient and accurate. Therefore, supporting the view by Arslan et al. (2020) as through effective CRM companies can increase their legitimacy, and therefore improve their access to networks and resources, which was emphasized when operating in foreign markets and building long-lasting relationships. Due to the small size of the domestic markets, the CRM software supported their ability to grow and therefore, internationally expand.

Moreover, usage of the CRM software also enabled companies to develop internal capabilities. Harrigan et al. (2009), Saleh & Saheli, (2019) and Lee et al. (2014) discuss that adoption of CRM bears a positive association with the overall operations of SMEs as

achieving growth through integrating all the key activities and their data was considered as important motives to implement CRM software. Moreover, as Arslan et al. (2020) discuss, to appear as legitimate in international environment, there is a need for developing improved CRM. Therefore, the results support a connection both ways; during international expansion companies create a need for improved efficiency in internal CRM operations and must find ways to deal with the increased data to keep up with the growth and to appear legitimate, which is why they implement CRM software. Overall, the findings highlight CRM software as a support function for growth, and therefore positively affected their ability to increase international commitment.

5.2 Functions and activities that support SME international expansion

As it is acknowledged that the CRM software can positively affect SMEs international commitment, this sub-chapter discusses the means to software implementation, which were recognized to support the comprehensive usage with the theoretical premises.

5.2.1 Functional implementation

To achieve the benefits of supporting international operations, the functionalities in the software were utilized comprehensively. Adebanjo (2003), Torggler, (2008) as well as Harrigan et al. (2009) imply the basic function of CRM software is to offer a place to store and manage contacts mainly for communicational purposes and avoid the risk of losing the information. In the case companies such ability to store customer-related data was still considered as an important function of the software; however, due to the ability to centralize most if not all CRM activities to the software, CRM software contains information on all the functions subsequently offering a tool for decision-making, which was not discussed in the literature (Harrigan et al., 2009). Even though companies implied a place to store customer- and market information was the inherent purpose of the software, the modern software offers a plethora of opportunities to collate data concerning company operations overall. Specifically, during expanding operations internationally,

the ability to collect and analyze information was emphasized as such information would otherwise be more difficult to access.

As implied above, the findings also put emphasis on the other functionalities due to increased availability of them in the modern software. The results suggest that one of the used sales functions was opportunity management, which is in line with Torggler (2008). What was not discussed comprehensively in the literature was that even SMEs leverage digital social environment to connect with prospects. However, as Powell et al. (2018) discuss, after the initial prospecting, as SMEs still rely on more personalized touch in developing relations due to the importance of human approach during entering foreign markets and developing long-lasting relationships. Additionally, some companies utilized the offer- and order management tools of the software however, it required a thorough integration with company ERP, which is why the results were not generalizable. Overall, companies considered CRM software as a sales tool at most, which enabled more seamless customer experience, improved the flow of the sales processes, and access to the to develop operations accordingly, which is in line with the results of Torggler (2008) and Harrigan et al. (2009).

To support the sales processes, Powell et al. (2018) and Adebajo (2003) present that companies conduct marketing activities through the software to determine if there is any interest towards the company. Findings support this view as marketing activities were conducted through CRM software to gain customer- and market information, which also enabled the development of them accordingly. Furthermore, Torggler (2008) imply that companies engage in marketing functions to ensure continuous interaction with customers. The study provides evidence that companies increasingly interacted with customers through software by providing key notes through a newsletter tool. However, not all software provided this, which is why some had to integrate a newsletter tool to the software to enable the data interpretation and analysis of the marketing campaigns- and functions, which is line with the views of Torggler, 2008 and Powell et al. (2018).

Torggler (2008) and Powell et al. (2018) also present that CRM software include customer service functions, which can be used to automatically manage appointments, scheduling service requests as well as managing complaints and feedback. The findings suggest a lack of systematicity in the customer service functions in SMEs with the most common customer-service function being complaint collection and management through the software as well appointment of the requests to the appropriate person. As suggested, the results were not generalizable. Overall, the findings were similar with Saini et al. (2010) as customer service function mainly related to the more accurate and speedier service through centralizing CRM functions as well to the ability to collect data to develop the operations accordingly, whereas specific functionalities were not highlighted as much. Specifically, during growth SMEs develop a need to keep up with increased information, which is why the software assisted managing the customer relations more efficiently and thus, keep the customer service level high. However, as Harrigan et al. (2009) with Hauser and Katz (1998) discuss, SMEs benefit from more personalized experience, which is why there should be balance between human and virtual contact regarding customer service functions; hence, they should be used for better control of information.

Furthermore, Powell et al. (2018) and Harrigan et al. (2009) imply that SMEs should avoid too much customer interaction with automated functions due to need to personalize the experience. The results in this study are somewhat similar as most companies were able to develop an ecosystem around the software, which enabled them to recognize new opportunities and import data automatically with some companies even automating the initial contact. However, the ability to automate concerned the initial stages of networking to ensure more personalized experience for the customer especially when entering new markets and building long-lasting relationships. Additionally, the results are similar with Torggler (2008) and Saini et al. (2010) as increasingly, SMEs were able to automate data gathering- and reporting in some extent with decreasing focus on manual work. However, to provide reliable and valid information further put emphasis on the

comprehensive usage of the software combined with human interpretation to determine the quality of the data before decision-making, which is in line with the results by Powell et al. (2018) and Saini et al. (2010).

5.2.2 Supporting activities

Next, the activities that support the comprehensive implementation of the software are discussed with the theoretical premises. The findings suggest that for the ability to implement the software and access the benefits, the role of management remained highlighted as presented by Ghobakhloo et al. (2012). The management characteristics directly influenced the level of the implementation, to the way the software is used, and how it corresponds to the overall strategy of the company. Even though all implementations were considered successful, the managerial role was central in integrating the software as a part of the overall CRM strategy. It was acknowledged that the ability to adjust the system for the companies' purposes is more important than the software itself, which further highlights the role of management. Furthermore, Snider et al. (2009) and Farhan et al. (2018) discuss that the support and participation of management is essential especially during the initial stages of software implementation. The results were similar as during early stages of implementation users often showed change resistance; therefore, end-user involvement, management support- and communication were considered important. What was not discussed in the literature was that companies also appeared to rely on the end-user ability to recognize the benefits of the software. This was achieved by integrating the software to the daily activities thus, leveraging opportunities for the users to understand these benefits themselves.

Due to the complexity of the implementation, Farhan et al. (2018) also presents that usage of metrics can provide needed support, but results from cases were not unified with some utilizing them constantly, and some leaving them unnoticed. The findings propose that companies that had more complex and wider user base, the measurement and analysis were considered useful meanwhile in case of narrower userbase, a more individualized touch to support the usage should be applied, which is in line with Powell et

al. (2018). However, in most cases the measurement and analysis did not directly relate to the implementation, rather to the measurement, and analysis of the functions (sales, marketing & customer service) in a more general level. Therefore, most companies utilized the measurement and analytics tool improve their operations, subsequently supporting the software usage.

At the same time, the results are in line with Ghobakhloo et al. (2012) and Snider et al. (2009) as that the level of effectiveness of the implementation was also much dependent usage of external aid. As Snider et al. (2009) discuss the indirect costs of developing internal skills were recognized, and therefore external aid was considered useful during the implementations. The findings are in line with the existing research, as the lack of IT-skills developed a need for an external partner to support in the most technically advanced tasks. Specifically, as Adebajo (2008) and Kappelman and McLean (1991) discuss, during the early phases of the implementations when the software was modified for the company's needs and when other company systems being integrated to support the usage the role of external aid was central. Lack of these integrations was acknowledged to affect the usage and ability to benefit from the system negatively, which is why the role of external aid was highlighted especially during the initial phases. However, the findings were only able to support the usage of external aid during the initial introduction and larger software modifications, after which the role of the external decreased, which put more emphasis on the management role as the daily support.

As discussed above, the comprehensive implementation was also affected by the ability to integrate company systems to the software. Lecerf & Omrani, (2020) and Lee et al. (2014) present that during IT implementations integrations are important to access, store- and retrieve information. The findings in this study were similar as the access and generation of information was one of the central reasons for the integrations and enabled the efficiency of operations. Moreover, Kim & Kankanhalli (2009) present that a lack of integration usually decreases the interest of the users, which is why the incorporation of all CRM tools in a single platform is important for the implementation. As Ancillai et

al. (2019) discuss, the role of these integrations remains pivotal for companies' ability to recognize new opportunities and develop their foreign customer and market intelligence.

5.3 Model development

In this sub chapter, the theoretical model of the study is presented (see Figure 3). The findings are similar with Harrigan et al. (2009) suggesting that systematic development and establishment of supplier-buyer networks has a positive influence on the SMEs growth and survival in international markets. Subsequently, the resource constraints in SMEs and the benefits of incorporating network activities to a single platform positively impacted the implementation of CRM software (Lee et al., 2014). The results further comply with Cheng et al. (2020) and Glavas et al. (2019), who stipulate that by developing ways to access knowledge companies can internationalize faster, strengthening the relationship between CRM software and SME international commitment. However, the access to such benefits is a result of comprehensive implementation of software, which was achieved through implementing software functionalities as well as conducting activities that support the usage. These connections between the two theoretical premises (CRM software and international expansion) are elaborated below (see Figure 3).

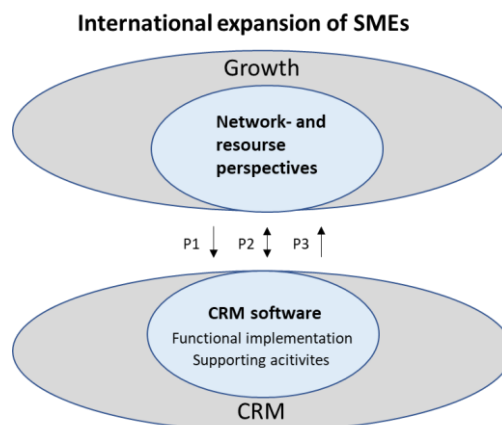


Figure 3. Relationship between CRM software implementation and international expansion of SMEs

First, the findings comply with Harrigan et al. (2009) and Arslan et al. (2020), as the systematic development of customer relationships bears a positive association with the SMEs ability to operate in international markets. Simultaneously, Birkinshaw et al. (2007) imply that the main challenge for companies is to establish and maintain these high-performing network relations; therefore, the author proposes that to access international customer networks and increase resource exchange with them, companies benefit from developing a systematic approach to managing the network relations. After developing an effective way to managing the relations, companies subsequently appear as more legitimate resulting positively affecting their ability to operate internationally (Arslan et al., 2020). Therefore, there is a need for internationally operating SMEs to implement CRM software. However, as the study did not focus on studying initial internationalization through the software and the software implementations occurred after the initial entry, the findings support an expansion after the company has initially internationalized. Based on the discussion above, the first proposition is derived:

Proposition 1: SMEs that implement CRM software are likely to increase their international commitment through more systematic establishment and development of international customer relations.

Secondly, the findings suggest the CRM software implementation positively affects SMEs ability to grow and therefore, internationally expand. Through the comprehensive usage, SMEs are able to collate information and therefore, develop knowledge on foreign customers and markets, which was considered a hindering factor during SME international expansion (Johanson & Vahlne, 1977). Therefore, the findings comply with Hsieh et al. (2019) and Glavas et al. (2019) and the international expansion relates to the ability to collect and interpret information on foreign networks and markets. Hence, the author suggests that SMEs that utilize CRM software can boost their international expansion by increasing their access to such information that supports their international operations. However, the author also suggests a two-way connection between the topics. During organizational growth, it is acknowledged that SMEs need to have an integrated approach to data management to keep up with the increased information (e.g., customers,

markets, and CRM processes) to support the growth, creating a need for the implementation of CRM software (Lee et al., 2014). Therefore, the proposition is in line with Harigan et al. (2009) and Lee et al. (2014), indicating that CRM software usage positively affects the operational effectiveness and the ability to grow as well as survive internationally. This discussion leads to the following propositions:

Proposition 2a: CRM software is likely to support the SMEs ability to grow and therefore, increase of their international commitments.

Proposition 2b: International growth is likely to create a need for more effective internal operations and information management, which is why SMEs implement CRM software.

Thirdly, the study shows that the ability to support the expansion process largely depends on the ability to comprehensively utilize the CRM software, which was acknowledged as a complex process for SMEs often resulting in complete failure or the inability to recognize software capabilities (Mazurencu et al., 2007). In all the studied companies, the implementations were considered successful and even if the companies had not implemented all the software capabilities, there was a correlation to the ability to support the international commitment. As a result, the author presents that the success factors of the implementations consist of functional implementation (centralized data storage, sales, marketing, customer service, & automation) and supporting activities (management support, data measurement-and analysis, external assistance, & system integration). Therefore, the last proposition is derived:

Proposition 3: Successful CRM software implementation in SMEs consists of functional implementation and supporting activities, which are likely to support SMEs international expansion process.

6 Conclusions

In this chapter, the results from the study are summarized and the contributions are discussed. Additionally, the author discusses the limitations of the study and provides suggestions for future research.

6.1 Contributions

The purpose of the study was to study the relationship between international expansion and successful CRM software implementation of SMEs through a qualitative multiple case study and the existing theoretical premises. Moreover, the role of developing commercial resource exchange networks, referred as supplier-buyer networks for SMEs international expansion was investigated. Therefore, the purpose of the study was to increase knowledge on how SMEs can implement CRM software comprehensively, and therefore investigate how developing international supplier-buyer networks through the software affects SMEs international commitment.

This study has several contributions. *First*, the results support the network perspective to internationalization by introducing the recognition and development of international customer networks as a key part SMEs international expansion ability (Harrigan et al., 2009). Whilst previous research has faced challenges in networking theorizing due to the lack of systematicity in SMEs network development and CRM operations (Thrikawala, 2011; Onwuegbuzie et al., 2009). This study presents that implementation of CRM software during SMEs international expansion positively affects their ability to systematically develop international customer relations, subsequently increasing their access to both, tangible (e.g., commercial resource exchange) and intangible (e.g., knowledge) resources. Moreover, the findings further strengthen the connection between the concepts by implying that CRM software usage aids SMEs to remove barriers in areas known to hinder their growth, including information processing and knowledge development (Harrigan et al., 2009; Glavas et al., 2019; Lee et al., 2014). Therefore, the study also contributes to the internationalization research that explains the SME international

expansion process based on the ability collate information about the foreign markets and their networks (Harrigan et al., 2009; Glavas et al., 2019).

Second, this study contributes to the CRM software implementation literature by providing key determinants of successful implementation with a specific focus on those actions that affect the international expansion ability (Harrigan et al., 2009). Whereas the previous research has much focused on larger enterprises and the potential benefits of IT-based tools in CRM; due to the recently decreased prices in the software industry, this study provides the most recent methods by which SMEs can utilize modern CRM software and therefore, support their international expansion (Harrigan et al., 2009). Whereas Mazurencu et al. (2007) and Saini et al. (2010) discuss that SMEs often fail to adopt a strategical perspective to CRM, this research results provide a guideline for SMEs that seek to utilize CRM software comprehensively and highlights the key success factors of the process. Overall, the results can be used to understand how CRM software implementation can be carried out in practice, and how the implementation connects to the growth seeking SMEs ability to increase international presence.

6.2 Limitations and suggestions for future research

As all studies, this thesis also has its limitations. Consistent with the research aim of this thesis, the results show only a one-way relationship between CRM software to the international expansion of SMEs. As Saini et al. (2010) and Powell et al. (2018) discuss, SMEs should still avoid overreliance on technology in CRM; hence, the future research can examine a potential negative relationship of CRM software utilization on international expansion of SMEs. Furthermore, the study focuses specifically on CRM software usage during SME international expansion. This means the other factors potentially equally meaningful affecting the internationalization stay outside the scope of this thesis. Therefore, it should be emphasized that the other factors affecting SME internationalization are not disregarded by this research and should be considered.

The chosen research strategy also implies methodological and contextual limitations. As the study is qualitative in nature, and data collection was conducted with five Finnish SMEs, the results cannot be statistically generalized to a larger population. The qualitative research strategy also highlights the role of the informants and the researcher, meaning that the access to quality data as well as developing rightful propositions from the data are much individual and context specific. Therefore, the topic should also be tested quantitatively on a larger sample and in different contexts such as emerging economies. Furthermore, since the study was conducted on companies that implemented CRM software after their initial foreign market entry; hence, scholars should conduct research on companies that adopt a fully strategical approach to CRM and CRM software usage since inception and theorize their internationalization process. In addition, both the CRM software implementation and internationalization are time-consuming and complex processes that cannot be grasped within the limited time framework of a master thesis project. Therefore, this thesis encourages future researcher to adopt a longitudinal perspective in order to provide more nuanced and dynamic understanding of how CRM software implementation aids (or hinders) internationalization efforts of SMEs.

6.3 Practical implications

The main implication of this study is a model connecting CRM software implementation to the international expansion of SMEs. It outlines that SMEs need to improve their ability to develop foreign networks and increase their access tangible and intangible resources to grow and survive internationally. Considering the increasing availability and focus on different digital tools to support SMEs operations, it is becoming a necessity for companies to be able to utilize these tools to maximize the growth and survival in an increasingly competitive international environment; therefore, this research highlights that through the implementation of CRM software, SMEs can support the ability to increase their international commitments.

Specifically, the research highlights that the CRM software can be a support function or a facilitator of growth and subsequently, international expansion. The findings support

an increase in the effectiveness of CRM operations and in the ability to leverage opportunities to collate information and develop knowledge on the CRM processes and from foreign markets-and networks. At the same time, the study presents that the access to these benefits largely depends on the organizational abilities to utilize CRM software. Therefore, this research highlights the key factors supporting SMEs ability to integrate CRM software as a part of their international expansion strategy. As a result, the findings are considered particularly helpful for SMEs that search for ways to support their growth and international expansion through leveraging CRM technologies.

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Appendices

Appendix 1. Semi-structured interview guide

I Background and establishing rapport

1. Can you explain how did the firm internationalize? At what stage of development did it happen? To which markets?
2. How did it internationalize in terms of mode? Can you explain the main reasons for it?
3. At what stage the CRM software was implemented, before or after initial entry?

II International penetration and extension through CRM software usage

1. Can you explain the role of developing organizational relations during the international expansion?
2. Did you intentionally use a CRM software for this purpose?
 - a. If yes, what kind of benefits did you expect to achieve through the usage?
 - b. Were there any difficulties?
3. Have you been able to expand the international operations post entry?
 - a. What kind of role the has the software had during increasing the international commitment?

III CRM software implementation

Functional implementation:

1. How have you previously developed international relations?
 - a. How has that changed after the implementation of the software?
 - b. Is the CRM software now the primary tool for CRM?
2. Could you explain in detail what of functions of the software you use daily (e.g., sales, marketing, customer service, analytics & automated functions)?

Supporting functions:

1. Can you elaborate how you prepared for the implementation and did anything surprising occur during the process?
 - a. How did the end users adopt the software?
2. How do you encourage the daily usage of the software (e.g., usage of metrics)?
 - a. In case of issues, who do you contact?
3. How is data imported to the system (manually or automatically)?
 - a. Are other operational tools integrated with the CRM software (e.g., social media & ERP, company email)?