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Documentation and continuous development of processes for customer management: Implications for profitable growth

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ABSTRACT

This article examines how the systematic documentation and continuous development of customer management (CM) processes to be utilized by a firm's customer-facing personnel, contribute to the firm's profitable (sales) growth. The examination is based on management/organization theory on process management, as applied to CM processes. Testing their hypotheses with survey data concerning the customer acquisition and retention processes of a set of firms, the authors find that explicit process documentation contributes to profitable growth, in as much as it facilitates the daily work of the customer-facing personnel (especially sales and marketing people). In contrast, the direct effect of process documentation on profitable growth is found to be non-existent – suggesting that if the documented CM processes do not truly facilitate the daily work of customer-facing personnel, the process documentation may be counterproductive. The authors also find that continuous efforts to develop the CM processes have positive influence on profitable growth – as does sales personnel's and market-analysis personnel's participation in the process development. In conditions of high turbulence in the market environment, the continuous development of CM processes becomes even more important.

1. Introduction

In recent years, researchers in marketing (e.g., Ang et al., 2006; Bolton and Tarasi, 2006; Boulding et al., 2005; Bowman and Narayandas, 2004; Langerak and Verhoef, 2003; McColl-Kennedy et al., 2008; Payne and Frow, 2005; Peppers and Rogers, 2004; Reinartz et al., 2004; Rigby and Ledingham, 2004; Srinivasan et al., 2002; Srivastava et al.,1999; Winer, 2001) as well as sales management (e.g., Jones et al., 2005a; Landry et al., 2005; Moutot and Bascoul, 2008; Schultz and Evans, 2002; Yim et al., 2004; Zablah et al., 2004) have been increasingly interested in the processes of *customer management* (CM; interchangeably called customer relationship management, CRM). In broad, the CM paradigm advocates sales and marketing processes that go beyond single product sale transactions and concentrate on outlining how the firm should acquire, retain, and manage its customers – that is, the entire pool of its existing customer relationships as well as potential new customers (see e.g., Reinartz et al., 2004).

In terms of extant research, there has been considerable discussion of what CM means or should mean in terms of its component processes – and how exactly CM relates to concepts such as relationship marketing/selling; to customer databases or CRM technologies; or to customer-driven strategies and tactics in general (Boulding et al., 2005; Frow and Payne, 2009; Parvatiyar and Sheth, 2001; Payne and Frow, 2005; Zablah et al., 2004).[1] However, the purpose of this article is not to provide yet another review, account, or prescription of what CM processes are or should be (from a researcher's perspective). Rather, the purpose of this article is to focus on one particular CM-related phenomenon of interest that has received particularly little attention so far. That is: How does the degree to which a firm *itself* develops, specifies, and documents its CM processes – for the utilization of its personnel – influence the firm's business performance?

Hence, our focus is, on the one hand, on the degree to which a firm develops, specifies, and documents processes for CM activities in its own organizational context – rather than on the question what those activities specifically are or should be in generic terms. On the other hand, we explicitly focus on the CM processes as something that can be used as tangible facilitators of the daily work of the firm's customer-facing personnel (especially sales and marketing people). In so doing, we concentrate on tangible CM processes as tools to guide the daily work of the firm's customer-facing personnel, rather than on CM processes as some sort

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[1] There is even debate over whether CRM should be viewed, in essence, to be a process or rather a philosophy, strategy, capability, or a technological tool (Zablah et al., 2004) that just manifests as certain firm processes.

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of abstract frameworks which are of interest merely to researchers or top-level firm strategists.

Essentially, the present research contributes to and extends the emerging stream of marketing literature that looks into the fundamental organizational mechanisms that might explain how CM processes contribute to firm performance. Examination of such mechanisms has been increasingly called for in marketing research, as it has been noted that employees and organizational issues are highly critical for successful CM implementation (Boulding et al., 2005; Day, 2002; Reinartz et al., 2004; Srivastava et al., 1999; Zablah et al., 2004). Accordingly, there has been a growing amount of marketing research that takes an employee-oriented perspective to CM processes (Becker et al., 2009; Plakoyiannaki, 2005; Plakoyiannaki et al., 2008). The present research contributes to this literature by explicating the mechanisms of process management and organizational learning, in particular, which will translate the CM processes into improved firm performance. In doing so, our research extends beyond the extant studies' general discussion of "employee/organization support" to CM (cf. Becker et al., 2009; Reinartz et al., 2004) and "employee orientation" in CM implementation (cf. Plakoyiannaki et al., 2008). To achieve our contribution, we build on general management/organization theory that concerns organizational process management (e.g., Benner and Tushman, 2003; Corbett et al., 2005; Singh, 2008) and complement our theoretization with relevant findings of extant marketing and sales management research.

In our theoretization, we focus particularly on processes related to customer acquisition and customer retention – since these are the two most important domains of most firms' CM activities. We test our theoretical model and hypotheses with survey data gathered from 74 business-to-business companies, using partial least squares (PLS) path modeling. This method provides internally valid evidence of the theorized causal relationships of the factors, such as degree of documentation of customer acquisition/retention processes within a firm and continuous development of the processes; the extent to which the processes facilitate the customer-facing personnel's daily work; and firm performance in terms of profitable growth. Also the moderating effect of environmental turbulence is examined.

In sum, our research answers to the call to study the fundamental organizational or managerial mechanisms related to CM (Boulding et al., 2005; Day, 2002; Plakoyiannaki et al., 2008; Zablah et al., 2004). The closest predecessor of our research is the study of Ang et al. (2006), whose customer retention management study contains "explicit customer retention plan" and "documented customer complaint processes" as two variables among others. However, their study only addresses these two particular variables relating to customer retention, while not addressing customer acquisition processes – nor the underlying fundamental process management mechanisms, like our research. In the latter sense, our research also participates in the pursuit of integrating marketing theories and phenomena to fundamental theories of general management and organization behavior (cf. Cardador and Pratt, 2006; Ketchen and Hult, 2011; Aspara et al., 2008).

Note that throughout the article, we will use the term "customer management" (CM) instead of the other common term "customer relationship management" (CRM). This is because the term CRM is often associated with information technology solutions related to dealing with customers – while we are primarily interested in the organizational processes pertaining to managing customers and customer relationships. Thus, to avoid associations with CRM technologies, we utilize the simpler CM term.

2. Theory and hypothesis

2.1. Background: general principles of process management

As the management scholars Benner and Tushman (2003) note in their review of general process management theory and research, firms have adopted process management initiatives in a variety of management areas – ranging from manufacturing and R&D to downstream activities such as customer service and selling. The labels attached to process management initiatives in different context may vary from "process management" and "process organization" to "total quality management" (TQM), "six sigma", "ISO 9000", and "business process reengineering". Among these, TQM and ISO 9000 have been especially widely studied (see e.g., Corbett et al., 2005; Singh, 2008). However, we are not aware of any studies that would look into process management in the CM context in particular, from the organizational and managerial perspective. This is why we introduce, in the following, the general process management principles reviewed by Benner and Tushman (2003) and others (e.g., Corbett et al., 2005; Singh, 2008), and then adapt them to the context of CM.

According to Benner and Tushman (2003), the central idea of process management entails three main practices: mapping/documenting processes, improving processes, and adhering to systems of improved processes. In a similar vein, Corbett et al. (2005) note that the premise of ISO 9000, for instance, is that well-defined and documented procedures improve the consistency of organizational output, and Singh (2008) proposes that installing steady processes into the organization are at the crux of effective process management.

At the outset, an organization that engages in process management is, thus, expected to map and document its processes. In the CM context, process management would, therefore, mean mapping and documenting the organization's CM processes, such as processes for customer acquisition and retention. The term "process", in general, refers to a collection of activities that, taken together, produce outputs for customers (Benner and Tushman, 2003; Garvin, 1998; Ittner and Larcker, 1997). Note, however, that the notion of "customers" here includes not only external customers of the organization's products and services but also a series of internal customers involved in the processes (i.e., recipients of intermediate process outputs within the organization). In the case of CM activities, in particular, a good example of an internal customer could be the salesperson who receives leads and prospects from the organization's lead generation or prospecting sub-process (in marketing).

In any case, the purpose of process management is obviously not to merely map or record the current processes of the organization but to map them out in an improved or rationalized (Benner and Tushman, 2003; Ittner and Larcker, 1997; Repenning, 1999; Winter, 1994) or "re-engineered" (Hammer and Champy, 1993) form. Various techniques for this specification can be used; for instance "value stream mapping" of activities and their mutual links, as recently proposed by Barber and Tietje (2008) for the sales process context. Once mapped and documented, then, the processes hold the promise of being repeatable and replicable, allowing the organization to reap the benefits of the rationalization efforts as well as continued incremental improvements (Benner and Tushman, 2003; Hackman and Wageman, 1995; Harrington and Mathers, 1997; Mukherjee et al., 1998; Winter, 1994).

Insofar as the specified and documented processes succeed in approximating and documenting (or codifying) a firm's *best practices* concerning the process activities, they may – once utilized by the personnel – facilitate their conducting their daily routines more effectively and efficiently (e.g., Singh 2008), through

reapplication and repeated use of those best practices. Note that by default, the repeated utilization of best practices refers here primarily to the personnel's sharing best practices *from within* the organization, rather than imitating practices of external organizations. In the case of CM processes, such sharing of best practices might mean, for example, employees' shared analyses of the firm's prior, successful sales cases as well as sales techniques that have been effective – rather than attempts to imitate practices from other firms and/or (CRM) consultants (Raman et al., 2006; Zablah et al., 2004). In the terms of management scholars who study organizational "replication", a firm's successful customer cases and well-functioning CM techniques will then become "templates" from which to learn. The documented CM processes, in turn, will represent such activities that are (believed to be) beneficial for the firm to replicate from those templates (Szulanski and Jensen, 2004; Winter and Szulanski, 2001). At any rate, the existence of replicable templates and codified processes within the firm should facilitate easier and more effective knowledge re-use in the daily organizational life and work – which should further translate to increased revenue growth and profitability (Szulanski and Jensen, 2004; Winter and Szulanski, 2001).

In sum, hence, the principles of process management assume that the systematic documentation and application of processes improves organizational effectiveness and efficiency. A primary way through which these benefits occur is through the ability of the systematic processes to facilitate consistent organizational work as well as shared organizational learning. However, it must also be noted that the outcomes or implications of process management may not be entirely positive. Most notably, the process management activities (e.g., documentation of processes) may consume considerable employee time and effort (Corbett et al., 2005). They may also increase the organization's inertia, hindering exploratory innovation and responsiveness to new customer segments (Benner and Tushman, 2003). Thus, the potentially negative effects of process management need to be taken into account, as well, when considering applications such as CM process management.

2.2. Hypotheses development

Drawing on the above discussion of the general principles of process management, and providing further theoretical elaboration for the CM context, we develop below a set of hypotheses about the effects of CM process management on business performance. According to the process management principles, the main determinant or independent variables that we consider are: (1) the systematic documentation of the CM processes and (2) the continuous development of the processes, which have the potential to lead to profitable sales growth. We also consider a central mediating variable, that is, the degree to which the processes facilitate the customer-facing personnel's daily work, as well as contingent variables such as the participation of different types of personnel in the process development. Finally, we theorize on one central moderator variable, that is, turbulence in the business environment. The developed hypotheses are summarized in the conceptual model depicted in Fig. 1.

2.2.1. Systematic documentation of CM processes

Consistent with above discussion of the general principles of process management, we start by focusing on the systematic documentation of processes within the organization: in our case, the systematic documentation of CM processes, and the positive as well as potentially negative effects of such documentation. With the systematic documentation of (CM) processes, we refer broadly to the degree to which the organization has explicitly defined instructions for how its personnel should go about performing the activities governed by the processes (i.e., customer acquisition and customer retention activities). The exact form of the documentation can depend on the firm and organization, but typically it will involve some step-by-step action instructions for the activities in

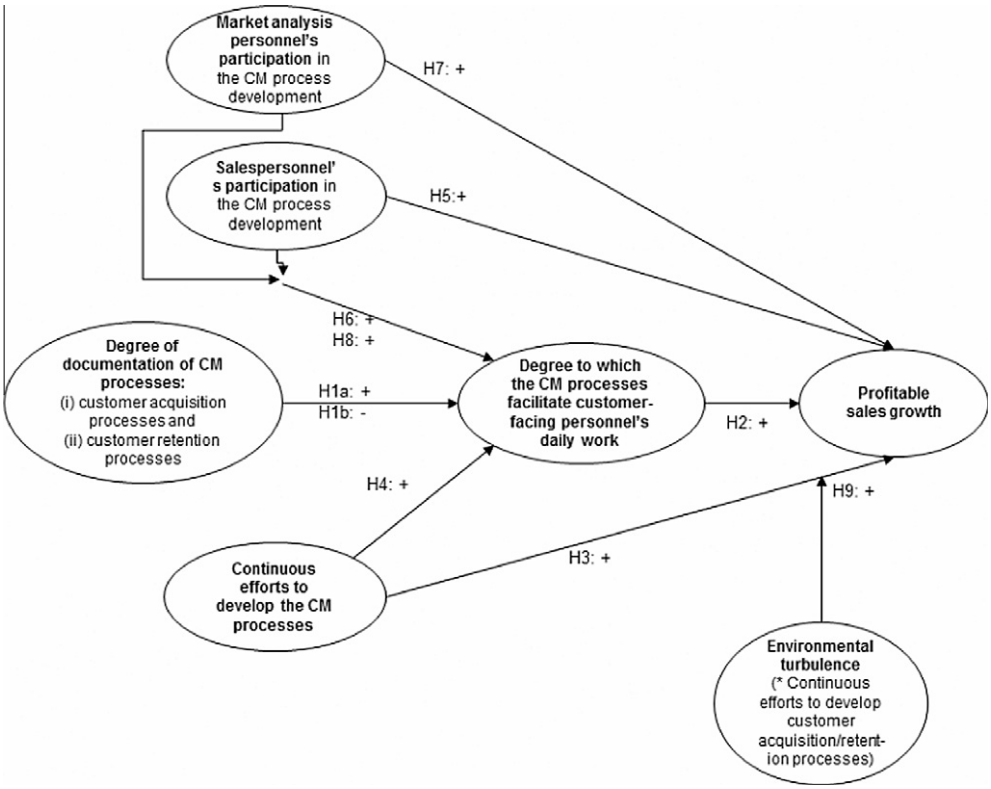

Fig. 1. Hypotheses about the effects of documentation and continuous development of CM processes.

question and heuristic rules of thumb based on which different paths of actions may be taken depending on the situation. Often, the documentation will involve some kind of flow charts and business process model illustrations, and it may also be incorporated ("hardwired") into a CRM software application.

In any case, profitable sales growth will of course *not* be directly improved by the documentation of CM processes *per se*. Rather, as implied by the above discussion, performance is positively influenced to the extent that the documented CM processes facilitate the customer-facing personnel's daily work towards customers, through shared organizational learning and replication of effective techniques (hypotheses H1a and H2 below). This logic is consistent with Plakoyiannaki et al.'s (2008) case study findings, which imply that the definition of CM processes can enhance performance insofar as the processes not only create value for customers and address the needs of the firm, but also serve the needs of the customer-facing employees (by empowering them and fostering teamwork and shared learning). Notably, we apply this theoretization to the degree to which a firm documents its *customer acquisition* and *customer retention* processes, in particular – recognizing that these two are the main, distinguishable domains of most firms' CM activities (Kumar and Petersen, 2005; Reinartz et al., 2004; Reinartz et al., 2005; Swift, 2001; Winer, 2001). Thus, we present as our first hypotheses the following:

H1a. The degree to which a firm's (i) customer acquisition processes and (ii) customer retention processes are systematically documented has a **positive** effect on the degree to which those processes facilitate the daily work of the firm's customer-facing personnel.

H2. The degree to which the firm's CM processes facilitate the daily work of the firm's customer-facing personnel has a **positive** effect on the firm's profitable sales growth.

However, as previously implied, it cannot be taken entirely for granted that process documentation will have a uniform positive influence on business performance – or on the extent to which the customer-facing personnel's daily work is facilitated. Namely, developing and adhering to the process documentation might be perceived, by the customer-facing personnel, to cause extra daily work. The personnel may also find the process documentation to reduce their individual empowerment, i.e., ability to use one's own discretion and one's own ways in performing given tasks (Plakoyiannaki et al., 2008). Hence, we must also pose the following alternative, or competing, hypothesis to hypothesis H1 a above:

H1b. The degree to which a firm's (i) customer acquisition processes and (ii) customer retention processes are systematically documented has a **negative** effect on the degree to which those processes facilitate the daily work of the firm's customer-facing personnel.

2.2.2. Continuous process development

Importantly, the potential benefits (or costs) of process management will not realize only from the initial mapping or documentation of improved or rationalized processes but essentially also from continued, incremental improvement of the processes (Anderson et al., 1994; Benner and Tushman, 2003; Hackman and Wageman, 1995; Winter, 1994). This means continually learning how to do things more effectively and efficiently – and coordinating organizational learning and utilization of improved knowledge and skills by encouraging the identification, replication, and repeated use of best practices throughout the organization.

Thus, by applying the continuous development notion to CM process management, we consider that the continuous development efforts to improve the firm's CM processes are another potential driver in the mechanism that contributes to profitable sales growth of the company. As with process management practices in general (see Anderson et al., 1994; Benner and Tushman, 2003; Hackman and Wageman, 1995), the continuous improvement of the CM processes will lead to increased yields from the overall marketing and sales activity, and less rework and waste. This prediction involves the notion that increasingly streamlined processes eliminate non-value-adding activities (see also Barber and Tietje, 2008). Hence:

H3. Continuous effort to develop the CM processes has **a positive** effect on the firm's profitable sales growth.

Moreover, insofar as the continuous development effort focuses on shared *learning* among the personnel – through identification and adoption of best practices throughout the organization – we may also expect that the continuous development effort leads indirectly to positive performance effects, through facilitating the personnel's daily work. That is, the amount of useful knowledge embodied in the processes is likely to increase with the continuous development. Furthermore, the continuous process development efforts are likely to provide a platform on which the organization can transfer the effective practices of individual employees to the wider use of the personnel. This should help the organization to avoid "lone wolf" tendencies by individual employees and ensure that the effective techniques that one employee happens to master can be learned and adopted by others, as well. Notably, this logic is consistent with the suggestion of a longitudinal case study of IBM's CM "re-engineering" (Massey et al., 2001): Continuous CM development should enhance the sharing and leveraging of knowledge about customers within the organization as well as the transfer of knowledge from "where it was created or captured to where it is needed" (p. 157). Thus, we pose an additional hypothesis which positively links continuous process development efforts to the facilitation of the personnel's daily work:

H4. Continuous effort to develop the CM processes has **a positive** effect on the degree to which the processes facilitate the daily work of the firm's customer-facing personnel.

2.2.3. Process development participants

Fundamentally, what is at stake in process management is also the question who participates in the development of the processes. Notably, in some organizations there might be a top-down approach to CM development. In such case, managers or people (such as technology consultants) who are not in touch with daily marketing or selling work are the ones who are most eager to specify CM processes for the firm. Yet, the above discussion clearly speaks for the important role of personnel's own involvement in the process development – particularly in regards to the shared learning aspect.

As to different types of customer-facing personnel, the involvement of the firm's personal selling personnel (including personal service personnel) is likely to be particularly important. Especially, since an important aspect of the process development should be the simultaneous learning and sharing of effective (best) selling practices towards new and current customers, sales personnel's own participation in the development is likely to directly influence the firm's profitable sales growth. Correspondingly, low sales personnel participation, in a way, dampens the whole idea of shared learning through process development. Thus, our hypothesis is:

H5. Sales personnel's participation in the development of the CM processes has a **positive** effect on the firm's profitable sales growth.

Moreover, as sales personnel can be considered the main customer-facing employees of the firm, participation by sales personnel in the CM process development can have an effect via the customer-facing personnel's perceptions of the extent to which the processes facilitate their daily work. Indeed, sales personnel's participation in the CM process development is likely to make them perceive that the processes facilitate their daily work to a greater degree. This can be expected on the basis of what Zablah et al. (2004) propose about user involvement in CM initiatives: The end-users' (in this case sales personnel's) involvement in innovating the processes will enable them to exert influence on the processes and, thus, enhances the likelihood that the process changes will be welcomed. Thus:

H6. Sales personnel's participation in the development of the CM processes has a **positive** effect on the degree to which the processes facilitate the daily work of the firm's customer-facing personnel.

Yet, it is not only the participation of personal selling personnel that is likely to have effect on the feasibility of the CM process development efforts. Especially in the context of wider customer acquisition and retention, the wider organization's involvement and support for the (CM) processes have been considered essential (e.g., Tanner et al., 2005; Shum et al., 2008; Zablah et al., 2004). In particular, the involvement of personnel who conduct market analysis or intelligence is likely to be important, since market analysis is an important function that should be seamlessly incorporated to the CM activities of the organization (Herschel, 2001; Tanner et al., 2005). Thus, similarly as for the sales personnel, we also hypothesize the following:

H7. Market-analysis personnel's participation in the development of the CM processes has a **positive** effect on the firm's profitable sales growth.

H8. Market-analysis personnel's participation in the development of the CM processes has a **positive** effect on the degree to which the processes facilitate the daily work of the firm's customer-facing personnel.

2.2.4. Moderator: environmental turbulence

Finally, there is at least one important moderating variable that must be taken into account in modeling the mechanisms of CM process management. That is, environmental turbulence. General management research suggests that some process management practices – especially process control and "variation-reduction" – may actually *decrease* firm performance when there is high degree of turbulence in the business environment (Benner and Tushman, 2003). Indeed, the organization faces the risk of relying excessively on its conventional processes, which may grow increasingly unfeasible if customer needs are changing rapidly and/or new technologies, new competitors, or new market players altogether are emerging. With CM processes, this risk is particularly emphasized, as CM is in a most evident boundary role between a firm and its environment. As Chonko and Jones (2005) note, for example, in the context of sales management:

> Under conditions of change and turbulence, traditional sales practices can serve as useful guides, but they cannot be employed as control mechanisms. When change is constant, traditional practices can actually be detrimental to sales effort, as conformance to them may mean the salesperson has "locked into" outdated, irrelevant approaches... (p. 373)

Because in conditions of environmental turbulence, the firm faces a heightened risk to be locked excessively into existing CM processes, we propose that the continuous efforts at developing the processes are especially beneficial in such conditions. Continuous and conscientious development of the processes based on what is learned in interaction with the customers and markets is likely to provide the firm the important, organization-wide responsiveness (Benner and Tushman, 2003) and agility (Chonko and Jones, 2005) to deal with the turbulence. Thus, we hypothesize:

H9. Environmental turbulence **positively moderates** the effect that the continuous effort to develop CM processes has on the firm's profitable sales growth.

3. Method

3.1. Data

For the purposes of testing the hypotheses, we examine a survey dataset of 74 firms based in a Northern European country (Finland). The firms in the sample resulted from a convenience sampling approach whereby the aim was to gather a sample of firms that would be rather similar in terms of customers and offerings sold. A fairly homogeneous sample would ensure the internal validity of the results concerning our causal model, as internal validity (rather than external) is commonly seen to be important in testing causal relationships – especially so, when the theoretical model is new (see e.g., Cook and Campbell, 1979). As the target type of firm, we chose business-to-business (B2B) service firms. It is especially relevant to examine this particular type of firms because CM processes are supposed to be in prominent role in firms that sell B2B services (see e.g., Bowman and Narayandas, 2004; McColl-Kennedy et al., 2008; Sheth and Sharma, 2008). Furthermore, we especially targeted B2B service firms with more than 20 employees – since within-organization process management is less relevant among (micro) firms with less than 20 employees, and the inclusion of such firms would, thus, likely have confounded the results concerning CM process management.

Gathered as a web survey, the dataset involved responses from sales and marketing directors[2] of the 74 firms. The characteristics of the firms in the final sample are described in Table 1, in terms of number of personnel and sales/turnover, as well as the extent to which the firm reportedly operated in a high-tech service industry. As seen from the table, firms differing in their size as well as high-tech focus were widely represented in the sample. Moreover, approximately half of the companies had some kind of dedicated CRM technology in place.

3.2. Analysis method and measures

While our sample was not a random sample, the sample was appropriate for testing the hypothesized causal relationships between the constructs in an internally valid way. A feasible causal modeling method for testing multiple correlational relationships

[2] The sales managers were invited to respond to the survey through email: the address list included persons with the title "sales director" or "sales manager" and was originally procured from a commercial list broker. A re-request to respond was sent to those that had not responded within 10 days. The response rate for the overall survey was approximately 10%, which is a rather normal rate for an online survey. According to an often-used practice, we also controlled for non-response bias by comparing the responses received after the first email request with those received after the second one. We found no statistically significant differences in this comparison, which suggests that non-response bias is not a serious concern.

Table 1
Sample statistics.

	% of final sample
Personnel	
20–99	21.6
100–299	32.4
300–499	18.9
500–999	6.7
1000–4999	9.5
More than 5000	6.7
Sales/turnover	
0–200,000 €	1.4
200,000–500,000 €	2.8
500,000–1 million €	5.6
1–2 million €	9.9
2–5 million €	21.1
5–20 million €	25.4
20–100 million €	15.5
100–200 million €	11.3
200 million–2 billion €	4.2
Over 2 billion	2.8
High tech[a]	
0 = strongly disagree	13.5
1	10.8
2	8.1
3	12.2
4	13.5
5	17.6
6 = strongly agree	24.3

[a] The respondents were questioned: "Concerning the industry of your firm, to what extent do you agree with the following statement?: Our industry is so called high tech industry".

among a set of latent constructs, especially, is partial least squares (PLS) path modeling – which can be conducted even with relatively small sample sizes (Chin and Newsted, 1999; Fornell and Cha, 1994). Specifically, we employed SmartPLS (Ringle et al., 2005), which allows for simultaneous testing of multiple hypotheses and enables single- and multi-item measurement, as well as both reflective and formative measures (Fornell and Bookstein, 1982).

Predictor variable measurement. When it comes to measuring the degree of documentation of the customer acquisition and retention processes, our approach was to utilize items identified by Reinartz et al. (2004; see also Moutot and Bascoul, 2008) in an adapted form. Since Reinartz et al.'s article expressly deals with CM (or CRM) *process* activities, most of their items were readily framed in terms of "processes": e.g., "We have a systematic process for…"; "We have formalized procedures for…". Nevertheless, whereas Reinartz et al. asked respondents to rate their agreement (vs. disagreement) with this kind of statements, we decided to explicitly ask respondents to rate to what extent their firm had "documented" processes for the various activities of customer acquisition and retention. Specifically, the responses were rated on a 7-point scale, anchored by:

- 0 = we have no documented processes [for the activity in question]…
- 6 = we have documented clear and systematic processes [for the activity in question]

We used this 7-point scale instead of a categorical "yes" (we have a documented process for the activity) vs. "no" (we don't have a documented process for the activity) option, since we consider the process documentation efforts as a matter of degree. Notably, 7-point scales were also used by Reinartz et al. (2004). On the other hand, we did not use all of Reinartz et al.'s activity items but selected those items that most closely pertained to activities related customer acquisition and customer retention. The ignored items pertained to regaining lost customers, terminating customer relationships, managing customer referrals, and managing up-selling and cross-selling. While we do not question the importance of any of these activities, ignoring them for the purposes of the present study was justified since the present study does not aim explore which of these activities will be most important for a firm (or how important) but rather concentrates on the role of the degree of process *documentation* concerning CM activities in general. For the same reason, we also treated our items to be reflective, approximate indicators of latent factors pertaining to degree of documentation of customer acquisition and retention processes, rather than formative indicators (whereby the specific content of each item would be essential, cf. Reinartz et al., 2004).

In pre-analysis of the items with our data, it turned out that the items pertaining to customer acquisition had high correlation with each other and loaded on one latent factor, whereas the items pertaining to customer retention loaded on three latent factors. Correspondingly, we included into the final model one latent construct for customer acquisition process documentation (ACQUISITION PROCESS DOCUMENTATION), but three latent constructs for customer retention process documentation. Interpreting the customer retention process items' loading on the three factors (Appendix 2), the first construct primarily pertained to measuring and tracking the (value) of existing customers; the second construct to special preference for existing high-value customers; and the third construct to tangible relationship maintenance programs with existing customers. The final items are listed in Appendix 1, and were named as

- RETENTION PROCESS DOCUMENTATION1/CUSTOMER-VALUE-TRACKING;
- RETENTION PROCESS DOCUMENTATION2/VALUE-CUSTOMER-PREFERENCE; and
- RETENTION PROCESS DOCUMENTATION3/TANGIBLE-MAINTENANCE-PROGRAMS

The reliability of all the resulting scales was satisfactory: the scales achieved alpha scores in the range of .63 and .96; AVEs in the range of .52 and .81; and composite reliabilities in the range of .77 and .97.

When it comes to the other predictor variables, CONTINUOUS PROCESS DEVELOPMENT was measured by asking the respondents to express their agreement or disagreement with the following statements, on a 7-point Likert scale (0 = strongly disagree… 6 = strongly agree):

- "We have developed our customer acquisition and customer retention processes systematically, as we have learned more about our customers and their typical behaviors concerning our product/service categories."
- "We have developed our customer acquisition and customer retention processes systematically, as we have learnt more about typical situations in which customers buy/use our products/services."
- "We have developed our customer acquisition processes systematically, as we have invented new information sources for identifying and assessing new prospects."
- "We have developed our customer acquisition processes systematically, as we have invented new information sources to assess our current/existing customers."

These items were newly developed for the present study, in the lack of earlier research on continuous CM development. The reliability of this scale was considered satisfactory, as it achieved an alpha score of .76, AVE of .57, and composite reliability of .83.

The degrees to which sales personnel and market analysts participated in the development of CM processes, in turn, were measured with single items, respectively, whereby the respondents were again asked to express their agreement or disagreement with

relevant statements, on a 7-point Likert scale (0 = strongly disagree... 6 = strongly agree). The statements were:

- SALESPERSON PARTICIPATION: "Those (sales)persons who have personal contacts with customers in our firm, have been closely involved in the development of our customer acquisition and retention processes."
- MARKET ANALYST PARTICIPATION: "Those persons who conduct market analysis in our firm, have been closely involved in the development of our customer acquisition and retention processes."

Notably, multicollinearity between the predictor constructs was not an issue, since the correlations between all the predictor variables are below .6 – and for most variables, below .4.

Mediating variable measurement. As mediating variables, we had the degrees to which the customer acquisition and customer retention processes, respectively, would facilitate the customer-facing personnel's daily work. With customer-facing personnel, we mean all employees whose daily work is directed towards customers (e.g., salespeople, customer service people, marketing communications people). The two mediating variables were measured with single items, respectively, on a 7-point Likert scale (0 = strongly disagree... 6 = strongly agree). The statements were:

- ACQUISITION PROCESSES AS FACILITATING DAILY WORK: "Those of our employees whose work is directed towards customers feel that our customer acquisition processes help and support their daily work."
- RETENTION PROCESSES AS FACILITATING DAILY WORK: "Those of our employees whose work is directed towards customers feel that our customer retention processes help and support their daily work."

Moderator variable measurement. ENVIRONMENTAL TURBULENCE was measured with three items related to market turbulence and technological turbulence. The items were adapted from earlier studies (e.g., Fahy et al., 2005; Hooley et al., 2003; Jaworski and Kohli, 1993) and are listed in Appendix 1. Since the items loaded heavily on one factor, a single ENVIRONMENTAL TURBULENCE latent variable was used. It achieved an alpha score of .67, AVE of .60, and composite reliability of .82.

Dependent variable measurement. The measure used for firm performance was a measure of the "profitable growth" of the firm during the past year. With this measure, we sought to incorporate two often-used performance measures – sales growth and profitability – into a single measure. Moreover, we sought to have a dynamic (change) measure of business performance, in order to avoid measuring absolute, static levels of sales or profits (which would likely be explained, simply, by firm size). Especially, our measure would also avoid the problem often associated with measuring static profit percentages (e.g., return on sales, return on assets, return on investment) – that is, the problem that industries and sub-industries often differ significantly in their typical profit percentages (so that a profit percentage that is good for a company in one sub-industry may be rather poor for a company in another sub-industry, depending on e.g., capital-intensity).

Specifically, our measure of profitable growth was a product of responses on two "quasi-objective self-report measures" (see Devinney et al., 2009). First, the respondent was asked to report the *development* of sales (i.e., sales growth) of the firm last year, with the question: "How, approximately, have your company's sales developed during the last year from the previous year?

- decreased more than 50%
- decreased 50–31%
- decreased 30–16%
- decreased 15–6%
- decreased 5–0%
- increased 0–5%
- increased 6–15%
- increased 16–30%
- increased 31–50%
- increased more than 50%".

Second, the respondent was asked to subjectively assess the *development* of the operating income percentage of the firm last year, relative to the year before: "Compared to the previous year, how has your firm succeeded with regard to operating income%?

- much worse [last year than the year before]
- worse
- somewhat worse
- equally
- somewhat better
- better
- much better".

Note that even if the questions referred to the last and previous years, the respondents are likely to have remembered the sales and profitability developments fairly well. Indeed, year-on-year sales and profitability development percentages are often standard metrics proliferated within firms, and managers are likely to have a good view of what the last year's development percentages have been.

For the analysis, the responses to the first question (sales growth) were recoded to obtain a value corresponding to the mean of the indicated percentage range, a value which was then standardized by dividing the value with the standard deviation of all the firm's values. The distribution of values obtained this way was, consequently, shifted to the right so that all the values would be positive (because negative signs would confound the multiplication procedure; see below). Responses to the second question (profitability development), in turn, were coded on an interval scale from 1 to 7, and the values obtained this way were also standardized by dividing the values with the standard deviation of the values. The two standardized values per respondent–manager were then multiplied with each other to obtain a product value for profitable growth of the firm.

4. Results

The correlations between the latent variables are listed in Appendix 3. As our main results, we list the path coefficients and *t*-values in Table 2, and Fig. 2 presents the final model in a simplified form, with significant paths noted. The model explains 29.8% of PROFITABLE GROWTH.

First of all, with regard to ACQUISITION PROCESS DOCUMENTATION, RETENTION PROCESS DOCUMENTATION1, RETENTION PROCESS DOCUMENTATION2, and RETENTION PROCESS DOCUMENTATION3, we find that none of these variables has any positive direct influence on profitable growth. This suggests, as anticipated, that the CM process documentation *per se* does not have a direct effect on the firm's profitable sales growth. Actually, one of the variables even has a significant *negative* effect on profitable growth. This variable is RETENTION PROCESS DOCUMENTATION1/CUSTOMER-VALUE-TRACKING (path coeff. = −.36; $p < .01$), which pertains primarily to measuring and tracking the (value) of existing customers. Our interpretation of this finding is that process documentation that excessively concentrates on data-gathering activities about the firm's business interactions with existing customers – often concentrating mostly on historical data – may lead the firm to ignore new kinds of sales/profit opportunities that those customers or other customers might represent in future. Moreover, a focus on tracking the existing customers' value may

Table 2
Results: effects between the measured variables.

Effect of	On	Path coeff.	St. Err.	*t*-Value
Main explanatory variables				
ACQUISITION PROCESS DOCUMENTATION	ACQUISITION PROCESSES AS FACILITATING WORK	0.106	0.064	1.669*
ACQUISITION PROCESS DOCUMENTATION	PROFITABLE GROWTH	0.054	0.070	0.773
RETENTION PROCESS DOCUMENTATION1	RETENTION PROCESSES AS FACILITATING WORK	−0.021	0.042	0.508
RETENTION PROCESS DOCUMENTATION1	PROFITABLE GROWTH	−0.358	0.143	2.491**
RETENTION PROCESS DOCUMENTATION2	RETENTION PROCESSES AS FACILITATING WORK	−0.078	0.044	1.773*
RETENTION PROCESS DOCUMENTATION2	PROFITABLE GROWTH	−0.004	0.085	0.044
RETENTION PROCESS DOCUMENTATION3	RETENTION PROCESSES AS FACILITATING WORK	−0.058	0.042	1.377†
RETENTION PROCESS DOCUMENTATION3	PROFITABLE GROWTH	0.107	0.106	1.009
CONTINUOUS PROCESS DEVELOPMENT	ACQUISITION PROCESSES AS FACILITATING WORK	0.391	0.096	4.086***
CONTINUOUS PROCESS DEVELOPMENT	RETENTION PROCESSES AS FACILITATING WORK	0.843	0.090	9.338***
CONTINUOUS PROCESS DEVELOPMENT	PROFITABLE GROWTH	−0.144	0.167	0.864
SALESPERSON PARTICIPATION	ACQUISITION PROCESSES AS FACILITATING WORK	0.103	0.091	1.135
SALESPERSON PARTICIPATION	RETENTION PROCESSES AS FACILITATING WORK	−0.026	0.023	1.138
SALESPERSON PARTICIPATION	PROFITABLE GROWTH	0.138	0.080	1.731*
MARKET ANALYST PARTICIPATION	ACQUISITION PROCESSES AS FACILITATING WORK	−0.083	0.069	1.218
MARKET ANALYST PARTICIPATION	RETENTION PROCESSES AS FACILITATING WORK	−0.036	0.027	1.346†
MARKET ANALYST PARTICIPATION	PROFITABLE GROWTH	0.240	0.111	2.165*
Mediator variables				
ACQUISITION PROCESSES AS FACILITATING DAILY WORK	PROFITABLE GROWTH	0.405	0.130	3.125**
RETENTION PROCESSES AS FACILITATING DAILY WORK	PROFITABLE GROWTH	0.207	0.162	1.680*
Moderator variable				
ENVIRONMENTAL TURBULENCE × CONTINUOUS PROCESS DEVELOPMENT	PROFITABLE GROWTH	0.160	0.110	1.653*
ENVIRONMENTAL TURBULENCE	PROFITABLE GROWTH	0.335	0.114	2.936**

Notes: The path coefficients resulted from PLS algorithm on the original/whole sample. The standard errors and *t*-values were calculated through a bootstrapping routine (resampling) with 500 (re)samples of 74 cases.
† $p < .10$ (one-sided).
* $p < .05$ (one-sided).
** $p < .01$ (one-sided).
*** $p < .001$ (one-sided).

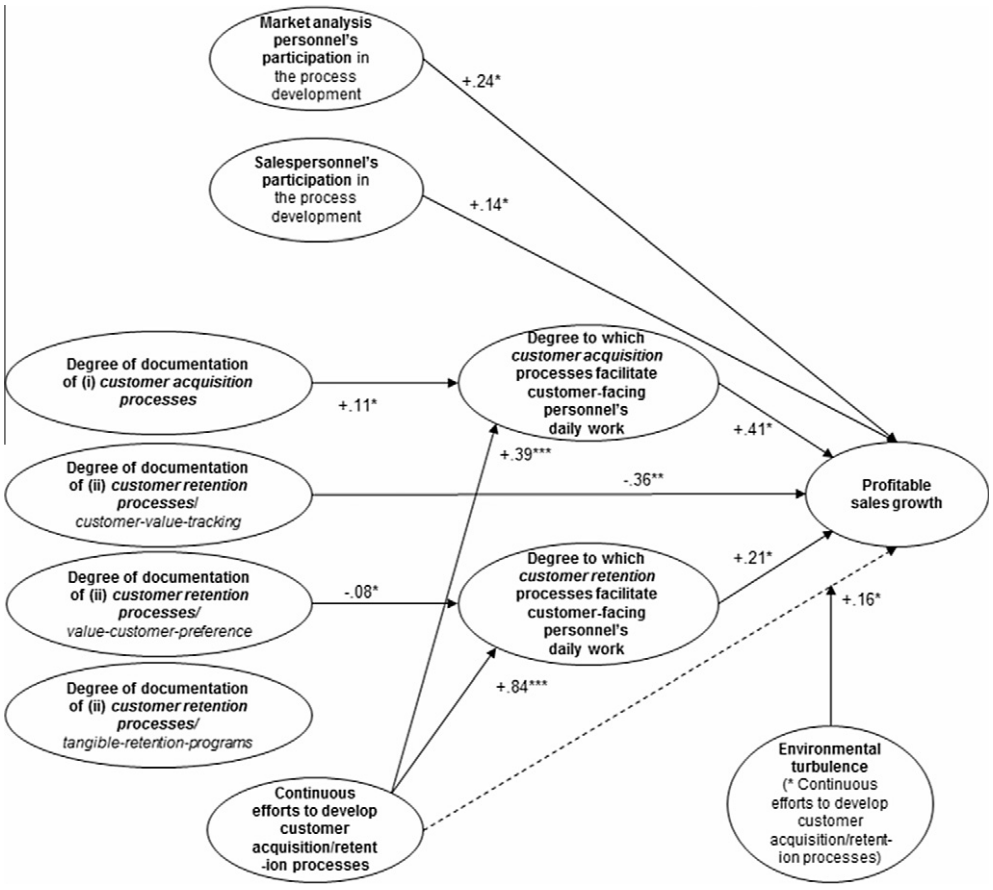

Fig. 2. Results: found effects of documentation and continuous development of CM processes. Notes. The found, significant effects are noted with solid arrows, accompanied by the path coefficients.

Table 3
Summary of the results.

Hypothesized effect	Support in the study?
H1a: Systematic documentation of CM processes → + CM processes facilitating customer-facing personnel's daily work	Positive effect for *customer acquisition processes*
H1b: Systematic documentation of CM processes → – CM processes facilitating customer-facing personnel's daily work	No (or negative) effect for *customer retention processes*
H2: CM processes facilitating customer-facing personnel's daily work → + Profitable sales growth	Yes
H3: Continuous development of CM processes → + Profitable sales growth	No direct effect (but positive indirect effects, see H4 and H2)
H4: Continuous development of CM processes → + CM processes facilitating customer-facing personnel's daily work	Yes
H5: Sales personnel's participation in CM process development → + Profitable sales growth	Yes
H6: Sales personnel's participation in CM process development → + CM processes facilitating customer-facing personnel's daily work	No
H7: Market analysis personnel's participation in CM process development → + Profitable sales growth	Yes
H8: Market analysis personnel's participation in CM process development → + CM processes facilitating customer-facing personnel's daily work	No
H9: Environmental turbulence X Continuous development of CM processes → + Profitable sales growth	Yes

lead the firm to pay too little attention to customer acquisition processes. In fact, we performed an extra test for the latter possibility by looking into whether RETENTION PROCESS DOCUMENTATION1/CUSTOMER-VALUE-TRACKING had negative effect on ACQUISITION PROCESS DOCUMENTATION – and indeed found a negative path from the former to the latter, with marginal significance (path coeff. = –.09; $p < .15$).

While the explicit documentation of neither customer acquisition nor customer retention processes has positive direct influence on profitable growth, important indirect effects are revealed. Specifically, there is an indirect positive effect by ACQUISITION PROCESS DOCUMENTATION on PROFITABLE GROWTH, through the mediating variable of ACQUISITION PROCESSES AS FACILITATING DAILY WORK. Namely, ACQUISITION PROCESS DOCUMENTATION has a positive effect on ACQUISITION PROCESSES AS FACILITATING DAILY WORK (path coeff. = .11; $p < .05$), which in turn has a highly significant, positive effect on PROFITABLE GROWTH (path coeff. = .41; $p < .01$). In other words, as we propose in hypotheses H1a and H2, the degree to which customer *acquisition* processes are explicitly documented has a positive effect on the degree to which the firm's customer acquisition processes actually facilitate customer-facing personnel's daily work (H1a) – which in turn has a positive effect on the firm's profitable sales growth (H2).

We also find that the degree to which the firm's customer *retention* processes facilitate customer-facing personnel's daily work has a positive effect on the firm's profitable sales growth (RETENTION PROCESSES AS FACILITATING DAILY WORK→PROFITABLE GROWTH, path coeff. = .21; $p < .05$). In other words, hypothesis H2 receives support for customer retention processes like it did for customer acquisition processes. However, the degrees of documentation of customer retention processes (RETENTION PROCESSES DOCUMENTATION1, 2, or 3) do not have positive influence on the degree to which the firm's customer retention processes facilitate customer-facing personnel's daily work. The variable RETENTION PROCESS DOCUMENTATION2/VALUE-CUSTOMER-PREFERENCE even has a slightly negative effect, which is significant (path coeff. = –.08; $p < .05$). Thus, it is the alternative hypothesis H1b, proposing a negative effect instead of a positive one, that receives support for the link between RETENTION PROCESS DOCUMENTATION and RETENTION PROCESS AS FACILITATING DAILY WORK. An interpretation of this finding is that firms might often attempt to document their customer retention processes (or processes to deal with existing customers) to a high degree, but this documentation does not generally translate to what would be essential for profitable sales growth, i.e., to a situation whereby the customer-facing personnel would find the documented processes useful. This risk seems to be particularly high with the documentation of customer retention processes (as opposed to customer acquisition processes).

Along with the process documentation, the other important driver in our model is the extent of the firm's continuous efforts to develop its customer acquisition and retention processes. As a result, we find no positive direct effect by CONTINUOUS PROCESS DEVELOPMENT on PROFITABLE GROWTH. Thus, hypothesis H3, which proposed a direct effect, does not obtain support. Yet, the indirect effects by CONTINUOUS PROCESS DEVELOPMENT on PROFITABLE GROWTH are positive, since we find highly significant positive effects by CONTINUOUS PROCESS DEVELOPMENT on both ACQUISITION PROCESSES AS FACILITATING DAILY WORK (path coeff. = .39; $p < .001$) and RETENTION PROCESSES AS FACILITATING DAILY WORK (path coeff. = .84; $p < .001$). The total effect on PROFITABLE GROWTH is hence positive, considering that the effects of both ACQUISITION PROCESSES AS FACILITATING DAILY WORK and RETENTION PROCESSES AS FACILITATING DAILY WORK on PROFITABLE GROWTH are positive and highly significant, as reported earlier. In sum, these results support hypothesis H4 (as well as H2).

Moreover, recall that the moderating variable of our model – environmental turbulence – addressed the relationship between CONTINUOUS PROCESS DEVELOPMENT and PROFITABLE GROWTH. With regard to this moderating variable, we find that the effect of the interaction (i.e., product) of ENVIRONMENTAL TURBULENCE and CONTINUOUS PROCESS DEVELOPMENT on PROFITABLE GROWTH is positive and significant (path coeff. = .16; $p < .05$). In other words, hypothesis H9 receives support: the higher the environmental turbulence, the greater is the positive effect by continuous effort to develop customer acquisition/retention processes on the firm's profitable sales growth. Note that also the direct effect of ENVIRONMENTAL TURBULENCE on PROFITABLE GROWTH is found to be positive – perhaps indicating the fact that turbulent environments are associated with industries of higher average growth.

Finally, let us consider the predictor variables SALESPERSON PARTICIPATION and MARKET ANALYST PARTICIPATION. Somewhat surprisingly, neither of the variables is found to have significant effects on either ACQUISITION PROCESSES AS FACILITATING DAILY WORK or RETENTION PROCESSES AS FACILITATING DAILY WORK. Thus, sales personnel's or market analyst personnel's participation in the development of customer acquisition and retention processes does not seem to increase the degree to which the processes are perceived facilitate, in general, the customer-facing personnel's daily work. This means that hypotheses H6 and H8 do not receive support. In general, the interpretation of this finding may be that even if personnel's own involvement in the process development should, in principle (e.g., Zablah et al., 2004), increase the degree to which the processes are eventually found to facilitate the personnel's daily work, the development work *per se* may be perceived quite laborious by the participants. On the other hand, a remarkable finding is that there are significant direct effects on PROFITABLE GROWTH by both SALESPERSON PARTICIPATION (coeff. = .14; $p < .05$) and MARKET ANALYST PARTICIPATION (coeff. = .24; $p < .05$). In other words, both sales personnel's and market analysis personnel's

Appendix 1

Measurement of predictor variables ACQUISITION PROCESS DOCUMENTATION and RETENTION PROCESS DOCUMENTATION1/2/3 and the moderating variable ENVIRONMENTAL TURBULENCE.

Latent variable name	Measurement type	Measurement items	Scale for recording responses	Scale reliability
ACQUISITION PROCESS DOCUMENTATION	8-Item reflective measurement[a]	To what extent have you, in your firm, specified (documented) processes for the following activities pertaining to customer acquisition? 1. identifying potential customers/prospects 2. identifying which of the potential customers are more valuable 3. gathering data from external sources so as to identify potential high-value customers 4. continually evaluating (the identified) prospects 5. coordinating messages (towards prospects) across media channels 6. differentiating communications targeting prospects based on the prospect's value 7. presenting different offers to prospects based on the prospects' economic value 8. differentiating acquisition investments based on customer value	0 = we have no documented processes [for the activity in question]. . .6 = we have specified and documented clear and systematic processes [for the activity]	Cronb. alpha: .96 AVE: .81 Comp. reliab.: .97
RETENTION PROCESS DOCUMENTATION1/CUSTOMER-VALUE-TRACKING	5-Item reflective measurement[b]	To what extent have you, in your firm, specified (documented) processes for the following activities pertaining to customer retention? 1. determining which of your current customers are of the highest value 2. continuously tracking customer information in order to assess customer value 3. determining the costs of retaining customers 4. tracking the status of the relationship during the entire customer life cycle 5. communicating interactively with your customers	0 = we have no documented processes [for the activity in question]. . .6 = we have specified and documented clear and systematic processes [for the activity]	Cronb. alpha: .92 AVE: .75 Comp. reliab.: .94
RETENTION PROCESS DOCUMENTATION2/VALUE-CUSTOMER-PREFERENCE	2-Item reflective measurement[c]	To what extent have you, in your firm, specified (documented) processes for the following activities pertaining to customer retention? 1. building long-term relationships with your high-value customers 2. managing the expectations of high-value customers	0 = we have no documented processes [for the activity in question]. . .6 = we have specified and documented clear and systematic processes [for the activity]	Cronb. alpha: .63 AVE: .52 Comp. reliab.: .77
RETENTION PROCESS DOCUMENTATION3/TANGIBLE-RETENTION-PROGRAMS	3-Item reflective measurement[d]	To what extent have you, in your firm, specified (documented) processes for the following activities pertaining to customer retention? 1. maintaining customer loyalty or retention programs 2. integrating customer information across customer contact points (e.g., mail, telephone, Web, fax, face-to-face) 3. customizing products/services based on the value of the customer	0 = we have no documented processes [for the activity in question]. . .6 = we have specified and documented clear and systematic processes [for the activity]	Cronb. alpha: .69 AVE: .75 Comp. reliab.: .86
ENVIRONMENTAL TURBULENCE	3-Item reflective measurement	Concerning the industry of your firm, to what extent do you agree with the following statements? i. Customer wants, needs and expectations are changing rapidly ii. Technological change in the industry is rapid iii. New products are constantly coming to the market	0 = strongly disagree. . .6 = strongly agree	Cronb. alpha: .67 AVE: .60 Comp. reliab.: .82

[a] These eight items are adapted from Reinartz et al.'s (2004) items for "(prospect) measurement at initiating stage (IMEASURE)" and "activities to acquire customers (ACQUISIT)". However, the three last items pertaining to ACQUISIT were left out, since rather than to new customers, they pertain to old customers that have been lost.

[b] Four of the five items are adapted from Reinartz et al.'s (2004) items for "(customer) measurement at maintaining stage (MMEASURE)". The last item is adapted from the measure for "activities to retain customers (RETAIN)". The shift was made based on factor loadings. See note d.

[c] The two items are adapted from Reinartz et al.'s (2004) items for "activities to retain customers (RETAIN)". See note d.

[d] The three items are adapted from Reinartz et al.'s (2004) items for "activities to retain customers (RETAIN)". However, two of the original items were shifted to RETENTION PROCESS DOCUMENTATION2 and one to RETENTION PROCESS DOCUMENTATION1, based on factor loadings.

participations in the development of CM processes have positive effects on the firm's profitable sales growth. These findings support our hypotheses H5 and H7.

In sum, most of our hypotheses concerning the mechanism that involves documentation and continuous development of customer acquisition/retention processes received support. An exception is that the degree of documentation of customer retention processes was not found to influence the extent to which a firm's customer retention processes facilitate its customer-facing personnel's daily work. The documentation of the customer-value-tracking sub-process of customer retention even had a negative influence thereon. Note, finally, that we calculated the models also by including firm size as well as the high-tech nature of the firm's business as control variables, but these analyses did not change the main directions or significances of the results. Table 3 provides a summary of the findings.

5. Discussion

5.1. Contributions to research

While both marketing and sales management research have been increasingly interested in systematic, firm-level CM process models, extant research has fallen short of explaining the mechanisms *how* a firm might benefit from explicitly documenting or (continuously) developing its CM processes for the use of its customer-facing personnel. Addressing the research gap, the contribution of the present article is to explicate the general management/organizational mechanism regarding how the systematic documentation and development of CM processes may contribute to profitable sales growth at the firm level. We focused particularly on CM processes related to activities that pertain to customer acquisition and customer retention. Beyond process documentation, we paid attention to the role of continuous effort to develop the processes as well as to personnel participation in the process development.

As to our results, we found support to our theoretical notion that the explicit documentation of CM processes contributes to profitable sales growth mainly through (or if) facilitating the daily work of the firm's customer-facing personnel. First of all, we found that the positive effect – on profitable sales growth – by the degree to which the firm's CM processes facilitate customer-facing personnel's daily work is true for both customer acquisition and customer retention processes. Nevertheless, the degree of explicit process documentation was found to significantly influence the degree to which the processes facilitate customer-facing personnel's daily work only in the case of customer acquisition processes (and not in the case of customer retention processes). Thus, the degree of systematic process documentation seems to have a clear positive effect on profitable sales growth merely in the case of customer acquisition processes. Our interpretation of this finding is that while many firms may have documented their customer retention processes within recent CM/CRM initiatives, many firms may fail to document those processes in a way that would truly facilitate the daily work of their customer-facing personnel (cf. Zablah et al., 2004). Documentation of customer acquisition processes, in contrast, may be less common and systematic within CM initiatives, and this ignorance – combined with a possibly excessive emphasis on customer retention processes – may actually have adverse effect on many firms' sales growth, or sales from new customers (Boulding et al., 2005; East et al., 2006; Fuller, 2005; Thomas, 2001). Correspondingly, those firms that *have* properly mapped and documented their customer acquisition processes, in particular, seem to enjoy superior sales growth.

Beyond the process specification and documentation, we identified and found evidence of the role played by a firm's continuous efforts to develop its CM processes. Notably, we found that continuous efforts to develop the processes have positive influence on both the degree to which the firm's customer acquisition processes facilitate customer-facing personnel's daily work and the degree to which the firm's customer retention processes facilitate their daily work. Since these two measures were, in turn, found to have highly significant positive effects on the firm's profitable sales growth, the total effect of continuous efforts to develop the processes on profitable growth is positive, as well. Taken together, these results are consistent with our theoretical notion that continuous CM process development efforts are likely to provide a platform on which the organization can transfer the most effective practices of individual customer-facing employees to the wider use of the personnel. This platform is likely to help in preventing excessive "lone wolf" tendencies (Dixon et al., 2003; Jones et al., 2005b; Zupancic, 2008) in the sales and marketing organization and ensuring that the effective techniques of one employee can be learned and adopted by others, too. Moreover, we find that the positive effect of continuous CM process development efforts is further reinforced insofar

Appendix 2
Factor loadings on ACQUISITION PROCESS DOCUMENTATION and RETENTION PROCESS DOCUMENTATION1/2/3.

Item[a]	ACQUISITION PROCESS DOCUMENTATION	RETENTION PROCESS DOCUMENTATION1/CUSTOMER-VALUE-TRACKING	RETENTION PROCESS DOCUMENTATION2/VALUE-CUSTOMER-PREFERENCE	RETENTION PROCESS DOCUMENTATION3/TANGIBLE-RETENTION-PROGRAMS
1	**0.4833**	0.0347	0.0105	0.0109
2	**0.9489**	−0.0783	0.0506	−0.1125
3	**0.8754**	−0.0332	0.0494	−0.0358
4	**0.9927**	−0.0915	0.0575	−0.1064
5	**0.9362**	−0.0746	0.0647	−0.0273
6	**0.9362**	−0.0746	0.0647	−0.0273
7	**0.965**	−0.0927	0.0526	−0.1265
8	**0.965**	−0.0927	0.0526	−0.1265
9	0.0215	**0.7995**	0.2707	−0.0316
10	−0.0033	**0.927**	0.338	0.0849
11	0.032	**0.8022**	0.3197	−0.1282
12	−0.1436	**0.9074**	0.2272	0.0592
13	−0.2024	**0.8706**	0.2678	0.0347
14	0.0827	0.2955	**0.9435**	−0.1365
15	0	0.273	**0.7801**	−0.0939
16	−0.061	0.0056	−0.0617	**0.6462**
17	0	−0.0355	−0.1766	**0.6991**
18	−0.1168	0.0503	−0.0481	**0.8157**

The bolded figures indicate factor loadings above the threshold of .5.
[a] The numbered items 1–18 are the ones identified in Appendix 1.

Appendix 3
Correlations between latent variables.

Variables	1	2	3	4	5	6	7	8	9	10	11
1. RETENTION PROCESS DOCUMENTATION1/CUSTOMER-VALUE-TRACKING	(0.92)										
2. RETENTION PROCESS DOCUMENTATION2/VALUE-CUSTOMER-PREFERENCE	0.32	(0.69)									
3. RETENTION PROCESS DOCUMENTATION3/TANGIBLE-RETENTION-PROGRAMS	0.02	−0.14	(0.63)								
4. ACQUISITION PROCESS DOCUMENTATION	−0.09	0.06	−0.09	(0.96)							
5. RETENTION PROCESSES AS FACILITATING WORK	0.35	0.18	−0.05	0.01	N/A						
6. ACQUISITION PROCESSES AS FACILITATING WORK	0.56	0.40	0.00	0.11	0.33	N/A					
7. CONTINUOUS PROCESS DEVELOPMENT	0.48	0.31	−0.00	0.04	0.81	0.40	(0.76)				
8. SALESPERSON PARTICIPATION	0.29	0.05	0.09	0.00	0.00	0.12	0.05	N/A			
9. MARKET ANALYST PARTICIPATION	−0.15	−0.04	−0.00	0.15	0.00	−0.05	0.04	0	N/A		
10. ENVIRONMENTAL TURBULENCE	0.23	0.33	−0.35	0.03	0.18	0.13	0.13	0.18	−0.06	(0.67)	
11. PROFITABLE GROWTH	−0.01	0.13	−0.02	0.16	0.11	0.21	0.09	0.15	0.26	0.30	N/A

Note. Cronbach's alphas appear on the diagonal for multiple-item measures (N/A marked for single-item measures).

as the firm's business environment is turbulent. Our explanation for this finding is that constant and conscientious development of the processes based on what is learned in interaction with the customers and markets is likely to provide the firm organization-wide responsiveness (Benner and Tushman, 2003), agility (Chonko and Jones, 2005), or strategic flexibility (Johnson et al., 2003), to deal with the turbulence.

Moreover, our results provide support to the notion that customer-facing personnel's participation in the development of customer acquisition and retention processes is important for the overall effectiveness. For instance, while we did not find sales personnel participation to have uniformly positive effect on the degree to which the processes facilitate the customer-facing personnel's daily work, we did find a significant direct effect by sales personnel participation on the firm's profitable growth. This further supports our notion that since an important aspect of the CM process development should be the simultaneous learning and sharing of effective (best) practices among the sales personnel, their own participation in the development will directly influence the firm's profitable growth. Yet, we also identify and find evidence of the important role of another personnel group's participation in the development, that is, the market analysis personnel. Indeed, the degree to which persons conducting market analysis in the organization participate in the development of the customer acquisition and retention processes was also found to have direct positive effect on the firm's profitable sales growth. This finding is consistent with the suggestion of earlier research that unless the central "users" of the organization's CM processes are involved in the development of the processes, the processes may result to be non-effective (e.g., Tanner et al., 2005; Zablah et al., 2004).

All in all, our research extends the nascent research in the interface of marketing and management research, which takes an employee-oriented perspective to CM processes (Becker et al., 2009; Plakoyiannaki, 2005; Plakoyiannaki et al., 2008). The earlier research has suggested that "employee support" to CM initiatives (cf. Becker et al., 2009) and "employee orientation" (e.g., empowerment, trust, training, performance evaluation) in CM implementation (cf. Plakoyiannaki et al., 2008) are likely to have influence on the success of CM initiatives. Our research extends this literature by providing a process management and organizational learning explanation to the specific mechanisms of how business performance is affected by documentation of customer acquisition/retention processes within a firm, continuous development of the processes, and the extent to which the processes facilitate the customer-facing personnel's daily work. By and large, our arguments and findings are consistent with, especially, Plakoyiannaki et al.'s (2008) case study propositions about employee orientation in CM as well as Massey et al.'s (2001) knowledge management perspective to a CM implementation case. Yet, our research provides more systematic modeling as well as empirical survey evidence of the specific mechanisms from the process management and learning perspective. *Vis-à-vis* Reinartz et al. (2004), in turn, our contribution is as follows: While our research does not concentrate so much on *which* specific CM process activities have influence on firm performance, it provides new insights to how the degree of documentation and continuous development of CM processes in general affect performance at the fundamental, process management level.

5.2. Implications to managers

To marketing and sales managers, our results provide reassurance of the fact that explicit mapping and documentation of CM processes can be a beneficial way to increase the effectiveness of the firm's marketing/sales organization and, ultimately, the firm's profitable sales growth. However, the results also emphasize that it is important that the processes are defined in a way that makes customer-facing personnel perceive them as facilitating their daily work. Only in this way will the documented processes seem to have the potential to act as drivers of the profitable sales growth of the firm. In practice, then, it is important that the documented CM processes do not remain merely abstract frameworks or models – which lack touch with the customer-facing personnel's daily reality – but serve as systematic instructions for the personnel's day-to-day work. This may be achieved by making the process documentations include, for example, extensive step-by-step advice and rules of thumb regarding how to go about with one's daily, personal work towards customers and with the use of firm databases and data analysis technologies. Moreover, it should be noted that our results warn against excessive focus on mapping customer retention processes – and against ignoring customer acquisition processes. In fact, the results indicate that the greatest positive influences on customer-facing personnel's work and, further, profitable sales growth could be achievable through more systematic documentation of customer acquisition processes.

The results also stress the importance of *continuous efforts* to develop the customer acquisition and retention processes – on the basis of what the organization learns in its daily activities about customers' behavior and responsiveness to certain CM activities. This way, the firm's processes are likely to incorporate increasingly effective practices that are found to be helpful by the customer-facing personnel, both as individuals and as an organization. In effect, rather than claiming that continuous development of the processes would be somehow important *per se,* we suggest that managers should view the continuous development efforts as a vehicle through which the effective practices of individual customer-facing employees can be transferred to the wider use of the marketing/sales organization – ensuring that effective tech-

niques are widely learned and adopted by the personnel. According to the results, this will be particularly important for firms that face turbulent business environments, whereby customer needs are changing rapidly and/or new technologies, competitors, or market players are emerging. In such environments, the continuous development of the processes of customer acquisition and retention, based on what is learned in interaction with the customers and markets, is likely to provide the firm some of the needed organization-wide responsiveness and agility.

5.3. Limitations

Methodologically, a potential limitation of the present study relates to the approach of inquiring of one and same respondent about a firm's CM processes and about the firm's performance. Thus, there is a possible common method bias. Yet, one way to examine the seriousness of such bias is to use a single-common-method-factor method approach (see Podsakoff et al., 2003). The basic assumption in such a test is that if a single factor emerges from the factor analysis that explains a significant amount of the variance in the data, there is strong evidence of common method bias. Specifically, we conducted Harman's one factor test in which all the variables in our study were simultaneously entered into an exploratory factor analysis. Since a single factor did not emerge and one general factor did not account for most of the variance, we can conclude that common method bias is not a serious problem with the data.

Another limitation of the research is that we asked both the independent and dependent measures from the managers at the same time, retrospectively. The independent measures pertained to the degree of CM process management practices in the firm, assuming that there had been a certain degree of CM process management in place in the firm for some time (without explicit reference to a certain point of time). The dependent measure, in turn, pertained to the business performance development during the last year. Thus, the analysis assumed that a certain (constant) degree of CM process management in the firm would have influenced its last year's performance. However, it is possible that some firms had just very recently (during the current year) introduced their level of CM process management. This would make the time order of the effects precarious for those firms (i.e., the dependent measure of business performance might have occurred before the independent measure of their CM process management practices took place). This timing issue of the measures constitutes, hence, a limitation of the results. Moreover, due to our use of single managers' reports for all our firm-specific data, our results are not immune to reporting bias, either. A single manager might not have known or accurately remembered all the aspects of the firm's CM processes and/or business performance that we enquired. Finally, some of the measures we used in the model have not been widely validated and may have reliability issues. For instance, continuous process development was measured for customer acquisition and retention jointly, while separate measures for the development of the two processes could be warranted.

Future research could make several extensions to the present work. First, the above limitations could be overcome by gathering longitudinal data about firms' CM process development as well as performance, and complementing the manager-reported data with more objective indicator data. Furthermore, the present study should be replicated with data concerning firms from different industries. The study design could also be expanded so as to incorporate further control variables to the analyses. Relevant control variables might include the specific industry of a firm, width and breadth of a firm's existing value networks or product portfolio, and strength of a firm's reputation or brand.

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