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IMPROVING SALESFORCE PERFORMANCE

Introducing a customer profiling tool at Hilti

Master´s Thesis
in International Business

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1 INTRODUCTION

This chapter offers an introduction to the topic of this thesis. It considers the importance of improving salesforce performance and justifies the research potential. The purpose of the research is discussed through presenting the research question and the focus of the study. An introduction of the case company is provided as well as an explanation on the structure of the thesis.

1.1 Motivation for the study

There is no business without sales. It is not enough to have a good product or service for a company to succeed. The company must make sure that people know about their offering and want to buy it. Therefore, it should be every manager's task to make sure the salesforce performs well. (Robinson 2013). Moreover, it is argued, that superiority in sales is a vital factor for companies to achieve customer centric performance and as such has a great impact in companies' business outcomes (Siahtiri, Cass & Viet 2014, 379). Siahtiri et al. (2014, 379–380) argue, that skillful selling and marketing bring companies valuable benefits through customer centric performance, such as customer attraction, customer retention and customer satisfaction – all benefits that most business-to-business (B2B) companies aim for. Guenzi, De Luca and Spiro (2016, 553–555) suggest that a salesperson could strengthen the trust between the company and the customer by adapting their sales techniques to sales situations, stages of the relationship and within single interactions when needed. This is found to be especially important in the B2B market. (Guenzi et al. 2016, 553 – 555) Furthermore, Siahtiri et al. (2014, 379–380) state that the salesforce of a company can be a central element in developing and maintaining a company's relationship to its customers, provided that the company has the capability to utilize the salesforce to create competitive advantage.

The arguments mentioned above all stress the importance of a well-working salesforce. However increased competition in various markets has made achieving sales goals extremely challenging. A research conducted by CSO Insight (2014) reveals that only 55 per cent of salespeople are able to reach their sales quotas. Guenzi et al. (2016, 553) suggest that this is caused by the high-pressure business environment, which tempts salespeople to use hard selling approaches due to the lack of time to get to know the customer. These approaches are centered on the needs of the salesperson and the qualities of the product or service sold, rather than the wants and needs of a customer. Hard selling approaches weaken a company's capability to build long-lasting customer-relationships based on mutual trust. Furthermore, studies show that attracting new customers costs five times more than retaining existing ones (Emani 2014, 648).

The challenges in attaining customer centric approach, or in other words customer orientation have changed over time. Companies today are facing new problems presented by the information society. Whereas earlier companies faced problems in attaining information about their environment, competitors and customers, today's society offers companies a continuously expanding mass of information. Thus, the challenge has shifted from finding information to *selecting the relevant information*, *understanding it and acting on it.* Finding answers to these problems is said to be one of the biggest questions of the 21st century. (Hildebrandt & Gutwirth 2008, 1) According to Hildebrandth and Gutwirth (2008, 1) the most promising technological aid to answer these problems is profiling technologies. They enable companies to identify and understand relevant data quickly, relieving the stress to use hard selling caused by competitive markets. While profiling can be used for many different aspects of business, such as employee profiling or competitor profiling, this study focuses on customer profiling due to the direct relationship that understanding a customer has to salesforce performance.

Customer profiling is a term used widely in information technology research (see, for example, (Schubert & Ginsburg 2010; Shaw, Subramaniam, Tan & Welge 2001; Xu & Walton 2005) In short, it means transforming data about individual customers into knowledge useful for the profiler (Hildebrandt & Gutwirth 2008, 17–202; Sheth et al. 2000, 56–57). In literature, the act of customer profiling is often linked to data mining (see, for example, van Wel & Royakkers 2004; Shaw et al. 2001; Xu & Walton 2005). The possibility of data mining has encouraged even more companies to collect data about their customers. The data is stored in a data warehouse, where data mining is used to seek out the useful data for the company by using algorithms. (Shaw et al. 2001, 128)

While data mining can be lucrative to many companies as a means to gain marketing intelligence, it has started critical discussions of the ethics of the process and customer profiling. The core ethical issue concerns the question: *"Is it right to collect personal data from consumers and use it to one's own benefit with no direct consent from the consumer himself?".* In addition to this data mining is often costly for companies since data warehouses usually contain large amounts of data, which result to high storage costs. (van Wel & Royakkers 2004, 129 − 133) Although customer profiling is often linked to data mining, it is not a synonym for it, data mining is merely a tool for customer profiling (Schubert & Ginsburg 2010, 50 – 51). This thesis brings forward an alternative way to use customer profiling for the benefit of the salesforce.

Although in literature customer profiling has been strongly linked to information technology research, the same idea, has long been applied in personal selling. Where salesforces are trained to get to know the customer prior selling. Nevertheless, research has mostly been concerned with adaptive selling and customer oriented selling techniques, rather than how a salesperson can identify and understand a customer better to utilize these techniques. (see, for example, Emani 2014; Xie & Kahle 2014)

The thesis aims to bring forward the concept of customer profiling as a means for companies to improve salesforce performance. In this research salesforce performance is defined as an *evaluation of the salesperson's input in reaching the organizations objectives* (Panagopoulos & Avlonitis 2010, 46−48). Therefore, salesforce performance can be thought of as more than just sales numbers or attained revenue. It includes anything and everything that an organization sets as objectives for the salesforce. This means that what is included in salesforce performance is individual for each company. (Xie & Kahle 2014, 260 −261; Emani 2014, 650 − 651; Siahtiri et al. 2014)

In addition to the theoretical relevance and the existing research gap, the topic of this thesis has practical relevance. This research was done for Hilti, a multinational case company that presented the need for a customer profiling tool. The objective of the company is to create and implement a customer profiling tool for the use of their salesforce to help them improve their performance. Therefore, a part of the motivation for this research came from a practical need.

In this research, customer retention and building strong customer relationships is included in salesforce performance, due to the objectives set by the case company Hilti Ltd. Since improving customer retention results in bigger sales and a more consistent income, this objective as a research framework is beneficial to all B2B companies that aim to improve their sales. As mentioned before, prior research indicates that customer oriented selling can be difficult in competitive markets, but would improve trust between the customer and the salesperson. Customer profiling helps the company as well as the salesperson understand the customer better, which enables the salesperson to adjust his sales approach according to the customer (Xie & Kahle 2014, 260 −261; Emani 2014, 650 − 651; Siahtiri et al. 2014) The case company is presented more thoroughly in chapter 1.3. This thesis attempts to fill the research gap and provide a practical solution that enables the use of salesforce performance improving sales tactics even in competitive high-paced markets

1.2 Problem setting

This research aims to find solutions to the research question *How to introduce a customer profiling tool to improve salesforce performance?* The sub questions are:

1. What factors need to be considered in the creation of a customer profiling tool?
2. What factors need to be considered in the implementation of a customer profiling tool?

This thesis is done from the point of view of Hilti Suomi ltd. as the creation and implementation of the customer profiling tool is piloted in said company. Therefore, it was only logical to conduct the empirical research there as well. The examples presented in this study as well as the discussions concerning salesforce performance and challenges regarding it are based on the salesforce and salesforce objectives of Hilti Suomi. A broader viewpoint is taken into consideration when discussing international creation and implementation. This is done by interviewing participants who have recently worked abroad at Hilti and understand the salesforce operations globally. However, most experiences of the interviewees are based in Europe and therefore do not represent every country where Hilti operates. Hilti Suomi is a part of the northern European hub and has good connections to the headquarters (HQ) of said hub in Great Britain so the viewpoint of Hilti Suomi Ltd. is greatly affected by the viewpoints of the HQ of the hub. Therefore, while the thesis is written from the point of view of Hilti Suomi, it also follows the strategical lines set by the HQ of Northern Europe.

In addition to being limited to the point of view of Hilti Suomi Ltd. this thesis has limitations regarding the timeframe of the study. Due to the nature of a pro graduate thesis it was not possible to study the real-time implementation process of the tool. The creation phase of the customer profiling tool was studied from start to finish, but the implementation phase was only studied through the expert opinions and plans of the people involved in the process as a longitudinal study was not possible. This limitation is discussed more in chapter 6.3.

This thesis considers customer profiling from a non-traditional point of view by excluding data mining and only considering customer profiling by collecting data directly from the customer through a questionnaire with the consent of the customer. This is done in order to meet the requirements of the case company, and to introduce a less studied method of customer profiling that is not reliant on personal data collection legislations. Furthermore, the ethical and cost issues concerning data mining are not linked to customer profiling itself and can be prevented by using other customer profiling tools and gathering the information with the consent of the customer. The effects of personal data collection legislations in multinational customer profiling are discussed more thoroughly later in this thesis.

The answers to the research questions are sought through a comprehensive literature review as well as through empirical research at the case company, Hilti Ltd. A customer profiling tool is built for the use of the salesforce at Hilti Suomi Ltd. with the help of a company called ZEF, which provides consulting and the template for the customer profiling tool. A model of the building process will be formed so that a similar customer profiling tool can be implemented internationally. The case company is introduced in the following chapter.

1.3 Hilti as a company

In this research the empirical data gathered to answer the research question is collected from a case company: Hilti Ltd. It is a multinational corporation that has achieved a strong position in its industry. It has produced, manufactured and innovated products and services for the construction business since it was first founded in 1941 in Liechtenstein. Since then the company has expanded to over 120 countries. Figure 1 displays a map where all the operating countries are colored red. In some countries Hilti has a more prominent position than in others. For example, in Norway Hilti does not have offices, but operates through an intermediary. The countries that are described as market organizations (MO) have offices and stores and active sales people. The MOs are listed in the organizational chart in appendix 3. The corporation has maintained family ownership by creating a Martin Hilti Family Trust that now holds all shares. Hilti corporation employs about 20 000 people and brings forward over 30 new innovations every year. It had a net income of 410 million CHF in 2015. The empirical research of this thesis is done at Hilti Suomi, one of the market organizations (MO) of the Hilti Corporation. In 2015 Hilti Suomi employed 156 people and had a revenue of 45.5 million euros. (Hilti Suomi Oy 2016)

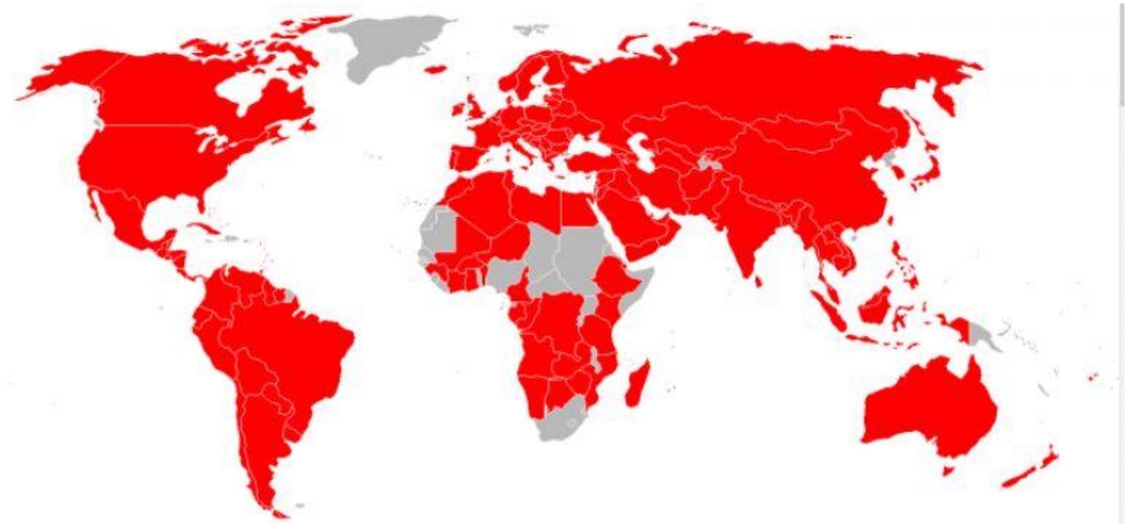

Figure 1 Hilti operating countries,

While the headquarters of Hilti is still located in Schaan Liechtenstein, the company is divided into geographical market segments, or hubs. Each hub is made up of countries with fairly similar cultures and markets. The organizational chart displaying the different hubs and marketing organizations within Hilti is presented in Appendix 3. Most examples provided in this research concern the Northern European hub, since the empirical research is carried out in Finland at Hilti Suomi. This is also a limitation to the study.

Hilti has long trusted that its business strategy of direct sales is an effective way to differentiate itself from competitors and gain competitive advantage through stronger customer relationships. In most countries Hilti, does not use distributors to sell its products and services, rather they have their own branded stores, an online store as well as account managers that visit jobsites and offices. Therefore, Hilti invests a lot in improving and maintaining its salesforce. Every new salesperson at Hilti will go through a training program consisting of three separate training weeks. The training weeks are most often conducted in the headquarters (HQ) of each hub. Each salesperson goes to the HQ for one intensive training week where they are taught about the products and services of the company as well as sales techniques and approaches. After the first week, the sales people return to their home countries or cities and put the lessons to practice at their job for approximately two weeks. This process is repeated three times after which the salespeople have finished their initial training. After the initial training the whole salesforce receives local training frequently. Occasionally the managers go on field days with the account managers, where they give their support and Hilti also holds trainings for the whole staff to learn about new product and service innovations.

Hilti Ltd. has taught techniques to its salesforce for a long time in order to help the salespeople understand their customers better and provide them with better fitting solutions and products. This research focuses on a customer profiling tool that the company is building for its salesforce. The objective is that the tool would enable the salesforce to have a unified method of collecting information about customers and due to its digital aspects, the gathered profiles are easier to share. In other words, each customer would answer the same questions based on which a customer profile is formed. This profile can then be uploaded to Hilti's database where other account managers can see it if they need to. The customer profiling tool is described in more detail in chapter 5.

The template and consulting concerning the customer profiling tool is provided by a company called ZEF Ltd. ZEF is a small Finnish software company that has provided profiling questionnaires since 2006. However, it was not until recently that ZEF focused its business on customer profiling questionnaires for companies. The revenue of the company in 2015 was 2.4 million euros and it employs 20 people. (ZEF 2016) Subsequently this research focuses on how a customer profiling tool should be built and implemented for it to better salesforce performance. The empirical part of this research is based on interviews conducted during the creation process and before the implementation process of the customer profiling tool. Therefore, the informants are employees of Hilti Suomi Ltd. and ZEF Ltd. The interview methods and participants are discussed in more detail in chapter 4.3.

1.4 Structure of the thesis

This thesis is made up of seven chapters. The first chapter has provided the background information on the topic of this thesis and the motivation for it. The research problem of finding out how to create and implement a customer profiling tool is presented and both theoretical and practical implications for the research potential are discussed. Also, the limitations of the study and the case company are presented.

The theoretical background for the thesis is described in chapters two and three. The central concepts of the thesis are explained in chapter two: salesforce performance and customer profiling. Salesforce performance is divided into three categories: behavioral, outcome and customer relationship management. It is crucial to understand the processes involved in salesforce performance and the root causes for the related challenges before creating a solution that aims to improve these processes (Jeston & Nelis 2008, 144). Therefore, the improvement of the three dimensions of salesforce performance is discussed based on theories of customer orientation, value based selling and sales model adaptation. The concept and process of customer profiling is elaborated thoroughly by explaining the process of transferring customer data into profiles that contain useful knowledge and help the salesperson to understand the customer as an individual. Finally, the two key concepts are brought together in chapter 2.3 where the role of customer profiling in salesforce performance is further described.

Chapter three focuses on the act of creating and implementing a customer profiling tool in an international context. First the importance of developing a creation and implementation plan will be discussed. Also, the crucial contents of these plans will be elaborated. The international context plays a big role in creating and implementing a customer profiling tool, therefore the environmental aspects of the planning process will be further elaborated. Five subenvironments are introduced: *economic environment, political and legal environment, cultural environment, technological environment and marketing environment*. The characteristics of these environments are further explained in order to understand their impact in the creation and implementation process. Also, the concept of glocalization is introduced. Next these environmental factors will be evaluated in more detail in relation to the creation phase and the implementation phase of a customer profiling tool. Concepts that are central to the creation and implementation of a customer profiling tool are discussed more thoroughly. These are such of personal data collection and IT implementation.

The fourth chapter concentrates on the methodology. The choices made in conducting the research are rationalized. Data collection and analysis are described in detail. Chapter five in turn presents the findings by following the structure of the theoretical framework that is introduced in chapter three. The results specify what characteristics form salesforce performance and how it is evaluated and the difficulties related to salesforce performance.

A solution for creating and implementing a customer profiling tool is constructed by combining existing literature and information gathered from the conducted interviews. The implementation of the solution is evaluated by a weak market test. The conclusions of the research are presented in chapter six, where they are divided into theoretical implications and managerial implications. The limitations of the study and suggestions for future research are also presented in chapter six. To finish, a summary of the research is presented in chapter seven.

This chapter introduces the research. The research purpose is to find out how to create and implement a customer profiling tool for the use of improving salesforce performance. The case company is a multinational corporation that holds direct sales as one key base for their strategy. The topic of this thesis is proved to be relevant and have research potential.

2 SALESFORCE PERFORMANCE AND CUSTOMER PROFILING

This chapter presents the central concepts of this thesis: salesforce performance and customer profiling. It introduces suggestions of salesforce performance improvement through three sales tactics: customer orientation, value based selling and sales model adaption. Finally, the last sub-chapter brings the two key concepts together and explains the role of customer profiling in salesforce performance improvement.

2.1 Improving salesforce performance

Salesforce performance can be defined as *evaluation of the salesforce's involvement in achieving objectives set by the organization* (Panagopoulos & Avlonitis 2010, 47). However, the term is threefold and a distinction between behavioral, outcome and customer relationship management (CRM) salesforce performance should be made. (Panagopoulos & Avlonitis 2010, 46−48) The distinction between these three dimensions of salesforce performance is presented in figure 2.

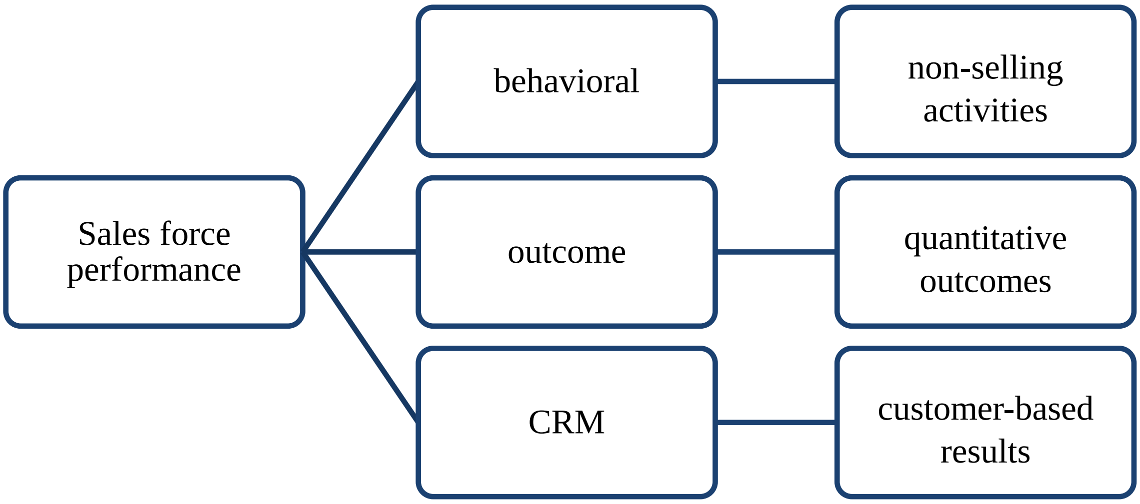

Figure 2 Structure of salesforce performance. (adapted from Panagopoulos & Avlonitis 2010, 47)

As shown in figure 2 *behavioral salesforce performance* indicates the non-selling activities of a salesperson. These are activities such as collecting information about the customer and learning about the sales item. *Outcome salesforce performance* in turn consists of the quantitative sales outcomes that the salesperson is partly responsible for, such as sales volume and market share. Lastly *CRM salesforce performance* entails the customer-based results that stem from the salespersons activities. Customer retention and customer satisfaction can be put into this category. (Panagopoulos & Avlonitis 2010, 47−48) Understanding the different dimensions of salesforce performance allows companies to evaluate and measure their salesforce performance more accurately.

Increasing competition drives companies to provide different sales techniques for the use of the salesforce in order to increase sales, keep current customers, attract new customers and build long-lasting relationships with them: in other words, to improve salesforce performance. The three dimensions of salesforce performance can be improved through customer orientation, value based selling and sales model adaption. (Emani 2014, 648) In a research conducted by Panagopoulos and Avlonitis (2010), where 170 business-to-business companies were studied, it was found that these strongly affect salesforce performance. Figure 3 illustrates the relationship between the three sales techniques: customer orientation, value based selling and sales model adaption.

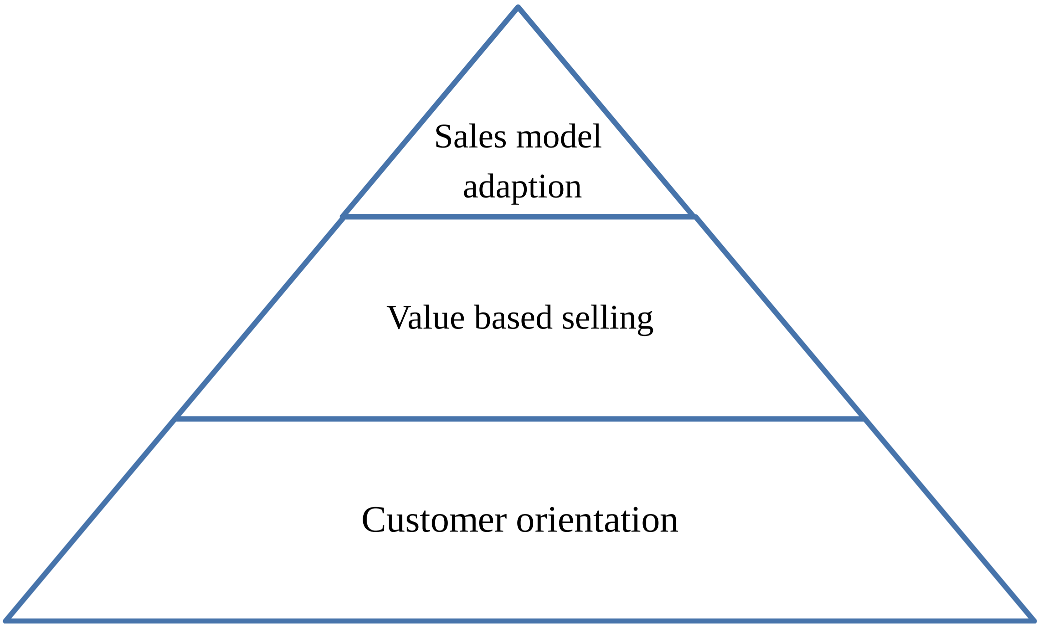

Figure 3 Customer orientation, value based selling and sales model adaption. (adapted from Panagopoulos & Avlonitis 2010)

Customer orientation is the basis to the sales techniques in figure 3. Without it a salesperson cannot use value based selling and without value based selling a salesperson cannot adapt his sales model effectively. A customer-oriented definition of selling explains it as a process of helping customers buy what the customer needs to satisfy his or her needs (Emani 2014 650 – 651; Saxe & Weitz 1982, 14). Kidwell, McFarland and

Avila (2007, 119-125) state that a customer-oriented salesperson has more success in influencing customers' decisions in contrast to more product-oriented salespeople. The core task of a customer-oriented salesperson at a sales meeting is to understand the individual needs of a customer, to evaluate them and to find the best solution for them. (Emani 2014)

The main benefit of customer-oriented selling is the customer satisfaction caused by the salesperson finding solutions fit specifically for that customer. Customer satisfaction then helps the salesperson to establish a long-term relationship with the customer that is mutually beneficial and as such helps improve the CRM dimension of salesforce performance. To maintain a long-lasting customer relationship, long-term customer satisfaction needs to be achieved. Highly customer-oriented salespeople can achieve this by avoiding going against customer needs and long-term satisfaction in order to get an immediate sale (vs. hard selling). As stated before, long-term customer relationships are based on trust. In other words, customer-oriented selling improves the trust between the customer and the company. (Emani 2014 650 − 651; Guenzi et al. 2016; Saxe & Weitz 1982, 14) Further motivation for customer-oriented selling can be found in a research by Emani (2014) that proves that customer-oriented selling also has significant positive effects on the quantitative sales outcomes. Customer oriented selling improves customer knowledge (behavioral salesforce performance) customer retention and satisfaction (CRM salesforce performance) and quantitative sales outcomes (outcome salesforce performance). (Emani 2014; Schubert & Gingsburg 2010, 50 – 51; Panagopoulos & Avlonitis 2010, 47 − 48) In literature salesperson's customer orientation has been widely studied and suggested as one of the key determinants of salesperson performance (Terho et al. 2015, 12−16).

Despite the many benefits of customer-oriented selling it is not easy to achieve. According to Emani (2014, 649) a salesperson needs to put a lot of time and effort into one customer in order to build a long-lasting relationship and gather enough useful information about the customer in order to understand the customer. Hence, customer orientation requires low-pressure selling (Bursk 1947; Saxe & Weitz 1982 12 – 19). However, Guenzi et al. (2016, 553 – 560) argue that high-pressure markets prevent low-pressure selling, forcing salespeople to use less customer-oriented sales tactics, due to lack of time resulting in weakened customer relationships.

Value-based selling is closely related to customer orientation. Both require a deep understanding of the customer and the aim is to find solutions that truly benefit the customers. The more customer oriented a salesperson is, the more likely he or she is to practice value-based selling. The act of value-based selling is the co-creation of value through seller-customer interaction. In other words, a salesperson gets to know the business model of the customer at a deeper level in order to be able to provide solutions that contribute to the customers' profitability. The focus moves from immediate profit for the selling company to creating lucrative long term relationships with the customer that are mutually beneficial. (Terho, Eggert, Haas & Ulaga 2015, 14 – 15)

Co-operating with the customer to better understand their business, offering customers solutions that are tailored to their needs and communicating the ways that the supplier can provide solutions that aid the customer to reach set goals are all a part of value-based selling. (Terho et al. 2015, 13−16; Shaw et al. 2001; Schubert & Ginsburg 2010, 50 −51) According to Terho et al. (2015, 12−19) value-based selling has a positive effect on salesforce performance. When a salesperson succeeds in presenting a substantial value that an offering can bring to a customer, the incentives of the customer to buy said offering should get stronger (outcome salesforce performance). It should also help a salesperson to justify a price premium. (Anderson & Wynstra 2010; Terho et al. 2015, 14)

Closely related to customer orientation and a way to improve value based selling is sales model adaption. In short, sales model adaption means changing the methods of selling according to the nature and personality of the customer. Some customers require more attention than others, some consultative selling and others value discounts and deals. A talented salesperson can identify what sales models the customer values and how the customer wants to be approached. The goal behind using different sales models is to find a model that best fits each customer and consequently betters and builds the customer relationship. The more the seller knows about the buyer’s buying process the better and more accurate sales model adaptation can become. This requires understanding, knowing and gathering information about each customer personally and thus requires customer profiling to some extent. (Terho et al. 2015, 15−16; Viio & Grönroos 2016, 37−38; Panagopoulos & Avlonitis 2010, 46−48)

According to Viio and Grönroos (2016, 37) sales model adaptation is especially important in the initiation of a customer-seller relationship. Furthermore, since the idea is to find selling methods that work on individual customers it should lead to direct enhancement in salesforce performance. Sales models should aid salespeople in converting customer orientation into actual sales. However, this requires customer orientation and value based selling to be the basis of sales model decision making. (Terho et al. 2015; Panagopoulos & Avlonitis 2010; Viio & Grönroos 2016, 37−39)

In conclusion salesforce performance can be divided into three dimensions: behavioral, outcome and CRM. To measure salesforce performance accurately, it is important to understand these dimensions as they require different types of measures, for example monetary measures for the outcome dimension and measuring customer satisfaction for the CRM dimension. Improving salesforce performance requires using the following sales techniques: customer orientation, value based selling and sales model adaption. Customer orientation is the basis for these sales techniques. Without it neither value based selling nor sales model adaption would be possible, because they all build on the idea of understanding the customer and fulfilling the needs of the customer. Value based selling takes it a step further by not only fulfilling the needs of the customer but also explaining the value to the customer or even creating the value together with the customer. Sales model adaption on the other hand requires the salesforce to understand each individual customer and their values well enough to adapt the sales model to fit the customers buying model. While the focus of these three sales techniques differ, they all build on each other and are based on the concept of truly knowing and understanding the customer. By being customer oriented, selling value and adapting sales models the salesforce can attain more loyal customers and add sales. Therefore, by executing the whole sales pyramid (Figure 3) a company can improve one or all three dimensions of salesforce performance: behavioral, outcome and CRM (figure 2). (Terho et al. 2015, 15−16; Viio & Grönroos 2016, 37−38; Panagopoulos & Avlonitis 2010, 46−48; Anderson & Wynstra 2010)

2.2 Definition of customer profiling

The importance of customer profiling presents itself in the very early stages of a sales process. At the beginning of any customer-seller relationship it is usually the seller that adapts to the buyer. In order to be able to do this the seller must first understand the customer and its buying processes to some extent and this is what customer profiling is used for. (Viio & Grönroos 2016, 31−38; Schubert & Ginsburg 2010; Sheth et al. 2000, 55 - 65)

In order to understand customer profiling it is crucial to have an understanding of profiling in general. Profiling is widely used in diverse contexts varying from criminal investigation to forensic biometrics and marketing research. While profiling is used in multiple different ways in multiple different contexts, a common thread can be found in all of these. *Profiling is the act of transforming large groups of data into knowledge by using techniques such as algorithms*. Profiling aids decision makers to make difficult judgements quickly by simplifying the complex and diverse reality through categorization. The underlying idea of profiling is to find patterns or categories in different situations and make them understandable for companies or individuals. (Hildebrandt & Gutwirth 2008, 17 – 48)

In profiling, customers are increasingly used as the focus. This type of profiling can be used for the purpose of actions such as marketing and risk management. The definition of customer profiling is easily deducted from the definition of profiling. It is *the act of collecting data about an individual customer and transforming it into knowledge that is beneficial for the profiler*. In other words, a profile is formed of a customer that consists of information about said customer that benefits the organization creating the profiles. Customer profiling is used to understand the behaviors, preferences and interests of customers. (Hildebrandt & Gutwirth 2008, 17 – 202; Sheth et al. 2000, 56 – 57; Schubert & Ginsburg 2010, 50 −53)

To truly understand the definitions stated above it is beneficial to recognize the differences between the terms: data and knowledge. Data and knowledge belong to a hierarchy of: data, information, knowledge and understanding. (Hildebrandt & Gutwirth 2008, 48) According to Ackoff (1989, 3−9) data means symbols that characterize the assets of objects and events. Data becomes information when it is processed in a way that makes the data more useful, in other words it gives the symbols meaning. Information answers questions such as: Who? What? When? Where? and How many? Knowledge applies data and information in answering "how to -questions". Lastly Ackoff (1989, 3−9) defines understanding as explanations that answer to "why-questions". Bellinger, Castro and Mills (2004, 1 −5) add deeper meaning to these definitions by relating the concepts in turn of usefulness as follows: data is raw and as such not useful on its own. Information gives meaning to data and that meaning can be useful, but does not have to be. Knowledge is the collection of relevant information to make the content useful. Knowledge can be related to memorizing whereas understanding can be related to learning. As such understanding is the ability to manufacture new knowledge from previously attained information and knowledge. Figure 4 depicts the relationship of these concepts and customer profiling.

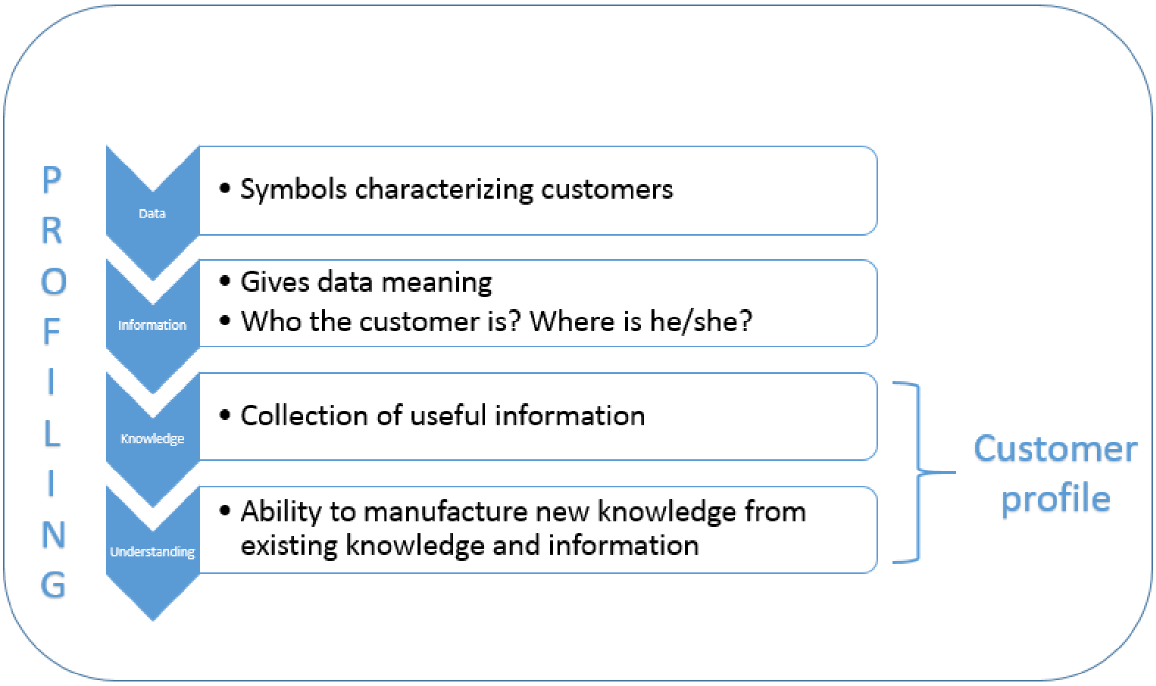

Figure 4 The process of customer profiling. (adapted from Hildebrandt & Gutwirth 2008, 17 – 48; Sheth et al. 2000 55 – 65; Ackoff 1989, 3 – 9; Bellinger et al. 2004, 1 – 5)

As figure 4 demonstrates that the process of profiling is the transformation of data to knowledge and understanding (Hildenbrandt & Gutwirth 2008, 17 – 48). As an end result of customer profiling, a customer profile is formed, which consists of knowledge and understanding of the customer. These profiles can be formed from existing, new and potential customers. As knowledge is a collection of useful information, this means that the content of customer profiles varies on what the company creating said profile needs to know and understand about their customers. (Hildenbrandt & Gutwirth 2008, 17 – 48; Sheth et al. 2000, 55 – 65; Ackoff 1989 3 – 9; Bellinger et al. 2004, 1 – 5) While the information needs of companies may differ, according to Schubert & Ginsburg (2010, 50) most customer profiles contain information about the individual preferences of each customer such as which product groups they are interested in or how they like to be approached.

2.3 The role of customer profiling in salesforce performance improvement

Earlier, a customer profile was defined as useful knowledge of an individual customer that is attained by gathering and analyzing customer data with algorithms. This knowledge is used to understand the preferences and needs of the customer. This is directly linked with the behavioral dimension of salesforce performance, which was the non-selling activities such as gathering information about the customer. Customer profiling increases the amount of information about customers and hence improves the behavioral salesforce performance. (Hildebrandt & Gutwirth 2008, 17 – 202; Panagopoulos & Avlonitis 2010, 47 − 48) Moreover, customer profiling also has indirect effects on salesforce performance.

It was explained, that improving salesforce performance requires customer orientation, value based selling and sales model adaption and the core these sales techniques is to truly understand and know the individual customer. Furthermore, in the introduction chapter it was stated that customer profiling is a common word in information technology research but still new to personal selling. (see, for example, Schubert & Ginsburg 2010; Shaw et al. 2001; Xu & Walton 2005) This is interesting, since the ideology of customer profiling is not a new concept to salespeople. Inherently a salesperson must conduct customer profiling to some extent in order to use the above mentioned sales techniques and provide the best solutions to the customer. Table 1 explains how customer profiling can be used as a helpful tool in attaining the three sales techniques.

Table 1 Sales techniques and the use of customer profiling.

Sales techniques	Use of customer profiling
Customer orientation	Understanding and evaluating the customer
Value based selling	Understanding the customer’s business model and ongoing projects
Sales model adaption	Understanding the customer’s personality and buying patterns

Customer-orientation was defined as understanding and fulfilling the wants and needs of individual customers rather than the ones of mass markets or market segments (Sheth et al. 2000 56 - 57). Customer profiling helps a salesperson map out the needs of a customer and to evaluate them, which in turn help the salesperson to look for the right solutions for customers. Therefore, it can be concluded that customer profiling is simply the first two steps of customer-oriented selling: understanding and evaluating the customer. The amount of knowledge about the customer generated by the customer profiling tool is dependent on how well the company wants or needs to understand the customer. The content of the profile on the other hand depends on what the company needs to know about their customers in order to understand them.

The same principles apply to value based selling. In order to successfully understand what a customer finds valuable or what a customers' buying model is, the salesperson must understand and know the customer at a deeper level and thus customer profiling is necessary in the process to some extent. This profiling may happen either face-to-face with the customer or before the sales meeting by using a digital customer profiling tool. (Terho et al. 2015, 13−16; Shaw et al. 2001; Schubert & Ginsburg 2010, 50 −51) For example, a customer profiling tool may be used to find out more information about the customers' business model or projects. Based on this knowledge the salesperson can come up with new business proposals that are truly beneficial to both companies.

If sales model adaption is what the salesforce is aiming for, should the customer profiling tool find out data about the customers buying pattens and personality. This way the salespeople would get information about the customer before a salesmeeting and could adapt their sales models accordingly and consequently generete more sales. (Viio & Grönroos 2016, 37−38) The personality of a customer includes traits such as sociability and values. For example, the customer profiling tool could generate knowledge on customerdata that shows the buying history of the customer and wether the customer responds better to low prices or presented quality. After getting this knowledge from the profile the salesperson can plan his selling approach. If the customer values low prices and offers, the salesperson might showcase for example discount products or explain that a product is cheap in the long term due to its effectivity (takes less time and time is money) or to its long life expectancy.

The input of customer profiling tool to salesforce performance improvement comes in the first stages of the three sales techniques (customer orientation, value based selling and sales model adaption). A customer profiling tool does not automatically insure that these sales techniques are successful, rather it can be used as an aid to attain these techniques and to make these techniques possible. It can offer the salesperson the knowledge that he needs regarding the customer and the sales techniques. Since digital customer profiling tools can profile a customer prior to a sales meeting it can shorten the time a salesperson needs to understand the customer and so help them attain customer orientation even in a competitive environment. (Terho et al. 2015, 13−16; Shaw et al. 2001; Schubert & Ginsburg 2010, 50 −51) However, it is important to understand that when talking about customer profiling, understanding the customer, value based selling and finding the right selling model there are two active players involved. The customer is not just a passive object of a sales process, but rather an active influencer. In the end the information about the customer should come from the customer and the customer itself has a great influence on the value that is created and on the optimal sales model chosen. As such it is not enough to rely just on the profile a customer profiling tool gives on the customer, but the salesperson must keep studying the customer as the relationship progresses. (Viio & Grönroos 2016, 37)

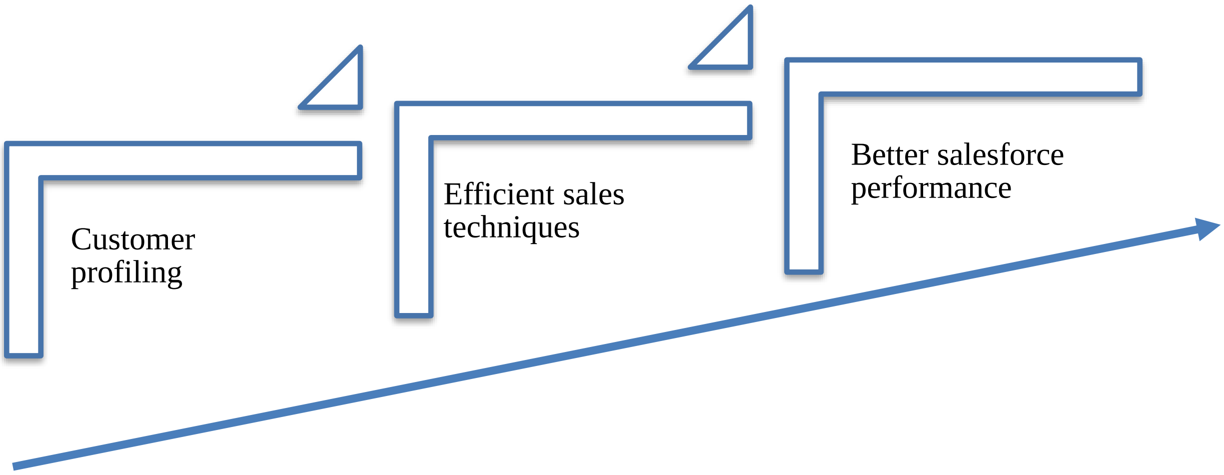

Figure 5 Steps to better salesforce performance.

To sum up, the key concepts of this thesis are salesforce performance and customer profiling. Salesforce performance is an evaluation of how well a salesforce reaches objectives given by an organization. There are three dimensions in salesforce performance: behavioral, outcome and CRM, these determine the nature of the objectives. According to prior research, salesforce performance can be improved by using efficient sales techniques such as customer orientation, value based selling and sales model adaption. All of which require understanding the customer. Customer profiling is the act of gathering and transferring customer data into knowledge useful for the profiler. This knowledge helps the profiler to understand the customer quicker than in face-to-face evaluation. Customer profiling can therefore be used as a tool to attain the desired sales techniques that improve salesforce performance. This relationship is depicted in figure 5.

3 CREATION AND IMPLEMENTATION OF A CUSTOMER PROFILING TOOL

This chapter focuses on explaining the factors to consider when creating and implementing a customer profiling tool in a multinational environment. First, the basics of constructing a creation or an implementation plan are explained as well as the different challenges that a multinational environment brings to planning. Chapter 3.2 goes more in-depth into what are the different environmental impacts specific on the creation of a customer profiling tool. Finally, the crucial aspects of the implementation phase are explained in the chapter 3.3.

3.1 Planning the process

In creating a customer profiling tool for the purpose of performance improvement in a multinational environment, the first step is to create a plan. The plan delivers guidelines of how the tool will be created and implemented and what it aims to accomplish. Furthermore, the plan needs to be flexible enough to effectively function in the diverse multinational environment. Nevertheless, it is important to remember, that the behavioral changes of people – needed in the implementation phase – can only occur through the daily management of people. Therefore, plans in themselves cannot make a change in the actions of people, they merely can serve as catalysts that help set the desired action to become a daily management practice. (Rothwell, Lindholm, & Wallick, 2003, 201 – 220) Figure 6 illustrates the required content and structure of a plan.

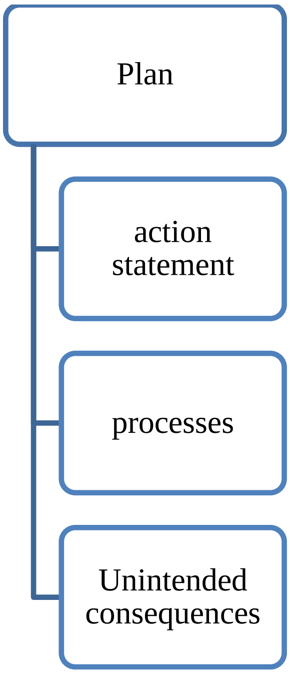

Figure 6 Content and structure of a plan.

Lyons and Hamlins (2001) suggest that a plan is formed around an *action statement* that functions as the base of the whole plan. The statement introduces the objective of the plan and the agent that will execute it. (Lyons & Hamlin 2001, 99 – 100) In the context of creating and implementing a customer profiling tool, two separate plans would be beneficial, since the objectives and agents may differ in each of these phases. For example, in the creation phase the action statement maybe to create a customer profiling tool that gathers information about customers buying habits. The tool will be created by the person X. On the other hand, the action statement for the implementation phase may be to implement the customer profiling tool among the salesforce within one month. The implementation will be run by person Y.

The established objectives should be measurable. As in they are achievable, the time of their achievement can be determined and the progress for their achievement can be measured. (Lyons & Hamlin 2001, 5) The goals and measures established in the first step are recorded throughout the plan, making the development work more observable (Laine et al. 2016, 18). In short, the action statement is a statement that reveals what the goal is and who are taking the actions in order to reach said goal (Lyons & Hamlin 2001, 99 – 100).

A plan should also have descriptions of the processes that need to be done in order to reach the objective. This requires a step-by-step description of the processes and steps that are required with a timeframe set for each individual step. (Lyons & Hamlin 2001, 101; Rothwell et al. 2003, 41) For example, in the case of creating a customer profiling tool these processes may include steps such as deciding what information about the customers is relevant and to create the algorithm. The plan for implementing a customer profiling tool may include processes such as the initial introduction of the tool and measuring the results. Before initiating the creation or implementation process it is also important to consider the possible unintended consequences. Both negative and positive, as well as difficulties of executing established processes. (Lyons & Hamlin 2001, 101-103; Rothwell et al. 2003, 201)

A multinational environment brings out new challenges to the creation and implementation of a customer profiling tool. It is crucial to understand that environmental differences may cause the creation and implementation of a customer profiling tool to fail if these stages are not adapted according to the surrounding environment. Therefore, decisions of standardization or adaptation need to be made. The discussion over the choice of standardization or adaption in international markets is of great significance and has been going on for a long time. (Vrontis, Thrassou & Lamprianou 2009, 482–490)

The standardization, or in other words globalization of business processes has benefits such as economies of scale, improved control and sustaining brand unity. However, globalization deters responsiveness to local needs and requirements. (Caseneuf 2005, 317) Adaptation on the other hand, can help companies answer to local demands that differ due to issues concerning culture, legislation or economic stability for instance (Hackley 2005, 157). Although adaptation helps companies answer to customers individual needs better, the benefits of that and economies of scale need to be weighd for the decision of standardadization versus adatation. Levitt (1983) argued in his world renowed article *The globalization of markets*, that due to globalization the customer needs are becoming more homogeneous, which argues for multinational corporations to opt for the choice of standardization. Therefore, the companies weighing this decision must understand its business environments well in order to get the full benefits of standardization and adaptation.

The choice of standardization and adaptation should be taken into consideration in the planning process, prior to executing the creation or implementation. When constructing plans for multinational use, it is crucial to understand how, and what adaptions need to be taken into consideration when adapting the plan to an international business environment in comparison to its domestic environment (Gutterman; & Brown 2003, 4; Delener 1999, 135 – 148). Therefore, adaptation and standardization decisions need to be made.

A business environment consists of internal and external factors. The external factors, such as the economic, political/legal, social and technological factors, determine the opportunities and threats to businesses. The internal factors, such as resources and capabilities of the organization on the other hand determine the strengths and weaknesses of a firm. Although a business environment implies all internal and external factors that influence business, in literature the term is often used to discuss the external factors only. (Cherunilam 2010, 1) In this research the main focus will be on the external factors, as they have a more dominant effect when talking about a multinational environment surrounding one organization.

According to Brown and Gutterman (2003, 4 – 5) the biggest challenge of conducting a plan for international use is the distinctive and different business environment of the international markets compared to the domestic markets. All business decisions and strategies are molded by the business environment (Cherunilam 2010, 9) and therefore the operating environments should play a big part in the planning process. In regards to creating and implementing a customer profiling tool, the business environment has a great effect. For example, as the goal of customer profiling is to present useful information to the profiler company. What a company finds useful is largely determined by the strategy of said company. Therefore, the business environment already determines what type of data to analyze for the profiles. Factors such as government controls, core technologies, socioeconomic conditions, education and financial status impact the business environment and thus should be taken into consideration already in the planning process of the creation implementation of the tool. While the basic structure of a plan stays the same regardless of the operational environment (see figure 6), there are vital factors – not present locally – to consider when executing a plan across national borders. (Delener 1999, 135 – 148; Miroshnik 2002, 522 – 523)

In literature, a business environment is often divided into subenvironments. These subenvironments represent the different factors that effect a business environment. (Cherunilam 2010, 1–9) This research focuses on five subenvironments: economic environment, political and legal environment, cultural environment, technological environment and marketing environment. Literature presents alternative ways of dividing the business environment into subenvironments. This research focuses on the five mentioned above, as they are clear and fit customer profiling. Environments such as the natural environment is left out as elements such as the weather do not influence creating and implementing a customer profiling tool. Of the five subenvironments the cultural environment can be further divided into the social environment and the human and universal environment. (Delener 1999, 135 – 148; Miroshnik 2002, 522 – 523) The subenvironments and the elements linked to them are presented in table 2.

Table 2 The subenvironments of a business environment. (adapted from Cherunilam 2010, 1–34; Delener 1999, 135 - 148; Miroshnik 2002)

Subenvironments	Description
Economic environment	• wealth, • purchasing power, • level of economic development, • population, • per capita income etc.
Political and Legal environment	• Legal tradition, • Laws, • Effectiveness of legal system, • Treaties with foreign nations, • Political stability, • Stability of government, • Form of government etc.
Cultural environment	*Social environment*: • demographic and cultural aspects, • social classes, • social institutions
	Human and Universal environment: • religious beliefs, • aesthetics, • motivations, • attitudes
Technological environment	• Technological solutions, • Infrastructure
Marketing environment	• Competitiveness of the market

The economic environment consists of the macro- and microeconomic environments. It includes all financial factors of the environment, such as wealth, purchasing power and consumption.(Miroshnik 2002, 522−523; Cherunilam 2010, 19-20; Aswathappa 2009, 17)The economic state of a country has a great impact on the strategic decisions of a company operating there. For instance products which demand is based on wants rather than needs sell less in low-income countries than in high income countries. This effects the marketing decisions of a company as not all products or services can be sold everywhere or the profit of the products may differ. This must be taken into consideration while preparing to create and implement a customer profiling tool. (Cherunilam 2010, 19– 20)

The political and legal environment determines which laws and politics affect organizations. It consists of elements such as the nature of the Constitution and government system, the legal traditions and the political stability. (Cherunilam 2010, 18–

21; Delener 1999, 135 – 148; Miroshnik 2002, 522−523) In many countries there are laws that aim to protect customer interests (Cherunilam 2010, 18). These laws can present opportunities or challenges to customer profiling, especially through personal data protection regulations. This will be discussed further in the following chapter.

The social environment in turn consists of the demographic and cultural aspects. For example, differences in social classes and languages can have an impact in advertising, packaging, personnel management and human resources practices. Furthermore, the equality between men and women and customs regarding their social interaction differ from country to country and mark the behavior of people. The belief systems and aesthetics form *the human and universal environment*, determine what the consumers and employees value and what motivates them. The cultural environment can therefore effect consumers purchasing decisions and employees' behavior. This is important knowledge for the creators and implementers of a customer profiling tool. For example, the values and social demographic may determine the customers buying habits and consequently the company's strategy and the information need the company has. Whereas the motivation of employees determines how an implementation of a tool should be handled. (Brown & Gutterman 2003; Delener 1999, 135 – 148; Miroshnik 2002, 522−523)

The technological environment consists of the technological infrastructure and solutions. It effects how business is conducted (with what tools and supporting systems) and how people react and relate to technological solutions. (Brown & Gutterman 2003; Delener 1999, 135 – 148; Miroshnik 2002, 522−523) As customer profiling is done with the help of algorithms, customer profiling tools are often IT based. Therefore, the technological environment plays a big part in how the tool can be created. Also, employees' attitudes towards technology can either help or hinder the implementation process. (Ruta 2005, 36) The final environment, *the marketing environment*, indicates the competitiveness of the environment. It has a strong effect on the strategy of the business, where it focuses and how. Therefore, the marketing environment also has a great effect on creating and implementing a customer profiling tool as these factors determine what is useful information to the company, among other things. (Delener 1999, 135 – 148)

By dividing the environment into subenvironments it makes it easier for the planners to understand the environments the plan is put to action in and also take into consideration the environmental factors influencing strategic planning. While the structure of the plan can maintain the same in all business environments: action statement, processes, unintended consequences, the execution of the processes must be flexible enough to fit to the operating environment. By studying the cultural environments of the plan the awareness of the subtleties and the communication pattern of the organization is enhanced. This in turn makes it easier to implement and communicate the plan in a way that best fits each cultural environment. (Miroshnik 2002) The environments and their effects on the creation phase and the implementation phase of a customer profiling tool are discussed more thoroughly in the following chapters.

3.2 Creating a customer profiling tool for international markets

In the previous chapter, the business environment that affects the creation and implementation of any plan was explained through dividing it into subenvironments that all bring a different impact to any plans success (Miroshnik 2002). The subenvironments make each operating environment diverse, therefore it is only natural that the exact same customer profiling tool cannot suit every environment perfectly. Therefore, the creation of a customer profiling tool needs to be adapted to the operating environment. This chapter focuses on how the subenvironments impact the creation of a customer profiling tool in a multinational environment.

3.2.1 Environmental effects on the creation process

As stated earlier, the diversity of the subenvironments require that the creation of a customer profiling tool needs to be adapted to the surrounding environment. This means that in a multinational environment, either many tools must be created or that a created tool can be modified to fit other environments. Figure 7 shows examples of the specific aspects that are impacted by each subenvironment. The examples presented in the figure do not consist of all the possible impacts of the subenvironments, rather brings focus on the ones that are specific to customer profiling in an international environment and should be given special focus.

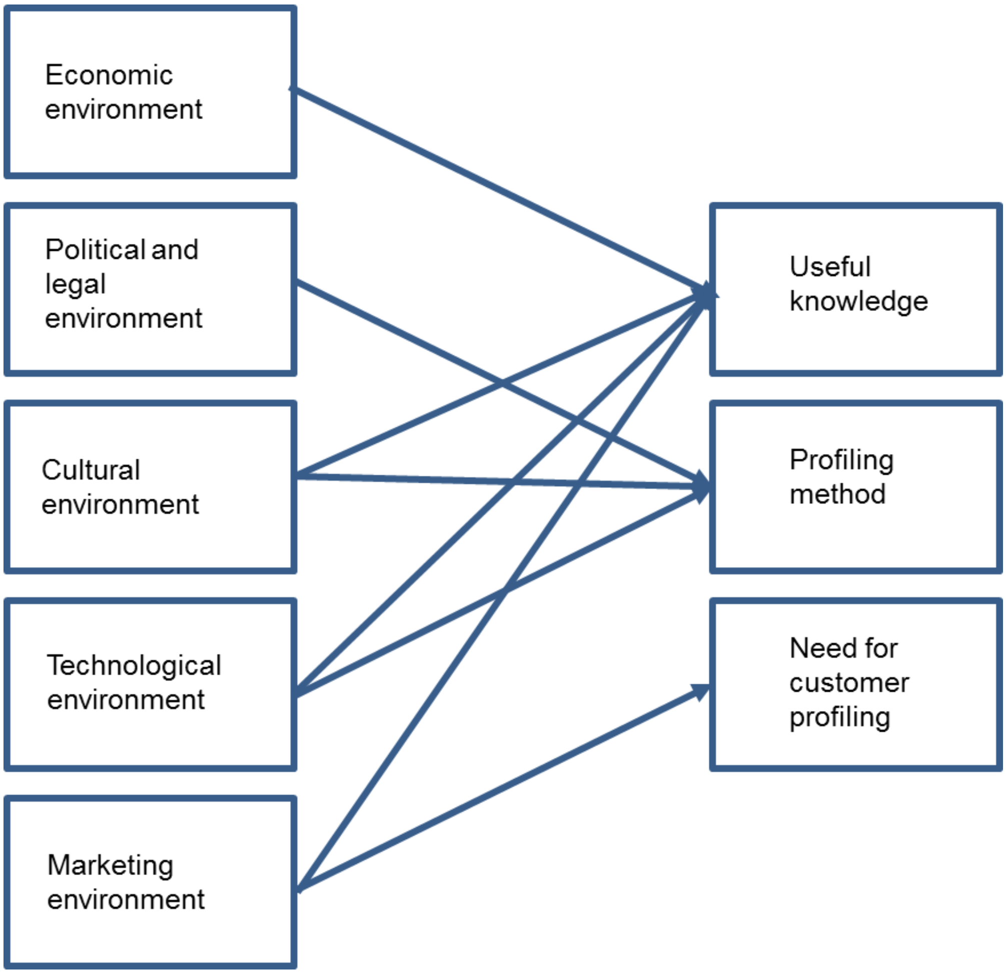

Figure 7 Environmental effects on the creation process of a customer profiling tool.

The following aspects of a customer profiling tool are impacted in the creation phase by the subenvironment in which the tool is created: useful knowledge, profiling method and the need for customer profiling (Brown & Gutterman 2003, 4–5; Hildebrandt & Gutwirth 2008, 17–202; Schubert & Ginsburg 2010, 50 – 51; Luigi & Simona 2010, 150-155). Useful knowledge refers to the knowledge that the profiler finds useful and therefore, the knowledge that a customer profiling tool should be able to generate from data. The useful knowledge indicates the objectives of the tool. In this context profiling method means the way in which the data for the profiles is collected and how it is analyzed and transformed into profiles. The need for customer profiling refers to the importance of the customer profiling tool to the profiler. The environmental effects on useful knowledge, profiling method and need for customer profiling are discussed in the following chapters.

3.2.2 Environmental effects on useful knowledge and need for customer profiling

The knowledge that can be found useful depends on the business environment as a whole. Every subenvironment has an impact on what the organization creating a customer profiling tool finds useful. To examine how this affects the customer profiling tool, it is easier to look at the business plan or strategy of the whole organization than each subenvironment on its own. As said, a creation plans should fit into the surrounding environment that may change from country to country or culture to culture (Brown & Gutterman 2003, 4 – 5). Also, it was mentioned in the chapter two customer profiling can be used as a tool to improve salesforce performance, that in turn is based on the company objectives. The same idea of fitting the environment applies in doing business and executing business plans in general. As such, the company has already made the decisions of what information is useful globally and what differs locally. This is the basis of "glocalization", an ideology that encourages companies to "think global, act local". It can be achieved for example by having a global brand, while localizing other business elements to fit into the surrounding environment. This mix of standardization and adaptation. In practice, this means applying certain elements of business in the same way to every environment in order to cut costs. While modifying, others helps companies to better cater to customers' individual needs across the world. Adaptation also helps customers feel connected to the company. (Luigi & Simona 2010, 148-150)

Understanding that international companies often localize some parts of their business is important when building a customer profiling tool due to the nature the tool. In chapter 2.2 customer profiling was defined as: *the act of collecting data about customers or an individual customer and transforming it into information or further, knowledge that is beneficial for the profiler* (Hildebrandt & Gutwirth 2008, 17 – 202; Schubert & Ginsburg 2010, 50 – 51). The key words in the definition in this context are "*knowledge"* and *"beneficial for the profiler".* If companies operate differently in different environments, then an assumption can be made that the things believed to be beneficial to the company also differ according to the environment. Thus, the algorithms of the profiling tool should be built to find data and information specifically beneficial for the environment of the customer and the sales team utilizing the profile.

In regards to marketing, which ultimately has a strong effect on sales, there are four main glocalization tactics that may affect the prioritization of information a company holds: product, price, promotion and distribution. Offered product ranges may differ from country to country based on local demand, also product features may have variations due to different environments.(Luigi & Simona 2010, 150-155) For example McDonalds offers rösti potatoes in Switzerland and Nokia used to offer phones with an anti-dust keypad in India due to the amount of damaging dust in the country. A company may also opt for price localization by positioning itself as a high-end, high-cost company in one country and a low-cost company in another. Promotions are also prone to cultural issues and as such companies often find it beneficial to localize their ad campaigns and communication to fit the cultural environment. Finally, distribution channels can be adapted based on what the locals prefer to use or accept. (Luigi & Simona 2010, 151-155) In short, when building a customer profiling tool for the use of salespeople in an international company, it is important to understand the company's international tactics, whether it works globally, locally or glocally. The localized or adapted aspects affecting sales should be used as a guideline to determine what data should be gathered, or what knowledge should be gathered to the profiles that serve the needs of each individual business environment. Similarly, the globalized aspects of business plans help the creators of a customer profiling tool to understand which parts of the content and creation of the profiles can be globalized.

The need for customer profiling on the other hand is primarily be effected by only one subenvironment. It stems from the marketing environment, since the competitiveness of the market often drives companies to improve their business practices and provide better solutions to their companies in order to gain competitive advantage (Miroshnik 2002, 521-524). Competitive advantage can be achieved through superiority of the salesforce (Siahtiri et al. 2014, 379). Therefore, companies operating in a highly competitive environment may have a stronger need for tools that help their salesforce understand their customers better and consequently achieve better or even superior results. On the other hand if a company has low or no competition, it might not benefit greatly by investing in customer profiling.

3.2.3 Environmental effects on the profiling method and need for profiling tool

One environment in particular plays a significant role in the creation process, that is unique to customer profiling: the political and legal environment. The political and legal environment sets the boundaries within which a profiling method can be chosen. Earlier it was explained that the profiling method means the way in which the data for the profiles is collected and how it is analyzed and transformed into profiles. In chapter 2, the role of personal data collection in customer profiling was defined as one of the key functions of the process. (Hildebrandt & Gutwirth 2008, 17 – 202; Sheth et al. 2000, 56 – 57) It is also the function of the process that creates the most discussion among customers and even governments. (van Wel & Royakkers 2004, 129 − 133).

The EU law only allows the collection of personal data under strict conditions and for a legitimate purpose. It also makes the persons or organizations collecting and managing the data liable for safekeeping said data. In other words, they are obligated to protect the data from misuse. The European Parliament, the Council and the Commission have established a new Directive and Regulation concerning data protection. The new rules aim at harmonizing the data protection rules across the EU. Unified laws are believed to reinforce citizens' fundamental rights in the digital age and save businesses money by removing costly administrative fees from transferring data caused by different laws within the EU. These savings are estimated to be around €2.3 billion per year. The new Regulation (EU) 2016/679 entered force on 24.5.2016 and shall apply from 25.5.2018, whereas the Directive (EU) 2016/680 entered into force on 5.5.2016 and it must be transposed into each EU Member States' law by 6.5.2018 (Regulation 2016). The new Directive and Regulation repeals the former Directive 95/46/EC (General Data Protection Regulation 2017), which had not resulted in a unified implementation and interpretation of data protection in the European Union. (European Comission 2016; Regulation (EU) 2016/679; Directive (EU) 2016/280; Hildenbrant & Gutwirth 2008, 241)

Both the new Regulation and the Directive (2016) state "*The protection of natural persons in relation to the processing of personal data is a fundamental right*". However, neither the old or the new Directive or Regulation provides a clear definition of personal data, which along with other uncertainties has made customer profiling through ethically questionable tools such as datamining possible for various uses in the past. The old Directive 95/46 EC, that is still in use in some EU Member States applies when personal data are collected or processed. However the Directive does not apply with the following exceptions: "*the processing of data carried out by a natural person in the exercise of activities which are exclusively personal or domestic, such as correspondence and the holding of records of addresses*", "*the processing of personal data that is necessary to safeguard the economic well-being of the State*", "*the processing of sound and image data, such as in cases of video surveillance, does not come within the scope of this Directive if it is carried out for the purposes of public security, defense, national security or in the course of State activities relating to the area of criminal law or of other activities which do not come within the scope of Community law*" (Directive 95/46 EC). Hence a conclusion can be made that the processing of personal data for the use of companies working in the private sector or for marketing purposes of any kind is prohibited according to this Directive. However as stated above the interpretation and implementation of this Directive differs between Member States and the uncertainties in the Directive, such as the definition of personal data and data processing enable certain companies to use customer profiling. The blurred lines further infused the discussions of ethics in regards to customer profiling. (European Comission 2016a; Regulation (EU) 2016/679; Directive (EU) 2016/280; Hildenbrant & Gutwirth 2008, 241)

While the new Directive takes no stand on using personal data for marketing purposes, the new Regulation prohibits the use of children's personal data for marketing purposes or creating personality or user profiles as well as the collection of personal data in regards of using services that are directly offered to children. As for adults, the Regulation

2016/679 states that the use of personal data for marketing purposes meets the condition of legitimate purpose. However, it is specified that in the case of direct marketing, the data subject should be entitled to object to the processing, including profiling, free of charge and at any time of the process. In addition, the collector of the data is required to let the data subject know about this right clearly and separately from other information. (European Commission 2016; Regulation (EU) 2016/679; Directive (EU) 2016/280; Hildenbrant & Gutwirth 2008, 241) These regulations may hinder the customer profiling process, since a customer may choose to reserve the rights to personal data collection. Thus, the profiling method and the use of the customer profiling tool need to be adjusted per all relevant political and legal environments. In EU, the legislation does not prohibit personal data collection for marketing use (with the consensus of the customer), this however may not be the case in every legislative environment. Additional challenges are presented by instances such as BREXIT that may cause significant changes in this environment in the near future.

As said, in addition for the legislation to allow the use of personal data for marketing functions, it is crucial for the customers themselves to give permission to use their personal data for the customer profiling tool to be successful. Therefore, it is not enough that the tool is created to fit the political and legal environment for it to be successful. In order to be able to even use the customer profiling tool created, it must also fit the cultural human and universal environment. Customers' concerns about their control over the collection and use of their personal data by companies have been high for several years and has even resulted in tightened legislation in several countries (Bellman, Johnson & Kobrin 2004, 2−4). In the EU building customer profiles, will be legal for marketing use, but the customers have the right to object, and if they do no such profile can be made (Regulation (EU) 2016/679). Therefore, a company that aims to use a customer profiling tool must be able to predict customer reactions to personal data collection and create the tool accordingly. This can be especially challenging if the company is operating internationally.

Customers' reactions toward personal data collection are mainly affected by three intertwined features: culture, generation and internet experience, all of which are very much tied to the environment the customers are in and thus may differ from country to country. Furthermore, this means that companies collecting data from customers internationally should adapt the collecting method and protection policies to local differences in the customers' preferences of privacy. (Bellman et al. 2004; Miltgen & Peyrat-Guillard 2014)

A research conducted by Miltgen and Peyrat-Guillard (2014) studied the cultural and generational divides in the concerns for privacy of personal data. The research was conducted in seven EU member states where the participants were divided into 14 focus groups according to their age: 15 – 24-year-olds and 25 – 70-year-olds. According to the research culture has major effects on how people perceive issues concerning disclosure. These issues could be divided into a matrix depicted in figure 8: choice versus obligation reveals whether in that culture perceives the disclosure of data as a choice or obligation. The second axis of the matrix is responsibility versus trust. This reveals the level of trust each culture has in regards of the disclosed data being misused. In one end of this spectrum there is belief that everyone is personally responsible in protecting their data from being misused, in the other there is complete trust that the data is not being misused but rather being used for the benefit of both, the customer and the organization. (Miltgen & Peyrat-Guillard 2014, 111−118)

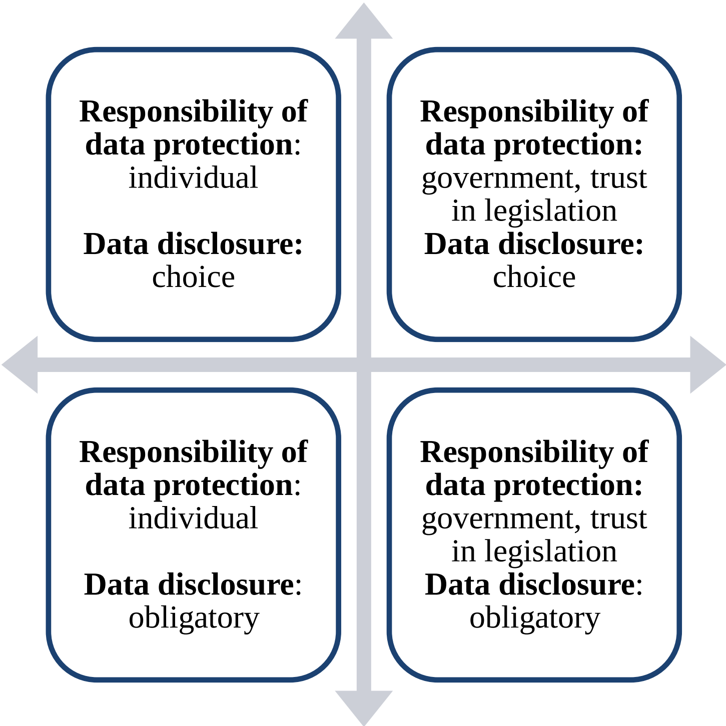

Figure 8 Matrix of cultural issues concerning data protection. (Miltgen & Peyrat-Guillard 2014, 114 −115)

While differences within the matrix between countries were great, a clear distinction could be made between countries located in the south and countries located in the east. Eastern European countries tend to have an individualistic culture, which often indicates a lack of trust and so they usually are reluctant in giving out personal information and only do so when they feel obligated. Therefore, customer profiling in eastern Europe may prove difficult as the legislation requires customer consent of data collection. If customers are reluctant in giving personal information they are most likely reluctant to give their consent. Therefore, in this type of environment the tool should be created in a way that it does not feel too intrusive to the customers. For example, asking the customers directly for information and keeping it transparent or not leaving out very personal data. Southern

Europeans on the other hand often belong to a collectivist culture and so have more trust and are happier to give out personal information. Therefore, in this environment profiling methods such as data mining can work, as customers will not get so offended if they find out about the collection of their personal data. Nevertheless, it is important to understand, that predicting customers concerns of data collection is not as straight forward. Generational issues and internet experience may affect the position of a customer or culture in this matrix. (Miltgen & Peyrat-Guillard 2014)

Generation was found to influence the concerns of data protection as well. The research found that younger (ages: 15 – 24) people are less concerned with privacy issues but use a more protective behavior in regards to data sharing. They tend to have more trust in the efficiency of legal protection as well as their own ability to protect their data than older people do. This may be due to the greater exposure to social networking sites where the idea is to share personal information. On the other hand, the use of social networking sites can also have an effect on the younger generations internet experience therefore giving them more knowledge about personal data protection. (Miltgen & Peyrat-Guillard 2014)

Internet experience influences the privacy concerns of customers mainly because the more the customers have internet experience, the more they are familiar with web privacy practices or relationship marketing practices in general. The more information the customer has over the use of personal information, his or her rights and options to for example opt out of data collecting, the less concerned they are about information privacy. (Miltgen & Peyrat-Guillard 2014; Bellman et al. 2004, 2−4) In countries where the use of digital platforms in customer profiling is not a norm, customer education is advised to reduce concerns and resistance (Bellman et al. 2004, 4). The internet experience can have a great effect on the privacy concern of customers. For instance, an individualistic culture that has high internet experience can place in the responsibility and choice spectrum of the cultural issues concerning data protection matrix (for example France). (Miltgen & Peyrat-Guillard 2014) Thus when predicting customer reactions to customer profiling it is important to take all three dimensions (culture, generation and internet experience) of the customer bae into consideration and choose the profiling method accordingly. (Miltgen & Peyrat-Guillard 2014; Bellman et al. 2004)

In conclusion, a customer profiling tool should be created according to the business environments, and more specifically, the subenvironments it is used in. The environment implications specific to creating a customer profiling tool in a multinational context concern: the need for customer profiling, useful knowledge, profiling method and use. The need for a customer profiling tool often stems from the marketing environment, which may force the company to get to know its customers better. In the creation of the customer profiling tool it is important to remember that if the business strategy is glocal, so should the customer profiling tool be. It is not beneficial for the company to gather the same information about their customers and build identical profile types in each business environment, if these business environments have different needs. The tool should be created differently in each environment, by determining what knowledge is useful globally and what needs to be gathered according to local needs. The profiling method chosen for the creation of the tool and the actual use of the tool should be chosen according to the political and legal environment as well as the cultural environment. The gathering and the use of personal data has strict guidelines in the law of most business environments and in addition to that the negative attitudes toward personal data collection may hinder the use of the profiling tool if the profiling method has not been chosen to fit the environment.

3.3 Implementing a profiling tool for international markets

After creating a customer profiling tool that takes into consideration all of the challenges the subenvironments may bring, it is time to plan the implementation of the tool. In this phase the designed and created process improvement, in other words the customer profiling tool, will be applied to the context (Jeston & Nelis 2008, 217). When a customer profilin tool is implemented for international markets it is natural that the implementation happens in diverse environments that bring forward different challenges for the implementation. This research is limited to the planning of the implementation due to time restraints. However, the environmental effects on the implementation process should already be considered in the planning of the implementation, and therefore this subject is central for this thesis. The effects of each subenvironment on the planning of the implementation are discussed in the following chapters.

3.3.1 Environmental effects on implementation planning

In the implementation phase, there are only four subenvironments that have a great direct impact on the success of the implementation: the cultural environment, the technological environment and the marketing environment (Delener 1999, 135–148; Miroshnik 2002; Hofstede 1991). The rest of the subenvironments are already considered in the tool itself when it was created. Table 3 describes the aspects of these environments that affect the implementation phase.

Table 3 Environmental effects on the implementation process of a customer profiling tool. (adapted from Delener 1999, 135 - 148; Miroshnik 2002; Hofstede 1991)

Subenvironments	Description
Economic environment	• No direct effect
Political and Legal environment	• Possibility of the implementation
Cultural environment	• Attitudes towards change, • Motivation to change, • Attitude towards personal data collection, • Power distance
Technological environment	• IT user acceptance
Marketing environment	• Implementation schedule, • Importance of the implementation

All subenvironments have some sort of impact on the success of an implementation, either directly or indirectly. For instance, while the economic environment might not have an impact on the implementation strategy directly, the wealth and economic stability might affect the technological environment and through that the implementation. The direct effects can be seen more in the last four environments: political and legal environment, cultural environment, technological environment and marketing environment. (Delener 1999, 135–148; Miroshnik 2002)

The marketing environment can for example speed up the implementation schedule if the company is seeking to quickly gain competitive advantage in a highly competitive environment.(Delener 1999, 135 - 148; Miroshnik 2002) The legal environment can hinder or prevent the implementation completely if the legislation does not allow personal data gathering and the customer profiling tool or the organization using it does not require customer consent (General Data Protection Regulation 2017). The technological and cultural environments on the other hand a have more complex way of impacting the implementation phase that has to do with people. Therefore, it is not enough to follow the processes of an implementation plan, the implementation also requires more compound managerial practices for it to succeed. (Jeston & Nelis 2008, 219 – 225; Delener 1999, 135 – 148)

3.3.2 IT user acceptance and change management

Profiling is done using algorithms and categorization, as stated in chapter 2.1, a profiling tool is usually an information system that is capable of such analysis of data. Accordingly, implementing a customer profiling tool requires organizations to deal with some technological challenges presented by the technological environment. However, it is the challenges concerning the employees reactions to change that often require more attention when implementing new information technologies (Ruta 2005, 36–37), these challenges are dependent of both, the technological environment and the cultural environment. For an implementation to be successful it is important to understand that pursuing change in people's behavior and the way they think is hard work. It is common for change initiatives to fail due to cultures not embracing change positively. Success requires effective leadership in resistance management. (Trader-Leigh 2002, 138)

Profiling customers is nothing new to direct sales people, it is mostly done during sales meetings or by doing background work on the customer (e.g. finding out about the company) and a salesperson might not even consider it as profiling, rather as getting to know the customer and understanding the customer (Beatty, Mayer, Coleman, Reynolds, Lee 1996; Emani 2014 649 − 651; Xie & Kahle 2014, 260 − 265). The newness and the change occur when this task, or preferably part of this task is put to a new digital platform. Therefore, employee users are required to build a new relationship with this part of their job and accept interaction with a computer rather than a person, and for many to learn a completely new technology. If not managed effectively, these challenges can be intimidating. (Ruta 2005, 36)

When implementing a new customer profiling tool internationally, there are three aspects of change management to take into consideration regarding employee resistance to change: organizational change management, IT user acceptance and international scope. According to Armenakis and Bedeian (1999) there are four issues that occur in all organizational change efforts:

1. content issues – focus on the substance
2. contextual issues – focus on existing conditions in the organization's external and internal environments
3. process issues – focus on actions during implementation of the change
4. criterion issues – focus on the outcomes assessed in the change effort

In the implementation of a customer profiling tool the content is the introduction of the tool to the users and what knowledge the tool finds out for the profiles. The contextual issues are the internal and external factors that affect the users of said tool. The process issues on the other hand include every change management activity the organization uses to encourage employees to use the tool. And lastly the criterion of a customer profiling tool is whether or not employees use the tool, how long does it take for them to use it, and do the employees find the tool useful.(Armenakis & Bedeian 1999)

In regards to IT related changes it is important to understand that the way that each individual reacts to using information technology affects their motivation and intention to use it and further affect the actual use of the newly presented information technology. The international scope affect the whole implementation, since factors such as culture and environment influence how people embrace change and how used to using IT they are. (Ruta 2005, 36–38) According to Davis' Technology Acceptance Model (TAM) (1985, 24) a key determinant of whether or not a potential user actually uses a new IT based system is the users overall attitude towards the system. While it is more difficult for an organization to directly and quickly effect on how people in different countries respond to using IT, it is possible to soften the resistance to change by creating a local implementation plan in addition to the general implementation plan. (Ruta 2005, 36–38) Figure 9 illustrates a theoretical framework for the international implementation of a customer profiling tool.

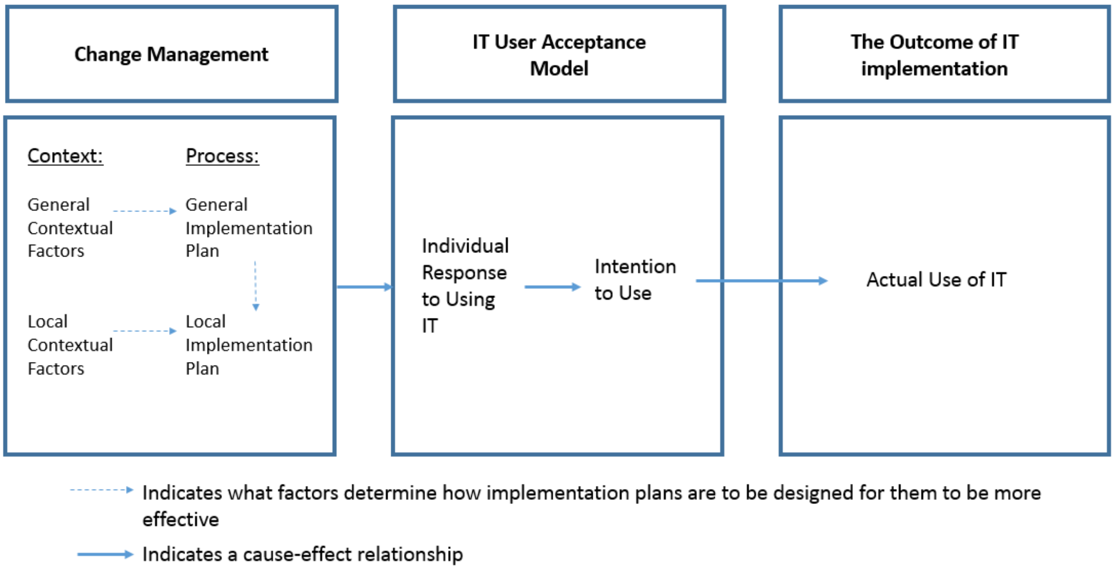

Figure 9 Theoretical framework for internal issues in implementing a customer profiling tool. (Ruta 2005, 37)

For an implementation to be successful among the employees, it is important to predict how the customer profiling tool may be perceived by its users. Since the idea of the tool is to transfer something that has previously been done face-to-face to a digital platform it may arise suspicion with some employees. External contextual factors can include the firm's industry and its characteristics such as competition, customers and level of technology. The internal variables may include aspects such as professionalism, managerial attitude to change and the amount of resources available. However, in multinational companies the context for change is more complex. On top of the general factors that affect the whole company, there are subsidiary- or division specific local or cultural factors that need to be taken into consideration. These include for example local regulations, local culture and possible local organizational culture. (Ruta 2005, 37–39) Defining the context therefore must be done locally in each environment where an IT based tool will be implemented.

After the context is defined, it is time to plan the process. According to Lewin (1947) and later enforced by many (e.g. (Ruta 2005, 38; Fuchs & Prouska 2014, 362–368) the implementation plan should consist of three consecutive steps: unfreezing, moving and refreezing. In the first step the users are made aware of the new change, why it is coming and on what values is it based on. It is crucial that everyone who is effected by this change have a clear vision about the change. The communication about the change should involve managers. If employees notice their bosses not embracing the change it is likely that the employees will not make an effort to make the change happen. Including the future users in the change process at this stage similarly reduces resistance to change. This can be done by letting the employees affected by the change give feedback and suggestions on the implementation and nature of the change.

The involvement of the future users increases their commitment to the change and thus reduces resistance. For IT based changes this stage can also be helpful in tackling the IT user acceptance issue. The feedback that is gathered from the future users helps the implementation team to make the tool more user friendly. This in turn can improve system knowledge that increases perceptions and intention to use. The second step, moving, introduces the users to new behavioral pattern and helps the user with these patterns. The last step is to help users internalize the change in behavior. (Ruta 2005, 38–40; Fuchs & Prouska 2014 363–368; Predişcan & Roiban 2015, 1152–1162)

A multinational environment brings additional needs for the process. While the technical platform of the customer profiling tool can often be universal, the implementation plan itself may require local variations in addition to the general plan. Differences in national culture such as power distance (Hofstede 1980; Hofstede 1991)and high- or low-context may require changes in the implementation plan. For instance, in cultures with high power distance the change should come straight from the top managers and not much discussion and participation with the employees is needed, whereas cultures with low power distance require a more inclusive implementation strategy. In high-context cultures contextual signals are affected by interpretation and people are prone to using their personal information networks to gather information and knowledge, whereas in low-context cultures words cannot be interpreted in multiple ways, but have direct meaning. People in low-context cultures use more nonhuman sources for gathering information and knowledge. (Ruta 2005, 38–40)

User acceptance of an IT based tool requires it to meet the expectations of the users in different levels. Firstly, the users need to believe that the tool brings value to them and helps them in their personal performance. The following two levels are more intertwined. The users need to believe that the ease of use and the perceived usefulness of the tool are in balance. In other words, if the tool is complex to use, the users need to believe that it is incredibly useful to them in order to accept it. In this scale, ease of use weighs more in the beginning of the implementation process and will start to lose its value as the users move up in their personal learning curve. (Ruta 2005, 37–42) This theory is in line with TAM which explains that user motivation consists of perceived ease of use and perceived usefulness of the tool. Furthermore, the model implies that perceived ease of use has a casual effect on perceived usefulness as a tool that is easier to use results in increased job performance compared to an otherwise equal tool. TAM illustrates further that the attitude towards using the tool, which is directly influenced by the perceived ease of use and perceived usefulness, in turn directly influences the actual use of the tool. (Davis 1985, 24–41)

The importance in implementation success of the potential users attitudes towards the IT based tool is further stressed by Rogers (1995). His research on innovation adoption has been widely referenced to in IT implementation literature (see, for example, Kamal 2006; Dutta & Omolayole 2016). Rogers (1995, 21) refers innovation adoption as a process that an individual or a decision-making association goes through. Starting from getting knowledge of innovation, moving on to forming an attitude towards the innovation. This attitude results to the rejection or adoption of the innovation which in turn leads to implementation and finally to confirmation of the implementation decision. Furthermore, Rogers (1995, 21) considers an implementation to be a success only to the degree of which the innovation, or in this case the tool is accepted and integrated to the organization. Hence, the acceptance and attitude of the potential users towards the customer profiling tool is crucial for the success of the implementation. This requires understanding the potential users and their work as well as effective sales tactics to sell the idea and the support of managers. (Rogers 1995, Ruta 2005, 37–42; Davis 1985, 24–41)

As explained, figure 9 illustrates that a company implementing a customer profiling tool in a multinational environment, needs to answer to three issues to reduce the internal challenge of change resistance and get the users to utilize the customer profiling tool. The first is the combination of change management and IT user acceptance. Both issues need to be resolved for employees to accept the new tool. Secondly a general implementation plan needs to be created in a way that takes change management into consideration and thirdly the general implementation plan either needs to be altered to fit local needs in different cultures or different variations need to be made to reflect different cultures in which the tool is implemented.

When talking about the implementation of an international- customer profiling tool, it is important to remember that an implementation plan in itself is not enough to change the behavior of people. In order to make the change, the new desired actions need to become a daily managerial practice. This indicates that managers need to have an active role in the implementation of the customer profiling tool. (Rothwell et al. 2003, 201 – 220) Additionally good implementation calls for employee involvement. The communication needs to be two-way between the managers and the employees. Also, efficient training needs to be done in order to get acceptance to the change. (Jeston & Nelis 2008, 219 – 225) Therefore the cultural environment has a significant importance in the implementation process and planning. Furthermore, it is argued that culture is the root cause of failures and successes of any initiatives on managing business processes (vom Brocke & Sinnl 2011, 357−358). An important note is that culture can mean more than just the culture of the operating country. In addition to national culture, the organizational culture as well as the work group culture have a strong influence in business process management, and therefore the implementation process. (Malini & Shanks 2009; Lee & Dale 1998) Often a failure is caused by employee's not identifying with the need for a process change. A success of a project is not only dependent on national- and work group culture, but also on organizational culture. Therefore, the shared understanding within an organization of why and how a new project, system or way of doing benefits the process it is made for, is crucial for the success of the project. (vom Brocke & Sinnl 2011, 357−358) However, this research will not study the behavioral changes and the cultural effects of it. Due to time limitations, it would be impossible to determine whether the behavior of the salesforce actually changes after the initial implementation. Therefore, this research focuses on finding out the challenges regarding the behavior of the salesforce.

In short, an implementation plan or a creation plan, is applied in a cultural environment, which determines how people act and react (vom Brocke & Sinnl 2011, 366). According to Miroshnik (2002, 531 – 542) required managerial behaviors differ according to the cultural environment. Managerial behaviors, such as implementation techniques, need to suit the cultural environment they are used in. In other words, a cultural fit needs to be found. Thus, understanding the operation environment is vital. Without cultural understanding, misunderstandings may occur and so the presented plan might get interpreted in many ways, which might hinder the desired outcome. Technologies, structures and strategies that are ideal in one environment may fail in others. (Miroshnik 2002; vom Brocke & Sinnl 2011, 366−368)

On the other hand, cultural diversity also presents advantages. The flexibility of the plan to accommodate cultural differences may lead to a more innovative way in the implementation of the plan, opening an opportunity to new ideas and improvements for the tool in both, the creation and implementation phase. Similarly, the understanding of different cultural environments is argued to help organizations to understand customers' needs better. This in turn allows a plan that takes into consideration the different cultural environments to serve customers' needs better. In regards to customer profiling this is helpful in both, the creation process and planning of the implementation. For example, this can help in finding out the right information about the customers in order to serve them better. In short the advantages of understanding and catering to environmental differences include improved creativity, flexibility and problem solving skills, all important features in creating any tool. (Miroshnik 2002, 358 – 359)

In conclusion, the creation and implementation of a customer profiling tool needs to be planned before taking action. These plans should leave room for local flexibility in the execution as different business environments may demand different things from the tool or the implementation process. In the creation phase the business environment determines the following factors: what is useful knowledge, profiling method and use and the need for customer profiling. These factors determine the aspects of the creation phase that need to be standardized or adapted. In the implementation phase the following aspects of the business environment determine the need for localization and globalization: IT user acceptance, resistance to change, power distance, and personal data collection legislation. In a multinational context, the creation and implementation should be done according to glocal ideology for the tool to be successful.

4 METHODOLOGY

In this chapter the methodological choices of conducting this research are discussed in detail. According to Ghauri, Grønhaug and Kristianslund (1995, 83) the methods of research denote the systematic and organized collection of data, as well as transferring it into information that helps solving the research question. This chapter will describe the research design, research approach, data collection and analyzing methods as well as the trustworthiness of the thesis. These are crucial for creating a solution for the case company and to answer the research question. The nature of this research is qualitative, which can be clearly identified in the data collection and analysis chapters of the thesis.

4.1 Research design

Research approach and strategy, also called research design describes the way to link a defined research problem to operable and significant empirical research (Ghauri & Grønhaug 2002, 47). The methods used to conduct a research are dependable on the choice the researcher makes on whether to conduct a quantitative or qualitative study. This choice should be based on the research question rather than the preference of the researcher. A quantitative research aims to test existing hypotheses and produce results that can be generalized. Simply put, quantitative researches often answer the question "what?" The goal for qualitative research on the other hand is to provide deeper understanding and clarification to multifaceted psychosocial problems. Thus the research method is useful to answering "why?" and "how?" questions. (Marshall 1996) A qualitative research approach is chosen for this research, since the purpose of this research is to answer the question "How to create and implement a customer profiling tool to improve salesforce performance?" Both "how?" and "what?" questions, such as "What factors need to be considered in the creation of a customer profiling tool?" need to be thoroughly examined for the research to reach meaningful results. The purpose of the collected data is to help gain deeper, holistic understanding in the problems mentioned above while being sensitive to the context. (Eriksson & Kovalainen 2008, 4 – 5) The qualitative research is ideally an illustration of real life and the empirical research is conducted as holistically as possible, this fits well with the constructive research approach used in this research and explained in chapter 4.2 (Hirsjärvi, Remes & Sajavaara 1997,152).

The case study approach is also applied in this research. This is evident since the research follows the basic feature of a case study: the research questions are concerned about understanding and finding results to a real-life case, answering questions such as "What is the case about?" and "What lessons are there to be learned when the case is studied?" Also, as in this research, if the aim of the research is to investigate pre-determined occurrences without clear control over different variables, a case study approach should be used. Case studies are often considered as being essentially qualitative of nature, but also quantitative data can be used to construct a case. That is why a case study should be understood more as a research strategy rather than a method. More specifically, the research approach used in this study can be defined as intense single case study since it only focuses on gathering as much information as possible on one single case.

In addition to using the collected data to understanding the case a single case study is also used in the amplification of the cultural meanings and sense-making processes in different contexts. Although the understanding of the case is theoretically informed, the core idea is to research the case "from the inside", bringing the experiences and perspectives of the people involved in the case into focus. In intensive single case study research researchers often find it challenging to link interesting and relevant theoretical concepts to the empirical research without jumping to generalized conclusions too early in the process. A deep understanding of what the case is about is the key to tackling this difficulty and to finding relevant solutions to the case. Therefore, the role of theory in an intensive single case research is to be in a dialogue with the empirical part of the study throughout the research. (Eriksson & Kovalainen 2008, 115 – 121)

The intensive single case study was chosen for this research due to the researcher's prior knowledge of the case company and the relevance of the research topic to the company. As the researcher had been hired to work at the case company prior to the research the studying the case from the inside is only fitting. The prior knowledge on the company also helps in the sense-making process of different contexts. The case company also had a need for a customer profiling tool so by focusing on this case company, the researcher could observe the creation process of the customer profiling tool in real time.

4.2 Constructive research approach

The research approach used in this study is called constructive research. The constructive research approach (CRA) is built on a pragmatic concept of truth, relying on "what works is true" (Luukka 2000,116) For a constructive research approach to be of any value, both instant practical progress as well as theoretical importance must be sought. In this way it differs from most research methods, where the theoretical importance is the focus and the practical implications are of secondary importance or nonexistent. (Labro & Tuomela 2003) Subsequently the CRA is a fitting research method for this particular research problem.

Kasanen, Lukka and Siitonen (1993, 243) define CRA as solving a managerial problem by constructing diagrams, plans, organizations or models, for example. This view is also shared by other researchers (Piiranen & Gonzalez 2013). Although solving a managerial problem is at the core of CRA, all problem-solving tasks cannot be defined as constructive research. The criteria for CRA is demonstrated in figure 10 it shows, that in CRA the research problem must have both practical and theoretical relevance. Also the novelty of the solution and its practical use has to be demonstrated. (Kasanen et al. 1993, 246; Labro & Tuomela, 2003) According to Labro and Tuomela (2003) the origins of the research question and thus the whole constructive study can stem from either practice or theory. In other words, the origin of the problem is not what matters, but what matters is that after identifying the problem, whether it stems from the practical or the theoretical side, it must be complemented with finding a relevance for the problem on the other side.

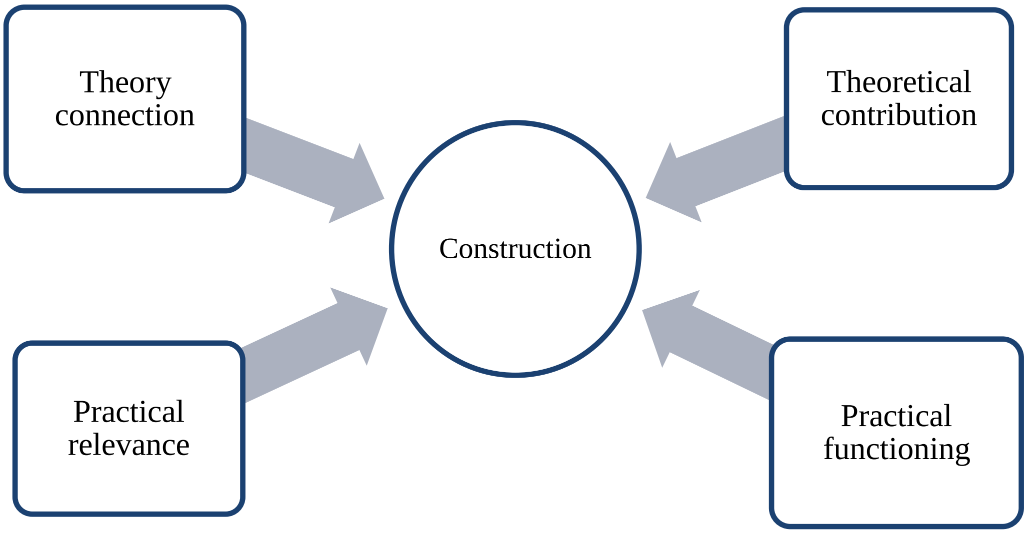

Figure 10 Elements of constructive research. (Kasanen et al. 1993, 246)

The practical relevance comes from the assignment given by the case company. As the problem was presented by a case company, the practical relevance is evident. In this research, the theory connection is sought by doing an extensive literature review. The practical functioning of this research comes from the empirical research where a customer profiling tool is created for the case company and an implementation plan is created. The theoretical contribution is given through reviewing the literature review and the empirical findings. The contributions of this thesis will be discussed further in the conclusions chapter. The process of this research is illustrated in figure 11, where the arrows represent the time that each step has taken.

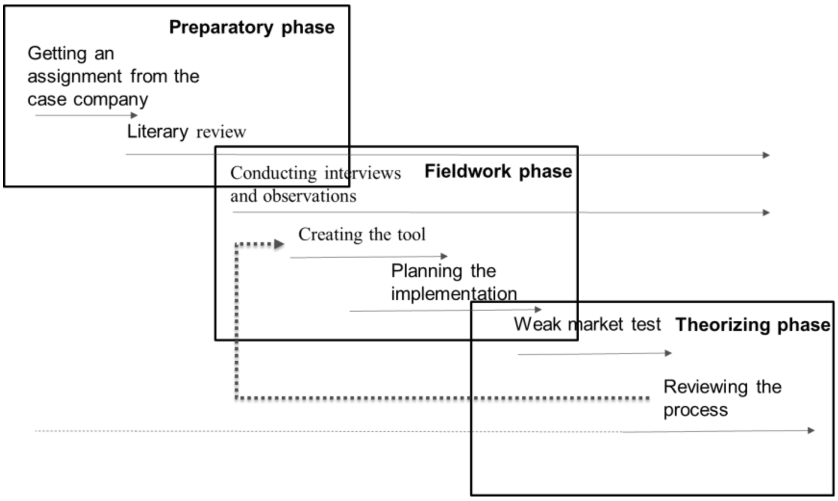

Figure 11 Research process.

As can be seen in Figure 1, most of the steps are partially overlapping with the former and latter step. Literary review is done in order to get a deep and thorough understanding of the topic, this step is continuous throughout the process. Conducting interviews and observation is also a long-lasting step as interviews and observations are done throughout the empirical research part. The research findings are evaluated through a weak market test where a meeting is arranged with participants relevant to the project. In this meeting, the participants give feedback based on the presentation given to them. Weak market test will be discussed more thoroughly in chapters 5.2 and 5.3. In addition to the weak market test, the implementation of the created solution is also discussed in interviews where the plan for the possible international implementation is elaborated. Finally, the results of the research are reviewed and the results are analyzed. This will be discussed further in chapters 4.4 and 4,5. The dashed line in the beginning of the reviewing the process step indicates that in reality the process is reviewed constantly throughout the research. The dotted arrow pointing from the last step to the step of creating the tool on the other hand, indicates that after the weak market test some changes were made in the created tool. Figure 11 also illustrates how the steps of the constructive research approach are divided into three phases: the preparatory phase, the fieldwork phase and the theorizing phase (Labro & Tuomela 2003).

In this study, the CRA is looked at as a sequential process that consists of seven steps. However, it is important to understand that these steps can sometimes be overlapping and iterative. The seven steps of the CRA are as follows (Labro & Tuomela 2003; Lukka 2000, 116 – 120): find a practically relevant problem which also has research potential, examine the potential for long-term research co-operation with the target organization, obtain a general and comprehensive understanding of the topic, innovate and construct a theoretically grounded solution idea, implement the solution and test whether it works in practice, examine the scope of the solution’s applicability and show the theoretical connections and the research contribution of the solution. Of these seven steps, steps three, four and five ensure internal validity, whereas step six brings out the importance of external validity(Labro & Tuomela 2003).

The seven steps are evident also in this research as can be seen appendix 4. The criteria for each step and the linkages of these steps to this research are displayed in a table in appendix 4. The table also illustrates how each step can be seen in the theory and the practical side of this research. Firstly, the research the problem originates very clearly from the practical dimension. The problem was first presented by the former marketing manager of Hilti. So, it is clear that on the practical side there is a relevant need to solve this problem. When considering the problem more thoroughly the importance of it to the theoretical dimension could also be well justified. This is discussed in more detail in chapter 2

Secondly theory behind the second step *to examine the potential for long-term research* opportunities states that for a CRA to be reliable, it should be a longitudinal study. This relies on the possibility of a long-term co-operation with the organization the research is done for or with. In practice, this means that the researcher should have a good relationship with the organization and that the managers of the organization are willing and motivated to take part in the study. For the latter to work, the values of the researcher and the managers should be thoroughly assessed. (Labro & Tuomela 2003) Also for a research to be meaningful, the research needs to be published for the use of a broader research community (Kaplan 1998). In other words, all publication issues should be discussed and settled in the beginning of the co-operation (Labro & Tuomela 2003). In this research, the commitment of the researcher and the case company has been strengthened with a signed contract, before which the values of each party were thoroughly discussed. The researcher has also attended a training camp where the values of the case company were thoroughly considered and made sure that values of the researcher fit those values. Also in the beginning of the co-operation the publication issues were discussed and the limits to what can be published were created. However, a longitudinal study cannot be performed due to the nature of a master's thesis as well as the case company's interest of getting results fast. This will be further discussed in chapter 4.4.

Step three – *obtaining general and comprehensive understanding of the topic* – involves the researcher familiarizing herself with the practical as well as the theoretical foundations of the topic. This can be seen through the key theories as well as more recent research that has been linked to this thesis throughout its structure. The theories are used to create a more in-depth understanding of the topic. The empirical part of this study is conducted through interviews and observation. All parties that are involved in the process of building a forecasting customer profiling tool were interviewed. The professionals who provided the template for the tool at ZEF were also interviewed in order to understand the tool itself and the usual processes involved in the construction of said tool.

Step four – *innovating and constructing a theoretically grounded solution idea* – focuses on a key word in CRA, innovation. It is not enough for the solution to be new to the case company, it must also be theoretically interesting and bring something new to the academic environment. (Labro & Tuomela 2003) In this research the theoretical framework consists of the combination of the following theories: customer profiling, sales techniques (customer-orientation, value based selling and sales model adaption), salesforce improvement and international tool creation and implementation. The novelty of this combination is discussed in chapter 2.

Step five – *implementing the solution and testing whether it works in practice* – is a transition step between the fieldwork and the theorizing phase. The test will reveal two crucial factors: whether the research process has been successful and whether the construct created is practical technically. (Labro & Tuomela 2003, 428; Luukka 2000) Due to time limitations, no real-life implementation will be conducted, this is why a weak market test is conducted.

In the sixth step – *examining the scope of the solution's applicability* – the researcher should separate herself from the empirical information and reflect the wider implications of the research. In this step the aspects of the construct that are transferable to other organizations should be discussed. While this research is closely connected to the case company, the solution only shows a general plan as to how a forecasting customer profiling tool should be built, thus leaving out most case-company specific solutions. This makes the research solution applicable for a wider audience independent from industry or size. However, the solution is only applicable to organizations with a direct sales strategy. The empirical research in this study ends at the weak market test. Therefore, the applicability of the solution is not tested thoroughly in this research due to time limitations.

Finally – *showing the theoretical connections and the research contribution of the solution* – is a step where the contribution to theory must be achieved in one of two ways: Either the construct should be proven to be such novelty that it shows a completely new way to reach a certain goal, or a constructive case research can develop, demonstrate, enhance or test an existing theory or theories. Since a new type of customer profiling tool (not data mining) is used in the empirical research, this constitutes as a novelty. The connections in research contribution and theory will be further discussed in chapter 7. Next the emphasis is turned to the qualitative aspects of the constructive methodology as the data collection methods are presented.

4.3 Data collection

Eriksson and Kovalainen (2008, 77) state that the nature of empirical data most useful to the research is defined by the research questions. This research attempts to answer the question: How to create and implement a customer profiling tool to improve salesforce performance? To answer this question, the objectives of the case organization for its salesforce and the concept of customer profiling need to be understood, through which a successful creation of a customer profiling tool and a plan for implementation can be created. As stated earlier the creation of the customer profiling tool was done completely whereas in the implementation this research only focuses on the planning of the implementation due to time restraints. Appendix 1 introduces how theories, themes and data collection conform. In this research two types of data collection methods are used to collect primary data: interviews and observation. Primary data is the empirical data that researchers have collected themselves (Eriksson & Kovalainen 2008, 77). This chapter explains how these data collection methods were conducted and how participants were chosen.

4.3.1 Choosing the participants

Participants for the interviews and observations were chosen due to their relevance in the creation process or implementation planning. In this research, the same people that were interviewed were also observed, therefore only one method of sampling was used for this research.

The snowball effect was used as a sampling method of this research. It is the most commonly used method in qualitative research in the social sciences. The snowball effect represents an accumulative sampling procedure where the researcher acquires contact information of informants that may be useful to the research through observation and interviews. This creates a snowball effect while the interviewer gathers new informants from previous informants. (Noy 2008, 330). This method ends in saturation, which is achieved when no new or relevant data is retrieved and the data collected starts being repetitive (Tuomi & Sarajärvi 2009, 87.) The snowball sampling method was beneficial in choosing the informants for this research, because the interviewees suggested new informants that they knew to be relevant for the research and so employees across the organization as well as external parties were included. The snowball sampling tree is illustrated in figure 12.

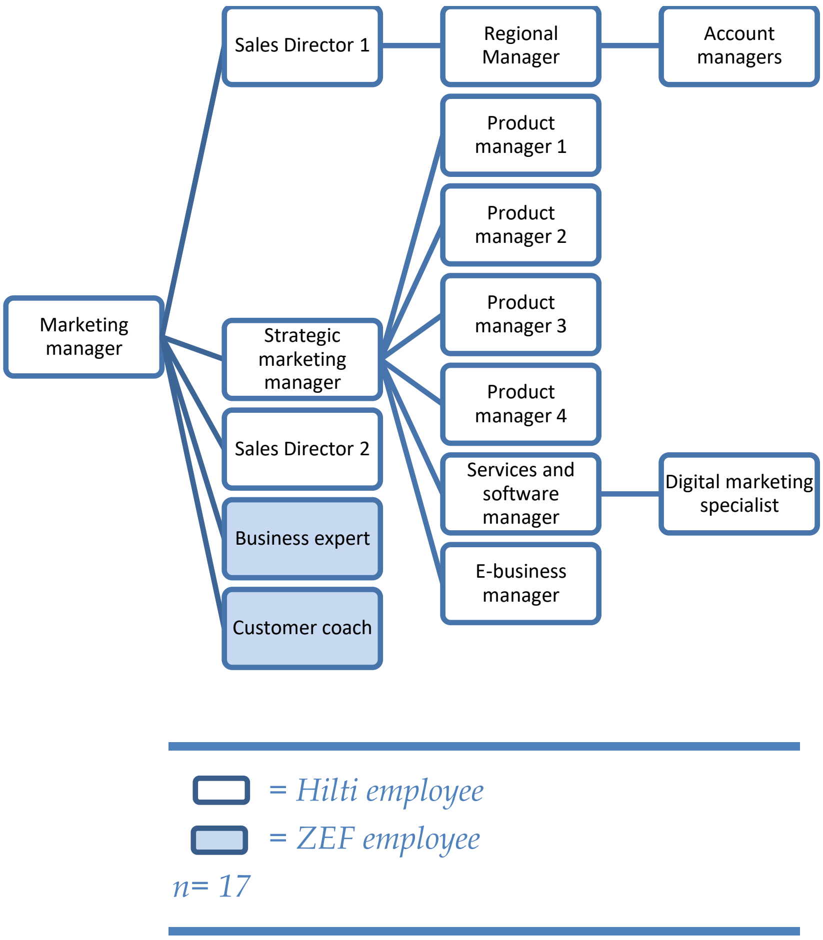

Figure 12 Snowball sampling tree.

The role of the marketing manager was mostly to appoint informants that are key to this research and the project of creating a customer profiling tool and planning the implementation. The strategic marketing manager also played a big part in giving new contacts for new informants. All of the interviews and observations were held at the headquarters of Hilti Suomi in Vantaa. The interviews were conducted in conference rooms or in the interviewees' offices to avoid any disturbances. Every interview was held in the native language of the interviewer and the interviewees, Finnish. This enabled the participants to express their thoughts and questions with ease. Saturation was achieved through the interviews and observation as the data began being repetitive, hence the number of interviews was deemed sufficient.

4.3.2 Interviews

According to Hair, Wolfinbargaer, Celsi, Money, Samouel and Page (2016, 196) if the aim is to understand why something happens, interviews are the right choice for a profiling method. For this research interviews are a suitable data collection method since questions such as why different steps are chosen in constructing the customer profiling tool, and why it should be implemented must be discussed to answer the research question. Five face-to-face interviews were conducted to gather useful data for the research. The interviews were mainly focused on finding out the steps of creating a customer profiling tool and the plan for implementation. Each interview was recorded with the consent of the interviewees. Notes were also taken of the key terms and concepts during the interviews. Each interview was transcribed word-for-word, however neither stresses nor pauses were transcribed.

Face-to-face interviews enable the interviewer to gather feedback, use visual aids and get answers to open-ended questions, all of which played a big part in the empirical research of this study (Hair et al. 2016, 200). Visual aids are needed to explain the idea and show the template of the customer profiling tool to all participants. Open-ended questions allow the researcher to get more thorough answers that in turn brought out the true opinions of the participants (Eriksson & Kovalainen 2008, 82), these opinions as well as the feedback given regarding other opinions and suggestions are all important knowledge in order to build a functioning customer profiling tool.

Despite the many benefits of conducting an interview, there are some difficulties a researcher faces with the data collection method. Without trust between the interviewer and the interviewee and a relaxed atmosphere, quality answers are hard to get. (Hair et al. 2016, 200) In this research, the interviewer had been working at the case company for a couple of months prior to the interviews and had had time to build a relationship of trust with the interviewees. It can also be challenging to compare the answers of the interviewees if the question has room for individual interpretation. (Eriksson & Kovalainen 2008, 82) In this research the themes of the interviews were revisited in later interviews to ensure that no misunderstandings had occurred and that the answers of the interviewees were consistent. Also, the prior experience of the company allowed the researcher to formulate the questions in such a way that they were easily understandable. According to Puusa (2011, 78) additional risks may occur due to interviewees answering questions in a manner that is generally accepted rather than revealing their real personal thoughts and this may distort the results. In this research, however it is more valuable to find out the organization’s view on things (such as the objectives for the salesforce) rather than personal beliefs of the employees. Also, the issues handled were not sensitive of nature which would encourage more reliable answers. However, this cannot be proven and hence this represents a risk also in this research.

The interviews conducted in this research were semi-structured. In semi-structured interviews, the interviewee follows a certain framework or theme for the interview, but may use questions that are not pre-planned. By responding to the answers of previous questions with unanticipated questions may give unexpected and important information to the researcher. (Eriksson & Kovalainen 2008, 80; Hair et al. 2016, 201) The interviews consisted mostly of open ended questions and free discussion, in order to get in depth answers and data about the interview topics. In this research, it was crucial to let the conversation be free to brainstorm and get everyone's ideas on different subjects and steps of the implementation process. Without that some important factors would not have come up in the interviews and the observation of how the implementation process works would not have been possible. However, each interview, or meeting, did have a theme that set the framework. The themes were always clarified before each meeting. The themes as well as the duration of each interview are presented in table 4.

Table 4 Interview themes and durations.

Interview	**Theme**	**Duration**
1	Current situation, setting the objectives and planning the process	1h 10 min
2	Revision and contents and usability of the tool	2h
3	Revision, modifying the tool and creating an implementation plan	1h 45min
4	Contents and use of the tool, start of implementation pilot	2h
5	Current situation and international implementation	2h

Some interviews were conducted as one-on-one interviews, whereas others were group interviews. The one-on-one interviews were mostly shorter than the group interviews lasting about 30 minutes, apart from the interview of sales director 2, who gave most insight on the international implementation stage of the project. Group interviews were conducted when there were multiple relevant people regarding one subject or stage of the process. Table 5 lists the conducted interviews in chronological order and the participants of the interviews. In addition to the interviews listed in table 5, short discussions were held with all the product- and service managers at Hilti Suomi (altogether 6) and the digital marketing specialist. These are not mentioned in the table, since the discussions were short and had more to do with the contents of the tool, rather than the process of creating and implementing it. These short discussions were held in the offices of the interviewees and were also used as references to verify the information gathered from the other interviews.

Table 5 Interview participants.

Interview	Participants						
	Sales director 1	Strategic marketing manager	Business expert	Customer coach	Regional manager	Salesforce n. 7	Sales director 2
1		X	X	X			
2	X	X	X	X			
3	X	X		X			
4	X	X			X	X	
5							X

In this research, the number of participants in the semi-structured interviews was one to four. Each interview was recorded with a recorder application on a smart phone, in order to get reliable data and avoid the interruptions that making notes could cause. Most interviews were group interviews conducted in the form of business meetings, where a clear objective for the meeting was agreed upon prior to the meeting (themes in table 4). The nature of a qualitative research and this data collection method allowed the interviews to resemble more everyday business meetings rather than data collection that has closed questions and answers. Thus, the role of the interviewer and the interviewee was not always apparent. The theme, or objective, of each meeting ensured, that the discussions were in line with the research topic. These themes were revisited to reach saturation, as explained in the previous chapter. The interviewer's role in the interviews was to make sure the objective was followed and to specify answers with more detailed questions as well as observe the open conversation on the subject of the participants (Eriksson & Kovalainen 2008, 82).

4.3.3 Observation

In addition to interviews, observation was used as a data collection method in this research. According to Hair, Wolfinbargaer Celsi, Money, Samouel and Page (2016, 196) Observation should be chosen if the research aims to understand the behavior of people or events. In this research interviews were used as a primary data collection method and observation was used to support the findings based on interviews.

Building a profiling tool for a company requires in-depth understanding of the company and processes. This method collects data through human, mechanical, electrical or electronic conducts. Observation allows the researcher access to the natural environment of the process researched. (Hirsijärvi & Hurme 1988, 201 – 202). While the advantage is the possibility to understand the researched behavior, attitude and circumstances more accurately than through interviews, the disadvantages occur in translating these observations into scientifically useful information (Ghauri & Grønhaug 2002, 90).

In this research observations were made in the creation phase of the customer profiling tool as well as the planning of the implementation phase of the tool. The behavior of people was observed during the creation process in order to find out the attitudes, subtle messages and conflicts or difficulties that arouse during the creation. This was done to get a more profound understanding of the process. Observation was also used in the weak market test to better understand the possible results of the implementation.

The researcher had worked for the company for five months prior to the research and hence already had a relatively deep understanding of the processes of the company. Thus, it was concluded that no in-depth observations were needed in that regard. Notes were taken during the observation for the evaluation of the observation to be possible. To ensure that all the crucial aspects were covered in the observations an observation checklist was created based on the existing literature. The observation checklist is demonstrated in appendix 2.

Eriksson and Kovalainen (2008, 87) divide observation methods into four dimensions. These dimensions' mirror how the observations are conducted. The first dimension is *participant and non-participant observation*. This indicates whether the researcher is participating in the processes and situations or not. The second dimension implicates whether or not the participants know they are being observed. This is called *obtrusive and non-obtrusive* observation. *Natural or artificial* observation on the other hand describes the setting of the observation. The fourth dimension, *structured or non-structured,* clarifies if the observation is pre-planned and held in logical order.

Both participant and non-participant observations were conducted in this research. In the creation phase the researcher was clearly a participant as her role in the creation process demanded her to be involved and would otherwise disrupt the results. In the planning of the implementation phase the researcher was a non-participant when the end users of the tool, the account managers were observed. As for the second dimension, the research was clearly obtrusive, since all the participants knew they were being observed for the benefit of the research. The observations were made during actual occurrences of processes and thus were made in a natural setting. Finally, the observations were made in a logical order, following the creation and implementation plans, hence the observations were natural and structured.

Utilizing several methodologies in a research of the same phenomenon is called data triangulation. It can be used to improve the accuracy of judgements and consequently the results of the study. (Ghauri & Grønhaug 2002, 181) In this research data triangulation is used by choosing two data collection methods: interviews and observations along with collecting data from sources both inside and outside the case organization.

4.4 Data analysis

The main objective of qualitative data analysis is identifying, investigating, comparing and understanding themes and patterns. It is important to understand that in qualitative research data collection and analysis often happen simultaneously, meaning that analysis can bring forth the need for additional data collection, which in turn needs to be analyzed. Due to this nature, in qualitative research data collection, analysis and theory development are closely linked. (Hair et al. 2016, 301 – 302)

There are two sources of qualitative data: primary data and secondary data. Primary, or field-generated data originates from interviews, focus groups in the field whereas secondary- or found data originates from existing sources such as newspaper articles and social networks. The challenges of data analysis are dependent on the source of data. Interviews and observations are used in this research. This means that the data must be transcribed to be able to analyze it. (Hair et al. 2016, 299 – 300)

The data analysis method used in this thesis is the framework approach. It consists of five stages: familiarization with data, creating a thematic framework, coding and indexing of data, charting and mapping and interpretation. These stages are interrelated and can overlap. (Adams, Khan & Raeside 2007, 156) In this research the first three steps are done simultaneously.

The first stage consists of the listening and transcribing of the recorded interviews (Adams et al. 2007, 156). For the focus of this research only theme based transcription was required. This intensive case study focuses more on how different steps should be completed and why these conclusions were made rather than what company-specific decisions were made for each step. Due to publication issues and the focus of this thesis the company specific information is not relevant in this research or in the transcriptions. In practice transcribing was done by selecting key phrases and themes that need to be transcribed thus preliminary coding was done while transcribing. Coding is the transferring of raw data to a concept level. In other words, retracting the meaningful data from a larger amount of data. It aids the researcher in simplifying and finding the focus of the data. (Corbin & Strauss 2008, 66; Hair et al. 302) In this research coding was done by selecting key phrases and themes according to the themes of the interviews (see table 4). Therefore, when transcribing the interviews, only the discussions that handled the themes were transcribed, thus leaving more company specific details out. Discussions with company specific data were transcribed word-for-word if the discussions contained key phrases that indicated that the discussion could be looked at from a broader viewpoint than just company specific. An example of these types of discussions were discussions over what data the profiling tool should look for. While the answers were company specific, the point of finding out data that is useful for the company in their current situation, could be adapted to a broader discussion as well.

By examining the transcriptions cohesions among the five conducted interviews were detected. According to these commonalities, key phrases were selected to characterize the main themes that were discussed in the interviews. This required an extensive exploration of the collected data. Analyzing the transcriptions allowed for different trends to be found among the answers and opinions of the interviewees. The transcripts were organized according to these trends that were each given a title. In practice, this was done by forming the kay phrases into questions with the help of the knowledge from the literature review. These questions were used as titles under which the transcribed discussions were sorted in bullet points. This way each transcription now belonged to a group that answered one question, such as: what is the current situation of the case company. This is described as classification and appears in the preparatory phase of data analyzing. Through a classification thematic framework was created. While this process is time consuming, it enables justification as to why the data is meaningful. (Adams et al. 2007, 160; Sauders, Lewis & Thornhill 2009, 492)

After the first three stages comes charting. In this stage the coded data is charted based on the themes elected. This aids the researcher in building a comprehensive picture of the data as a whole. (Adams et al. 2007, 161) In practice, this was done by prioritizing the categories. Connections between the categories were made and the differentiating factors of the categories were put into an order of importance. The notes from the observations were reviewed against the thus far existing framework. If the notes presented a sufficient need for changes in the framework, it was modified accordingly. If the notes from the observations and the views of the interviewees differed, the answers were arranged based on their knowledge on the category. The final stage is mapping and interpretation, where claims about the interpreted data are made. The charts, trends and themes are analyzed and answers to the research question is searched. (Adams et al. 2007, 161) This stage is presented in chapters five and six.

4.5 Trustworthiness

Hollaway and Wheeler (2013, 298) state that there are no universally agreed upon criteria to evaluate the validity and trustworthiness of a qualitative study, despite the importance of it. However, adopting clear evaluation criteria is essential for the transparency of a research. It also allows for the strengths and weaknesses of the research to be discussed. The evaluation of the research should be a continuous practice conducted throughout the research process to ensure good quality. Also, the evaluation method chosen must be compatible to the methodology used in the research. (Eriksson & Kovalainen 2008, 290) According to Eriksson and Kovalainen (2008, 294) in constructivist research trustworthiness often resembles how good the research is and can be measured through the following criteria: dependability, transferability, credibility and conformability.

Dependability evaluates the responsibility of presenting information to the reader by measuring how logical, traceable and documented the research process has been (Eriksson & Kovalainen 2008, 294). The methodology of this thesis describes the data collection and analysis in detail, aiming at clarifying the research process. The combination of empirical and theoretical data is analyzed in chapter six, where the process of how certain solutions were concluded is explained. This makes it possible for the research to be replicated. However as described in chapter 4.3 the interviews were not transcribed in full, due to publication issues, which makes the exact replication more difficult. Conversely only the case company specific information has been left out of the transcription.

Transferability amplifies the responsibility of the author to show the similarities between the research and other existing research. The idea behind this is not concerning replication, rather whether there are similarities to be found in other research contexts. The transferability has been taken into consideration by applying data from similar existing research and by describing the analyzed data and the research process in depth earlier in this chapter. The reasoning behind choosing the interviewees and the research occurrences was elaborated. The revealing of the name of the case company also plays a part in improving the transferability of the findings.

Credibility is evaluating the familiarity the researcher has with the topic and does the data collected support the statements made. Also, questions on the strength of logical links made between observations and categories, as well as whether the research would come to the same solutions if it was done by someone else, are in focus. In this research the familiarity with the topic has been discussed earlier in this chapter. In addition to the statements made there, the researcher has studied marketing in a business school for five years and worked in sales for six years, which further increases the credibility on knowing the topic. The researcher also knows the case company well, through working in that company prior to the research, which further improves credibility. As for data collection while it has been thoroughly discussed earlier in this chapter, the absence of longitudinal data, mentioned in chapter 4.2 diminishes the credibility on this part. Due to time constrains a longitudinal research is not possible and a weak market test has been chosen for the evaluation of the implementation rather than a real-life implementation. These have an effect on a constructivist research’s credibility and open a window for further research.(Labro & Tuomela 2003)

The researcher has also attempted to make the logical links between observations and categories clear by explaining the research process as well as presenting the data that support those links. The last question on whether another researcher would come to the same conclusion if the research would be replicated is attempted to be solved by thoroughly explaining the logical links as said above. However, the researcher had a personal relationship with most of the interviewees, since she had been working at the case company for five months prior to the beginning of the research. This created trust between the interviewer and the interviewees that might affect their willingness to answer and the way the interviewees answer to questions. On the other hand, the topics of the interviews were not sensitive by nature so in order to know whether the relationships of the interviewer and the interviewees have affected the results, further research would be needed.

Lastly *conformability* is focused on whether the data and interpretations of interviews are factual. While time limitations prevent the actual testing of the solution built in this thesis, the thorough description of the research process, data collection and analysis make it possible for this research to be replicated and the solution to be tested in the future. Also, as mentioned earlier this research uses data triangulation, which is argued to be an effective method to increase data reliability (Ghauri & Grønhaug 2002, 181).

This chapter described how this research meets the criteria of all five aspects of trustworthiness evaluation. The criteria were chosen to fit the constructive research approach, used in this thesis. Trustworthiness is a central aspect of the constructive research approach and it is also discussed in chapter 4.2 through the seven criteria of a constructive research approach (Labro & Tuomela 2003).

5 INTRODUCING A CUSTOMER PROFILING TOOL AT HILTI

This chapter elaborates how the creation and implementation of a customer profiling tool is handled in the case company for the purpose of improving salesforce performance. It discusses the situation of the company in regards to salesforce performance prior to the customer profiling tool. This is done by explaining how Hilti measures salesforce performance and by explaining the challenges they face regarding it. These are used as a base to set objectives for the tool. Then the creation and implementation phases of the tool are discussed.

5.1 Finding out the needs and objectives

The goal of the improvement is specified in this chapter and the case company's current process of gaining knowledge on customers and reaching sales objectives are analyzed for the improvement of salesforce performance. The goals are identified by interviewing the key people involved in the evaluating and establishing of salesforce objectives. The processes are in turn recognized through interviews and observation of the processes. The goal of this improvement process is to create and implement a tool that could help the company overcome undesired occurrences that have been found to hinder salesforce performance. Practical tools for solving these issues are requested by the case company.

5.1.1 Salesforce objectives at Hilti

The case company has set clear objectives for their salesforce that are based on the growth strategy of the entire organization. The objectives are chosen following a process. The headquarters Hilti (also referred as *The Global*), based in Schaan Liechtenstein, gives directions to the regional headquarters, where bigger strategic outlines are determined according to these directions considering the objectives. The region then gives the strategic outlines to all the countries within the region. Thus, the objectives within regions are mostly similar. Nevertheless, in the end each country decides their own specific objectives locally according to the regional strategy outlines and suggestions. Also, the choice of how different targets are to be executed and measured is made by local executives. Most of the local decisions are made by the sales managers. The hierarchy of this process is illustrated in figure 13.

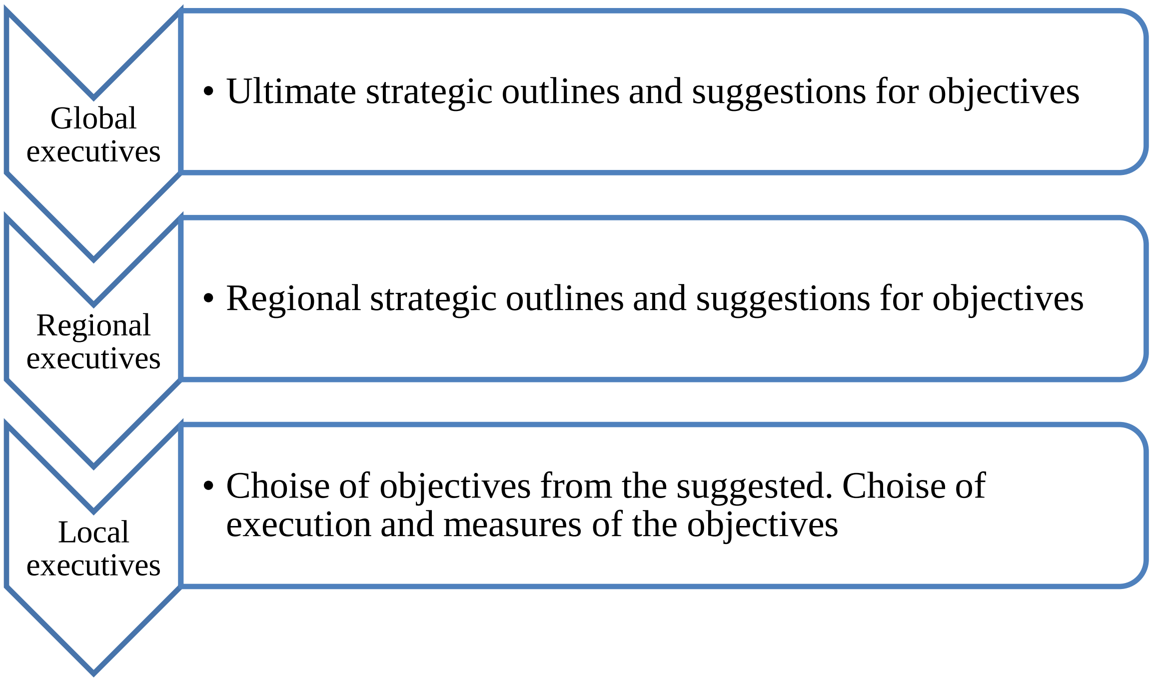

Figure 13 Process of setting salesforce objectives at Hilti.

The greater outlines of the objectives are global, however the focus points, ways of reaching these goals and the priorities of these goals may vary from country to country depending on the market and which objectives need more work in order to be reached in that market. These objectives are used to evaluate salesforce performance. For the salesforce, there seems to be one objective above all: reaching the quarterly sales targets. Other salesforce objectives are for example the selling of key products, services or product ranges and increasing the amount of loyal customers, in other words obtaining customer retention. Related to these, each account manager should visit certain number of customers per day. Hilti also aims to practice “consultive selling”, which requires the salesforce to be extremely customer oriented. In chapter 2.1 the structure of salesforce performance was presented. Figure 14 illustrates how the structure of salesforce performance is constructed at Hilti.

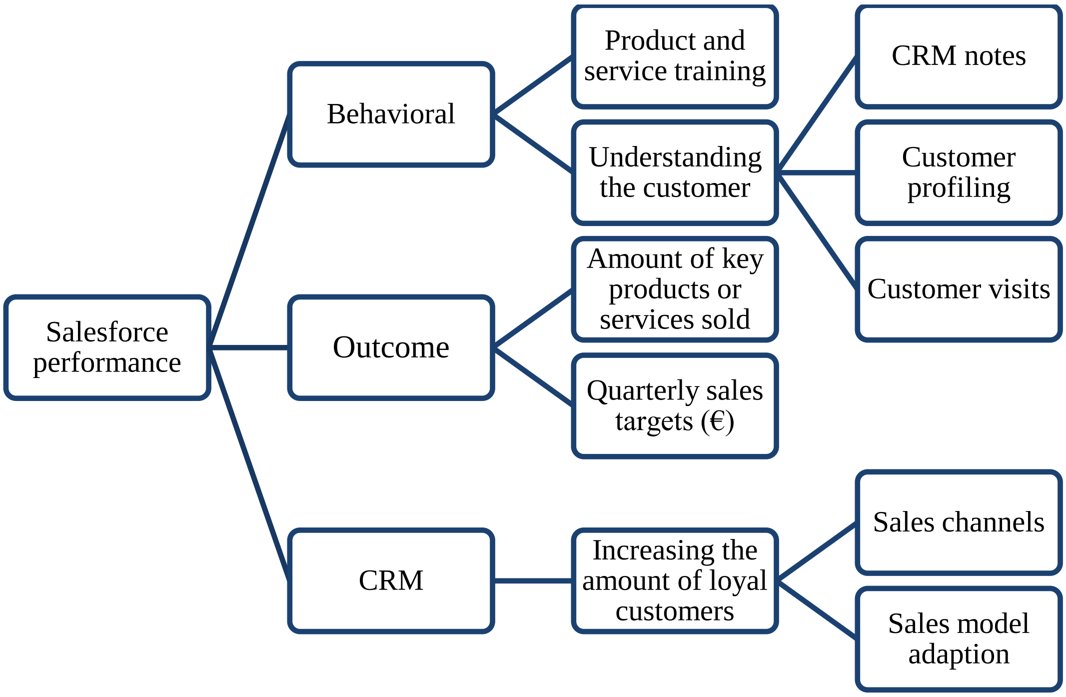

Figure 14 Analyzing salesforce performance at Hilti.

Salesforce objectives at the case company can clearly be identified from all three salesforce performance dimensions: behavioral, outcome and CRM. The behavioral salesforce objectives include product and service training and understanding the customer. Understanding the customer is an objective that is to be achieved through making CRM notes, profiling the customer and customer visits. The outcome objectives include the amount of key products or services sold and the quarterly sales targets and lastly increasing the amount of loyal customers can be categorized as a CRM objective. The case company believes that this objective can be achieved through increasing sales channels and sales model adaption.

In addition to the objectives said above sales manager 2 reminds, that there are additional objectives throughout the year regarding different campaigns for instance. However, he states that while there are a lot of objectives hanging in the air there are only four official objectives that are actively measured (discussion 12.04.2017). He clarified, that by official objectives he meant objectives, that are communicated to the salesforce, are constant, actively measured and influence the salary of the salesforce. These four are the quarterly sales targets in euros, amount of key products sold, amount of key services sold and increasing customer loyalty. The behavioral objectives (product and service training and understanding the customer) are required from the salesforce, but according to Sales manager 2 can be also considered as tools to reach the four official targets (discussion 12.04.2017). The relationship between these four official objectives is illustrated in figure 15.

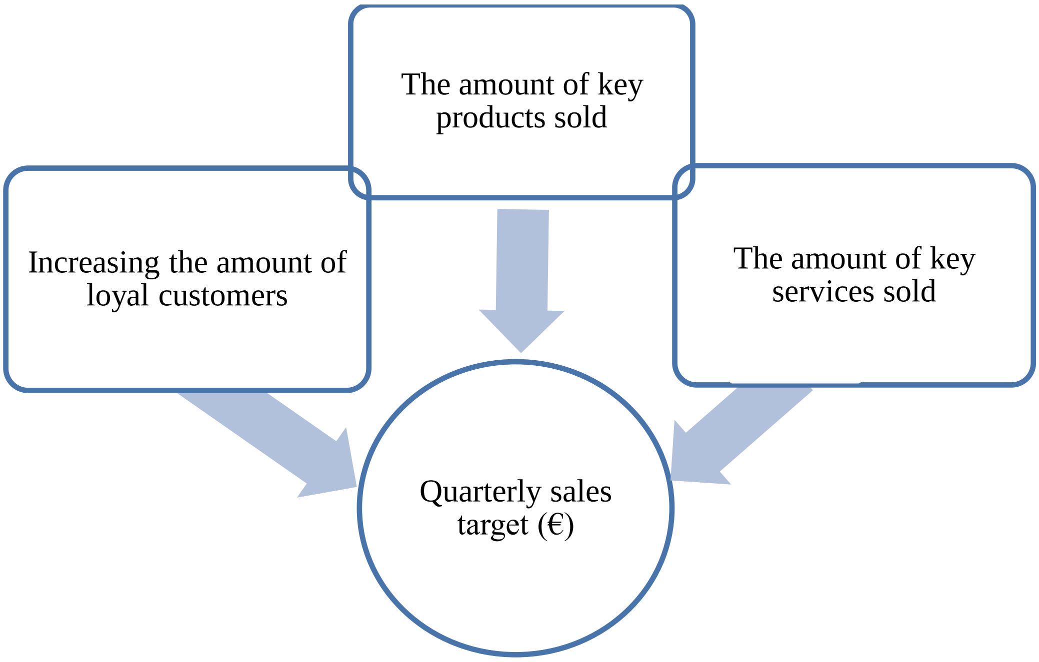

Figure 15 The relationship of the official salesforce objectives at Hilti.

Ultimately the most important objective of the salesforce is to reach the quarterly sales targets. The overlapping boxes of the three other objectives depict the supportive nature of the objectives.

> *"Of course, these objectives support each other. For instance, if a customer starts using our [key products] they will buy even more of our [key products] since they can use the same [add-ons to these products]. Then in the future when they need more, it is easier to buy from us since they already have a platform and that engages the customer. It also engages the customers to use our inserts to the products and that in turn hopefully increases our daily sales and weekly sales. And through that effects customer loyalty in that way. So, in that way they support each other."* (Sales manager 2, discussion 12.04.2017)

As stated before, Hilti believes that loyal customers bring in most of the revenue. Consequently, increasing the amount of loyal customers increases the revenue flow. The key products and services are said to be chosen due to their ability to engage customers and their potential in regard to untapped market share. Thus, selling these products and services creates more loyal customers, engages the customers to buy more from Hilti and brings even more revenue to the company. The measuring of the salesforce performance in regard to these objectives are discussed in the next chapter.

5.1.2 Measuring salesforce performance at Hilti

Hilti has set clear measurable objectives for its salesforce, charted in the previous chapter in figure 14. The salesforce performance is measured through these measures regarding the objectives. As explained in the previous chapter Hilti salesforce objectives can be divided into three categories: behavioral, outcome and CRM. Some objectives are measured more precisely than others.

The behavioral salesforce performance objectives are not clearly measured at Hilti although they are clearly expected from the salesforce. These behavioral objectives are divided into three categories: product and service training, understanding the customer and customer visits. In the beginning of their sales career, each sales person at Hilti must go through a three-week long sales training, where the sales people are taught sales techniques as well as information about and use of the sales items. The training is very hands-on, where the sales people are taught to use the products and services that they are selling, and what applications they are meant for. In addition to this, Hilti provides additional training sessions throughout the year. To support this objective, Hilti has employed engineers to give support and guidance in finding out solutions for more difficult applications.

The second category – understanding the customer – is done through making notes on the Hilti CRM (customer relationship management) system. Finding out the size, specified industry (building and construction, HVAC, firestop) and buying patterns of the customer. Hilti account managers are also trained to identify personality traits of their customers, which is a simple form of customer profiling. These personality profiles are then encouraged to be used in sales model adaption. While Hilti measures the number of customers visited per sales person, this can be considered as a behavioral objective, since meeting the customer is required in order to understand the customer. And while these meetings are mostly sales meetings, where the ultimate objective is to sell, they can also be relationship building meetings or meetings for the purpose of information gathering. Hilti account managers visit their customers either at job sites or at offices; the ratio of these depends on the segment they are working on. So called “cold-calls”, where the account manager visits a customer without prior arrangement of a sales meeting, are not uncommon. Nevertheless, typically the sales meetings are booked through phone calls and sometimes re-assured by sending a calendar invite to the customer. One customer visit means visiting one individual customer. In other words, an individual customer refers to the employees in the customer-company. Customer visits are tracked through the CRM system, where each account manager is responsible for marking their visits, the contact people as well as the agenda for the visit.

The quantitative outcome objectives are the quarterly sales targets and the amount of key products and services sold. The salesforce is given a quantitative goal regarding the selling of key products or services. These key products or services are determined through the support of the global and regional headquarters of Hilti. Hilti does a lot of marketing research globally and regionally and through the analyzation of the data collected in the marketing research the key products and services are chosen. The choice of these key products and services is mainly based on two aspects: gaining market share and the ability of these products and services to increase customer retention. Often these products or services have been key drivers in increasing customer loyalty.

> *"[The Global] has a lot of marketing data, understanding and knowledge, according to which the selling of [the chosen key products] engages the customers to a certain brand. Naturally, we also have the biggest opportunity quantity wise with [the chosen product range.] […] We still clearly have a bigger part of the market share to conquer and that is an important aspect on the choice. Sure, there is one more thing that impacts this. [The chosen products] are strategically so important to us, because they are something that every single one of our customers uses. Indifferent of their line of business."* (Sales manager 2, discussion 12.04.2017)

Finally, the CRM objective for salesforce performance is increasing the number of loyal customers. At Hilti customer loyalty is measured through different determinants such as the use of different sales channels, the amount of orders done per year and the different product ranges the customer is purchasing. Hilti bases this objective on the calculation that loyal customers bring in most of the revenue. This objective is not reliant only on the salesforce, but is also supported by marketing, logistics and other sectors of the organization. Supporting functions such as guaranteeing availability and quick service are mainly done by other players in the organization and the account managers are mainly left responsible for building and maintaining customer relationships by finding out and fulfilling the needs of the customers by providing them solutions that satisfy them. This also requires the account managers to visit customer often enough to continuously being able to fulfil their needs. To find out about the needs and preferences of the customer the salesforce is trained to profile the personality of the customer and to ask questions in their sales meetings that lead to a follow-up meeting. These questions can for instance be about upcoming projects of the customer or different phases of the construction. The account manager is supposed to take notes of the meetings and write them to Hilti's CRM system. This is supposed to help the account managers remember what has happened in each sales meeting and what the next steps are. Additionally, account managers are encouraged to inform and educate customers of alternative sales channels, such as the website. From the customers' point of view, this is seen to speed up the procurement process, thus leaving more time for actual construction work, hence saving the customer time and money, therefore increasing customer satisfaction.

In short, the case company has set quantitative measures to the salesforce objectives, such as number of customer visits, number of key products or services sold, a quarterly sales target in euros and the amount of loyal customers. While all salesforce objectives are measured and followed to some extent, only four objectives have a direct effect on the pay of the salesforce and are therefore the most important salesforce performance indicators in the salesforce’s opinion. These four objectives are: increasing the amount of loyal customers, the amount of key products sold, the amount of key services sold and the quarterly sales target. In the company’s opinion, the most important objective is the quarterly sales target. Each objective is planned to be supportive to the other objective.

5.1.3 Identified challenges in reaching salesforce objectives

The salesforce objectives are not easily reached. In this chapter, the identified challenges that Hilti salesforce encounter when trying to reach their sales objectives are discussed. As such, these challenges are more detailed than the official objectives themselves. Many of these challenges are related to the behavioral objectives. This is because the behavioral objectives are used as means to reach the official objectives of the Hilti salesforce.

For some Hilti account managers, getting the right contacts has proved to be challenging, especially getting meetings with contacts with greater purchasing power or meetings with top management. This mostly applies to medium sized and big companies, as the construction industry also has many small companies that only employ one or a few people. Hilti Suomi has also consistently fallen short on meeting the the required number of customer visits per day per account manager target. As stated before, the account managers get one customer visit per every individual customer they meet. This is an issue closely related to getting meetings with the right people. The account managers might not have the information needed or the correct contacts to get every person who is relevant to the agenda of the meeting present. Another aspect affecting this is that it is not uncommon in the construction business for customers to cancel sales meetings at the last minutes, or just not show up to them.

While Hilti has been able to establish strong relationships with many of their customers and has collected a lot of information on these companies, the personal information of the decision makers in these companies often stays with the account manager. This has resulted in complications in regards of customer satisfaction (which in turn is vital to customer retention, see chapter 2) and the ability to reach customer orientation, due to high employee turnover within the sales regions. The high turnover rate means that every time a responsible account manager changes for a customer, the relationship building between said customer and the account manager starts from the beginning.

> *"It can become really frustrating for a customer, when the same questions and topics are discussed for the third time in two years."* (Strategic marketing manager, discussion 14.09.2016)

According to the strategic marketing manager and the sales director 2 there are mainly three things resulting in the high turnover: salespeople leaving the company, salespeople moving on to new positions and new segment changes that Hilti has recently made that meant the sales region or segments were re-arranged and some customers got a new account manager that was responsible for the new segment. The Hilti salesforce is trained and encouraged to profile their customers and adapt their selling methods to these customer profiles, as such the prior knowledge of customer profiling is evident. However, the personal customer information about the customers that are gathered during face-to-face meetings or phone calls between the account manager and the customer are rarely documented anywhere. Hence once the account manager changes, the new account manager only has access to information about the customer's company as a whole and their purchasing patterns. The personal details and preferences need to be figured out again. The salesforce is encouraged to make notes on their customers on Hilti's CRM (customer relationship management) system, however in reality these notes consist mostly of sales leads, reminders and project information rather than personal profiles.

In addition to the difficulties stated above, the account managers at Hilti often find it challenging with new customers to come up with an effective sales meeting agenda that a customer is interested about if the customer is a new acquaintance to the account manager. This challenge is often overcome by demoing an "easy tool" to a customer. In practice, this means that the account manager goes to a sales meeting to demonstrate a tool that is relatively easy to sell. While this has been found to be an effective way of getting a first contact to a new customer, it does not reflect customer oriented selling.

In short, the salesforce at the case company faces challenges in reaching the salesforce objectives. Therefore, these challenges hinder salesforce performance. The most prominent challenges at Hilti Suomi Ltd. at the time of this research are getting the right contacts, high salesforce turnover and coming up with an effective salesforce agenda.

5.2 Creating a customer profiling tool

The creation of a customer profiling tool started out with making a creation plan. The stages of this plan are discussed in 5.2.1. The discussion is based on observation and interviews that happened during the real-life creation phase of a customer profiling tool. At this stage, the creation was only done for the pilot country. The international aspect of the creation phase is discussed in 5.2.2, which is based on the interviews in the creation phase as well as a separate interview after the weak market test implementation of the tool in the pilot county.

5.2.1 Planning the process and specifying the objectives of the tool

Before the physical creation of the customer profiling tool for Hilti, a creation plan was made. The team responsible for creating the plan was chosen by the then marketing manager of Hilti Suomi with the help of the suggestions of the external consultants from ZEF. This group consisted of the strategic marketing manager, sales manager 1, the researcher of this thesis who was working as a marketing project worker at the time, and two representatives from ZEF: business expert and customer coach. The plan included an action statement that indicated the objective of the tool and processes that needed to be taken to reach the objective. The processes were: to specify the objectives of the tool to create questions and profiles for the tool, to revise them, to get opinions from the final users in a weak market test, modify the tool accordingly and then revise it again until happy with the end result. The plan for the creation process is illustrated in figure 16.

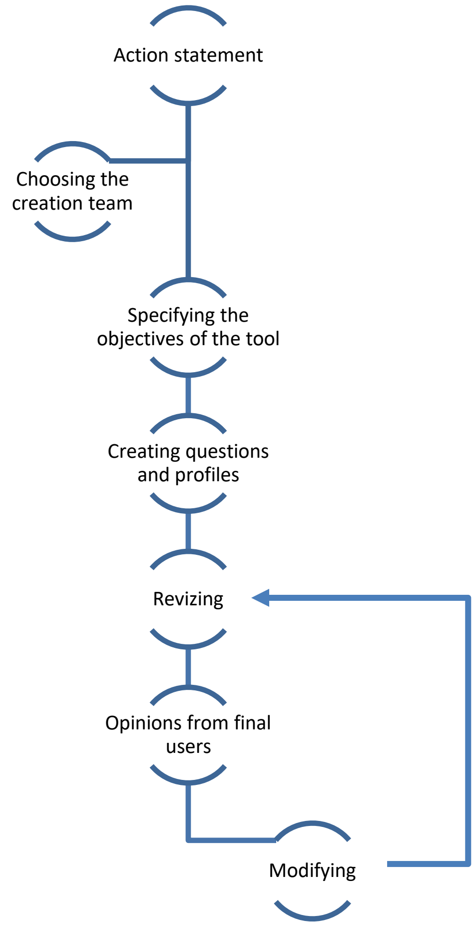

Figure 16 The creation plan of a customer profiling tool at Hilti.

The action statement and specifying the objectives of the tool were done in the very beginning of the process. These two steps were a part of planning the creation of the tool. The action statement was to create a customer profiling tool for the use of the account managers. The tool was to be created on a digital platform. In order to make a low-cost customer profiling tool and to adapt to almost every political and legal environment, data mining was not to be used. Rather the customer profiling tool would be created as a questionnaire, formed of 10 easy-to-answer questions that would be presented to the customer prior a meeting. This way the customer willingly and knowingly gives his or her personal data for marketing use. Thus, Hilti would be abiding by personal data collection legislations. If the customer decides not to give the permission for personal data collection, he or she simply refuses to answer the questionnaire. The creation would be executed in Finland where the tool would also be piloted. If the tool was successful the idea would be pitched to other regions, and thus the creation plan needed to be internationally applicable. The finances were also discussed in the very beginning of the process. The rest of the steps of the creation plan are discussed below through explaining the creation process since the plan itself was partly formed in the creation process.

In the first two meetings of the team chosen for the creation, the time table for the creation process was established and the action statement was specified. The customer profiling tool was to be created to help the account managers improve their salesforce performance. The objectives of the tool were based on the current objectives of the salesforce and the identified difficulties in reaching them (described in chapter 5.1). Therefore, the tool should try to:

1. increase the amount of relevant contacts
2. reduce the harm in customer relationships caused by high salesforce turnover
3. help the account managers understand the customer

These challenges that Hilti account managers are facing are common in B2B sales. All are closely related to building and maintaining long lasting relationships with relevant people and through them, relevant companies. Thus, the suggested solution can be seen to serve a broader audience than just Hilti. The results can be applied to all international B2B organizations aiming to build long lasting customer relationships through customer orientation. Solutions for these challenges were sought through discussions and company based information. In the second meeting, suggested questions for the tool were presented and analyzed. These questions aimed to find solutions to the identified challenges.

The first challenge regarding getting the right contacts can be seen to relate mainly to the decision makers in mid-sized and big companies. While the account managers may have good contacts in that company already they might not know who are responsible for making bigger purchasing decisions, or may not have personal connections with them. This challenge can be considered global at Hilti, even though in some countries where the Hilti brand is stronger, meeting the decision makers can be easier than in others. A solution was sought for this challenge by suggesting a question to the tool that inquired, whether the customer had the ability to make purchasing decisions alone, or did someone else have to be present. The idea behind this was that if the answers to the questionnaire indicated, that the contact person could not make purchasing decisions on his or her own, then the account manager would have a good reason to call and ask who should join the upcoming meeting as well.

The second challenge had to do with the lack of consistency in personal customer-account manager relationships due to regional changes and fast employee turnover. This challenge is very bound to the business environment of Hilti Suomi. The issue regarding quick employee turnover and segment changes is not as extensive in all Hilti countries as it is in Hilti in Finland. Therefore, in creating a customer profiling tool such as the one created for Hilti, it is important to remember that even the relevant issues that the tool is based on may vary from one business environment to the other. Therefore, the creation process of a customer profiling tool for international markets needs to be flexible. In the case of Hilti, this means keeping the type of the tool (digital questionnaire) global, but localizing the questions chosen for the tool. This decision was made due to the simplicity of having one provider for the algorithms and platform of the tool but also realizing the differences in markets. These differences determine what type of knowledge is useful for the account managers and therefore what questions would need to be asked from the customers.

In the case of Hilti Suomi, the customer profiling tool cannot provide a solution to the changes in the account manager salesforce, it can provide a platform for information gathering. The information gathered by the customer profiling tool needed to be presented in such a way that it could be saved in the Hilti CRM system under the information of each individual customer. This way if there occur changes in the salesforce, the new account manager would have some, admittedly basic information about the customer and the customer does not have to go through the same things all over again. This way the relationship between the customer and the new account manager already has a base. For the saving of the profile to be beneficial for the new account managers, basic questions about the individual customer and the organization were suggested to be added to the tool. These questions were based on the sales training of Hilti, where certain questions are taught to be asked from new customers in order to understand them and their business better.

The third challenge is broader by nature and be considered a global challenge at Hilti where customer orientation is expected from all account managers. All B2B sales people aspiring to be customer oriented need to first understand their customer and know the relevant information that could help the account manager to suggest mutually beneficial solutions using the sales technique fitting the personality of the customer. The tool needed to provide basic information on the contact person and the customer organization. Basic information in this context means the customers wants, needs, preferences, occupation of the contact person and so on. In other words, information that helps the account manager adapt his or her selling techniques and provide mutually beneficial solutions to the customer.

The tool should also provide consistency in regards of background research of customers. Prior, Hilti account managers were taught what basic information to find out from new customers, however the execution of the information gathering and so called “asking the right questions” were up to the account managers. Thus, by adding certain basic informational questions about the customers’ company, situation and personality, all of the account managers would have equal access to Hilti-relevant information as well as information that would help in adapting sales methods. By gathering this type of information before the sales meeting, the account manager can use the time at the sales meeting more efficiently by focusing on topics that might actually generate sales. In other words, the account manager can figure out an agenda for the sales meeting that the customer is interested in. In addition, the background work on the customer organization can be done quicker, since the relevant information can be found from the answers.

However, it was decided, that the tool would focus on the personal information of the contact person as well as the wants and needs of the customer organization. Information regarding for example the size of the customer organization and the specific trade were not gathered by the tool since they are easy to find out with other methods as well.

The creation of a customer profiling tool at Hilti begun with making a plan where the action statement, objectives of the tool and the timetable for the creation were determined. The objectives for the tool were based on the salesforce objectives and the identified challenges the Hilti salesforce faced in regards of salesforce performance. Therefore, the tool was to increase the amount of relevant contacts, reduce the harm in customer relationships caused by high salesforce turnover and to help the account managers understand the customer.

5.2.2 The creation process

The creation of the customer profiling tool for Hilti had six stages, illustrated in figure 17. The actual processes of the creation mostly went in line with the creation plan (figure 16). The stages are presented in chronological order from top to bottom. One process was added along the process and one was modified. After the planned revising of the questions and profiles the need for adjusting and determining the language and presentation of the tool was identified. The process of getting opinions from the final users was modified to also getting the opinions of managers in order to get more conclusive improvement ideas. The last three stages of the creation phase were repeated until the creation team was happy with the end-product. The tool created was flexible by nature, so the stages could be revisited and adapted if found necessary after the implementation of the tool.

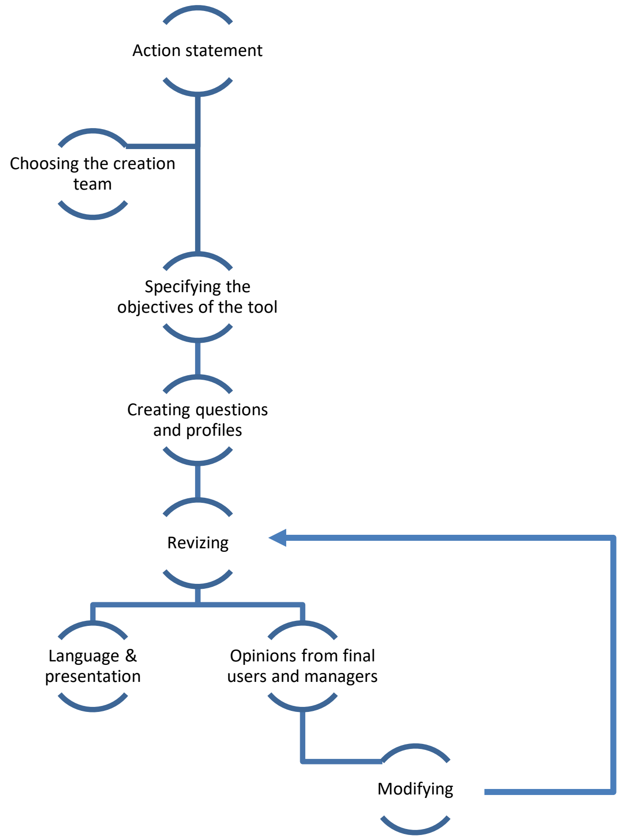

Figure 17 The creation process of a customer profiling tool at Hilti.

After the action statement and specifying the results (discussed in the previous chapter) the next step in the creation phase was to come up with the preliminary questions and profiles that would help solve the issues identified above. Due to the disclosure agreement, these questions and profiles cannot be discussed in more detail in this research. The decision on the types of customer profiles the tool should create was unanimous. In short, the profiles of this type of tool can be based on the customers' personality or their preferences or needs. In the case of Hilti, the profiles were based primarily on the customers' needs. This decision was influenced by the large offering of Hilti. Thus, the needs of the customer played a bigger part, so that the account managers would not have to guess the products and services that would benefit the customer. Hence, they would not have to waste the customers' time by demoing an "easy tool", as described in chapter 5.1.2 that the customer might not even need. Instead the account managers would be able to demo relevant tools and services. The algorithm building the profiles also took into consideration the personality traits of the customer. The customers were to be divided into four different personality groups based on their answers. Thus, profiles were created for every possible need and personality group -combination. The personality groups were thought to be beneficial in order to ease sales model adaptation. The grounds on which the profiles were built can be seen as global at Hilti and hence algorithm built to form the profiles of the tool could be globalized.

The questions were chosen to fit the issues described above as well as the priorities Hilti Suomi has in their marketing and sales strategy. The subjects central for the strategy were given more attention in the questionnaire. The more specific information that Hilti wanted gathered, or in other words the questions that Hilti wanted to be asked, as well as the priority of these questions and their possible multiple-choice answer options needed to be figured out to be able to complete this stage of the creation process. This was done by interviewing the relevant product and service managers that are in charge of the products and services that can answer to customer needs. The product and service managers at Hilti are also in close contact with customers and thus have knowledge of the sales processes and understanding of the customers.

At this stage of the creation process it was crucial to get many suggestions for the questions as well as answer options for multiple choice questions. The target was not to have final questions, but to bring out all the information that the product and service managers as well as sales and marketing managers felt were important to find out about the customers. Therefore, at this point there was no limit to the amount of questions that were to be suggested. The researcher of this thesis was responsible for interviewing each product- and service manager to get their input and to find out their needs and priorities concerning the service or product family that they were responsible for. All of the suggestions were gathered separately. This was important since some product- or service managers might have partly contradictive objectives regarding this project. The information that is useful for the sales of one product family or service might be useless for the other. Also, the priorities might differ. Therefore, to get a realistic view of what information or data is important to which product family or service, the managers were asked separately so they could voice their opinions freely. This way each product manager could bring out the information needs that they felt were important to the sales of their product group even if that information would not benefit other product managers.

In addition to gathering suggestions from the managers, all of the creation team members gave their own suggestions. The person assigned to gather the suggested questions then went through them and removed duplicate questions or questions that were clearly not relevant. This process of creating the preliminary questions should be globalized at Hilti to get the relevant information needed. However, the questions themselves should be local, since the priorities and offerings vary from market to market. For instance, in Finland the primary construction material of Hilti customers is concrete, whereas in Britain most houses are built with brick. Thus, the importance of products that are meant for concrete construction and demolition is higher in Finland compared to Britain.

After the questions were gathered, the creation team had a meeting where the questions were discussed and reviewed together. The suggested questions had come from the team members and product- and service managers. Involving product managers gave more insight of what kind of information is needed in the sales processes of different product families and services as well as which products or aspects had significant strategic importance and should be highlighted in the tool. In the meeting, these questions were reviewed based on two criteria: First to find out whether they would give helpful answers to at least one of the identified issues and second, to review the language and presentation of the questions. As the questions were to be localized this process would have to be done in each market where the tool was created. However, the questions used in Finland could be used as a base or suggestions in other markets.

The reviewing process was done by going through each suggested question one-by-one. The questions that did not provide enough useful information concerning the objectives of the tool were removed. Next the questions that were similar, were grouped together and the question that was most fitting to the objectives would be chosen. This part of the process did not take long, since most of the irrelevant or duplicate questions were already removed in the previous stage by the person collecting the questions from all the participants of this stage. After this, the questions were reviewed once again to reduce the number of questions to a maximum count of ten. This process proved to be difficult, due to the differing personal objectives of the team members. However, the strategy of Hilti gave guidelines in prioritizing the questions.

Finally, the questions that were left, were revised once more to check the language and presentation. The very first issue was to make the questions understandable to the customers. Hilti has a very strong “Hilti language” and some terms, that were used daily at Hilti mean either something different, or nothing at all to Hilti customers. The Hilti language was evident in the questions. First, the creation team reworded the problematic questions, then the questions were presented to each product- and service manager individually for them to give comments and finally at a later stage the questions were presented to a group of account managers for comments on both the language as well as the relevance of the questions. The questions were modified after each round of comments. The language was also modified with the help of the digital marketing specialist, who oversees public relations at Hilti Suomi. The tone of the language was chosen to be casual rather than professional to fit the customer demographic.

The presentation of each question was also chosen at this stage of the creation process. Choosing the presentation consisted of three important aspects: the physical appearance of the questions, the order of the questions and the answer options and the language style of the questions. The questions were chosen to be either multiple choice or questions with an answer spectrum and one open answer question. The questions with an answer spectrum had an answer option on each side of the spectrum (line) that was opposite to the other, for example collective – individual and the customer could drag a slider anywhere on the line to indicate where he or she identified to situate on that spectrum. The questionnaire also had one open answer question where the customer could give comments freely about anything. The order of the questions was chosen with the help of the ZEF representatives that had prior expertise and experience of these types of questionnaires, as they were the providers of the platform and algorithm. The questionnaire was to start with an interesting question that would force the respondent to think.

> *"The first question should intrigue the customer, so that they want to answer all of the following questions as well. This is why the question should be difficult enough to force the customer to use their brain and think about the answer. [...] A good trick is to start with a fairly personal question about the customer, since people generally like talking about themselves."* (Business expert, discussion 04.10.2016).

The questions should also be in an order, where the questions most important to the company strategy or the objectives of the tool would be highlighted. For instance, the respondents pay more attention and put more thought in the answers to the questions in the beginning of the questionnaire. Also, if the questionnaire has many multiple-choice questions in a row, the customer can feel frustrated, as they have to do more work (reading) to answer those questions than the spectrum questions. Therefore, the order of the questions did not include more than two of the same question types in a row, and the open answer question was situated in the end, as it requires the most effort from the respondent. As for the order of the answer options on the multiple-choice questions, the choices were made from a marketing perspective. In questions, where the need of the customer is evaluated, for example a question such as: *which of the following are you most interested in?* where the answer options where Hilti products or services, the options that were of great strategical value (key products and services in the salesforce objectives) were situated in the top of the answer options. This way the customer would pay more attention to those options.

> *"Hilti is more known for its products than its services, by having the [key service] options in the beginning of the answer options customers will at least become aware that we provide these solutions and hopefully get interested to find out more"* (Strategic marketing manager, discussion 18.10.2016)

The following stage was to get the opinion of the final users. A team of account managers were asked their opinion on the tool; its questions, usability and the profiles it creates. This was done through open discussion. The platform for the tool was simple to use, so the discussion focused more on the profiles and questions. Including the account managers in the creation process was considered important, because they have most knowledge of what their daily job is like, what the customers are like. In addition to that the hope was to get the account managers excited about the tool, since they had helped develop it. The goal was that the account managers would see it as a helpful tool rather than another task given to them by their managers. The questions were modified according to the discussion after which the reviewing of the questions and getting comments from managers' stages were revisited until the creation team was happy with the result. It was clear that the most personal questions concerning the personality of the customers needed most work. If the questions were too straight-forward, they would make most customers feel uneasy, as it is not a norm in Finland to ask personal questions directly if you do not have a close personal relationship with the person you are asking. These personal questions were positioned in the middle of the questionnaire, so the customers would have time to warm up to the questionnaire before answering the more personal questions.

Finally, after revising and modifying the questions and profiles as many times as found necessary, questionnaire links were created to the account managers who were chosen to pilot the implementation of the tool. These were the same team of account managers that had prior been involved in the creation process. Individual links to the questionnaire were connected to each account managers e-mail address, that way when the customer would answer the questionnaire through the link the account manager would get the answers and the formed profile automatically to their inbox.

The actual creation process of the customer profiling tool at Hilti consisted of six steps or processes: specifying the action statement and the objectives of the tool, creating the questions and profiles, revising the project, modifying the language and presentation of the tool to make it more understandable to the customers, getting opinions from the account managers and managers and modifying the tool accordingly. After modifying the tool, the revision process was revisited and the following processes were repeated as long as necessary for the creation team to be happy with the end result.

5.2.3 Glocal creation

As shortly discussed with each stage of the creation phase, there are aspects of the tool that should be globalized and aspects that should be created locally for the tool to function in different environments. Or in other words, aspects that can be standardized and aspects that should be adapted. Table 6 illustrates which stages of the creation phase at Hilti had aspects of localization and globalization in order to fit each subenvironment. The letters A and S refer to adaptation and standardization. An X marked in the A column means, that the creation stage needs to be localized, or adapted to fit the local environment. An X in the S column on the other hand refers that the creation phase can be globalized and can be standard across all environments.

Revising, opinions from final users and managers and modifying are not added in the table as the content of these stages were seen as related to the above mentioned four stages. Since they are processes that discuss and modify the other stages it is unnecessary to discuss the same environmental differences again. However, it is important to remember that these stages are closely linked to the opinions, thoughts and beliefs of the creation team, managers and end users and as such the content of these stages most likely have environmental differences. However, the process of these steps may stay the same.

Table 6 Localization and globalization of creation stages at Hilti.

	Action statement		Specifying the objectives of the tool		Creating questions and profiles		Language and presentation	
	A	S	A	S	A	S	A	S
Economic environment		X	X		X		X	
Political and Legal environment		X	X		X		X	
Cultural environment		X	X	X	X		X	
Technological environment		X	X			X		
Marketing environment		X	X		X		X	

As can be seen from table 6 the first stage of the creation process, the action statement is standardized. Altering the action statement of creating a questionnaire-type tool on a digital platform that supports the salesforce in their attempts of improving their performance would mean that the tool could not be the same globally, rather different tools would be made in each business environment. But keeping the action statement global is not completely unambiguous; while the type of tool may be standardized, the necessary parts of the action statement are localized, such as the members of the creation team.

Earlier it was explained, that the objectives for the salesforce are used as the base for the objectives for the tool. It was also elaborated, that at Hilti these objectives for the salesforce are not universal. They are based on the same global strategy outline, but may vary due to environmental differences. Therefore, the objectives of the tool should also vary according to the differences in the salesforce objectives. For instance, MOs (Market organization) operating in an economic environment, where the customers are wealthy (e.g. Germany and Switzerland) have a different marketing strategy regarding key products and services and sales models than MOs in less wealthy economic environment (e.g. India).

> *"Take drills for instance, in Germany the cost of labor is very high. In Germany and Europe, we can sell efficiency this intrigues them because of the high labor costs. In India, this is totally different. The labor costs are so low, that if we try to sell efficiency the customer will not care since they can get many workers for the price of one efficient drill. So, the added value of efficiency is not the same in India and Germany. Therefore, the objectives are different in India and Germany. Hilti focuses sales on different products and some products can't be sold at all in India."* (Sales manager 2, discussion 12.04.2017)

Also, the legislation of the business environment may cause the need for adaptation of the objectives of the tool. For instance, in Germany the building and construction industry is very regulated and so, the use of some more expensive, higher-quality items is required by law whereas in other countries they will not sell due to the high price. The same goes for marketing and technological environment. Business environments that are more competitive or technologically advanced may focus more on digital services or certain construction applications that fit the environment or might have more aggressive sales objectives and therefore this might affect the salesforce objectives and consequently, the objectives for the tool.

The cultural environment in turn results to both adaptation and standardization tasks for the objectives for the tool. On one hand, the cultural differences may result in differences in building material, for instance (partly aesthetics) result in different tools or products having more use in certain markets (e.g. in Britain the main building material is brick versus in Finland it is concrete). On the other hand, the organizational culture plays a big part as well. As said the global HQ of Hilti sets guidelines for the salesforce objectives and according to the Hilti culture these guidelines are followed to some extent. Accordingly, while the objectives of the tool (and salesforce) may vary due to environmental differences, it is to be expected that they follow a similar pattern globally.

Creating questions and profiles aims at finding solutions to the salesforce objectives, that is why all localization needs are the same as explained above for stage number 2. The difference is that this stage needs to be adapted to fit all subenvironments, except for the technological environment. The profiles and questions are created using the same algorithms so that the tool can be considered the same globally and to cut costs. The requirement for the use of the tool is that all MOs have a technological environment that allows the use of smartphones and e-mails.

The language and presentation stage needs to be adapted to fit almost all subenvironments – the technological environment is the only one that was considered not to influence the language and presentation. The style and formality of the language varies according to culture, wealth and competitiveness of the market. Also, not all questions can be asked directly or at all in every culture.

In this chapter, the creation phase of the customer profiling tool at Hilti was discussed step-by-step. The creation phase consists of six sequential stages, the last three of which are repeated as many times as necessary. These stages are: making the action statement, specifying the objectives for the tool, creating profiles and questions for the tool, revising that these fit the objectives and modifying the language and presentation, getting comments from relevant managers and the end-users of the tool and finally modifying the tool. As is evident from the discussion of each of these stages, there are many environmental aspects affecting it. Therefore, the tool needs to be flexible in order to cater to environmental differences in an international concept. The creation process and the platform (algorithms, touch-face) of the tool should be standardized for the tool to be coherent, but the content of the tools, the objectives, questions and/or profiles should be modified locally to adjust to the operating business environment. By keeping the platform and the process the same and differentiating the content a glocal tool can be created.

5.3 Implementation

As with the creation phase, a plan for the implementation was created. In this study, the implementation phase is researched through the creation of the plan and conducting a weak market test, which is referred to as *the kickoff event.* This weak market test allowed the researcher to evaluate the creation of the tool and the future implementation. Further data on the implementation phase was gathered through interviews. Both the implementation phase and the glocalization factors of it are discussed in this chapter.

5.3.1 The implementation cycle

The implementation phase of the customer profiling tool begins officially when an implementation plan is created. At the case company, the implementation plan was first discussed in the third meeting of the creation team. It was decided, that the tool was to be piloted in Finland for three months. If successful, it would be implemented in the whole country and then spread internationally.

The stages or processes of the implementation plan can be seen in figure 18. The dashed line indicates that the implementation will possibly be terminated at that stage if the organization is not satisfied with the results from previous stages. The dotted arrow depicts that the cycle can jump straight to the *international implementation* stage if the target market of the pitch wishes so. In that case, the *international implementation* stage would be done simultaneously with the *implementation in the whole country* stage. The figure presents both the international implementation plan as well as the local implementation plan. The blue stages of the plan are only done in countries that are responsible for international implementation. In other words, the countries that only implement the tool in their own country can skip these stages. The stages are represented in a cycle, because each country where the tool is implemented needs to go through these stages.

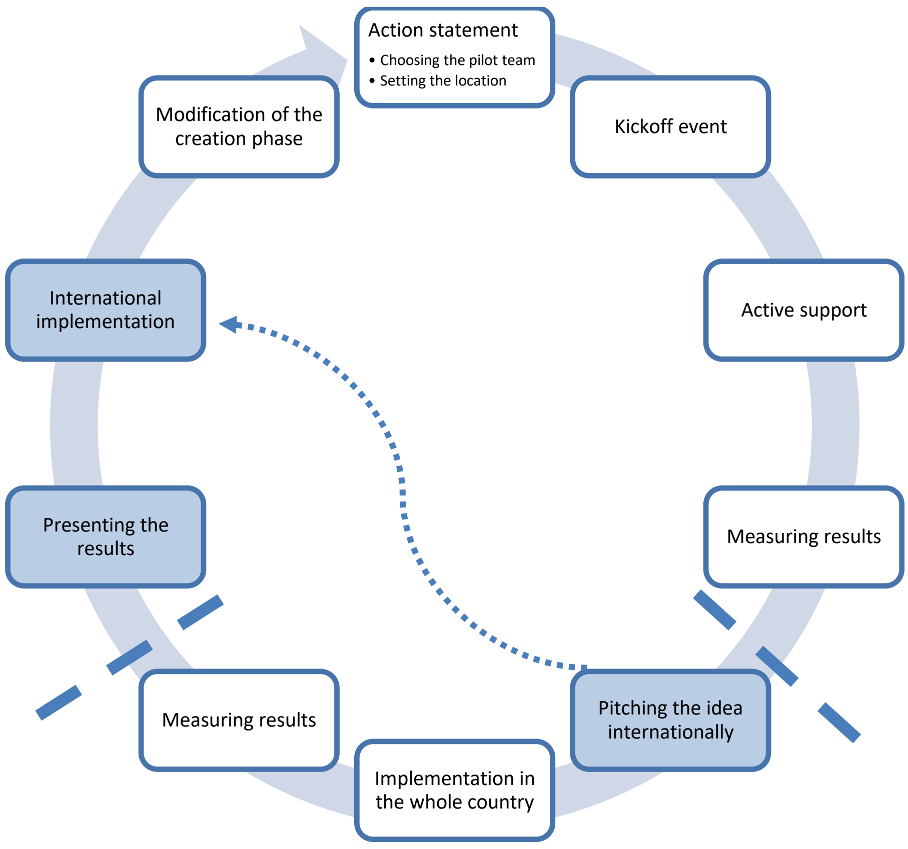

Figure 18 Stages of international implementation at Hilti.

The first stage is defining the action statement. While the objective of the plan is universal across markets to implement a customer profiling tool, the details of who is taking the action and where, need to be defined locally. In Finland, a team of account managers were chosen to pilot the tool. The choice was mainly based on the types of customers this team had and the convenience of the team working in the same area

(Helsinki – Vantaa) as the creation team, which would make the training a lot easier. As mentioned in the previous chapter, the tool at Hilti was created to be flexible, so that the content can be altered even after implementation if necessary. Therefore, the reason behind having a pilot team was twofold. First, the implementation and the usefulness of the tool needed to be tested, and second the pilot team could give feedback on the tool in use, so that it could be altered before the official implementation. This way, if the tool was to be implemented in the whole country it would be a finished product and the usefulness of the tool could be justified to the other account managers.

At the second stage, a kickoff event will be held. This is done when the creation phase of the tool is nearing end. This stage was completed during this research as it also played the part of a weak market test. The Hilti members of the creation team, the pilot team and their regional manager would be present at the kickoff event where the tool is presented. The role of the direct managers of the account managers is small. They were present to support the project, but their involvement in the kickoff remains limited. Improvement suggestions from the account managers are gathered in order to modify the tool and opinions of the tool are to be asked. The opinions will help the managerial processes of the implementation, since they indicate the account managers' attitudes to the coming change. The use of the tool also must be taught in the kickoff event. The created customer profiling tool is very easy to use, so combining the training with the commenting was seen as suitable in the planning process. Although the tool is simple to use, it turned out that both the account managers, and their managers in Finland (regional manager and sales director 2), would have liked the tool to be more automatic in sending the questionnaire link to the customer.

In Finland, it was considered very important to involve the account managers in the creation and implementation process to make them more committed to the change. At the kickoff event, the account managers were asked to give comments on the presented tool while their managers were present. This worked well since the power distance in Finland and at Hilti Suomi is low. The account managers did also have the chance to voice their opinions without their managers (regional manage, sales director 1) present. The managers had to leave in the middle of the kickoff due to busy schedules, however this did not seem to have an impact on the nature of the comments from the account managers. Whereas the content of the kickoff would be kept the same internationally, the execution would be planned locally. The cultural differences in regard to resistance to change and power distance should be taken into consideration for the kickoff to be successful.

After the kickoff event and the end of the creation phase, the pilot team are given continuous support in using the tool. They can ask questions, give feedback on the tool to an appointed person in the creation team and they are to try the questionnaire themselves before beginning to use the tool with customers. However, this stage of the cycle is not just meant for the pilot team. As the word “*active*” implies, the stage is continuous throughout the whole implementation and use of the tool if needed.

The next stage is to measure the results. The piloting period is short, so the measuring of how the customer profiling tool meets its objectives is done by qualitative feedback from the pilot team after the pilot period is over or nearing the end. The results of the implementation on the other hand are measured by the clear quantitative statistics of the tool. ZEF provides a platform and algorithm for the tool that gathers and displays data, not only about the customers but of the users of the tool. In addition to other information the amount of answers to the questionnaire can be followed as well as how many answers there are per each account manager. This way the activity of the account managers can be followed and the success of the implementation in regards of *are the account managers using the tool,* can be measured.

If the results from the pilot team are satisfactory, the idea is pitched internationally. The pitch is held for the marketing team in the head office of the hub that Hilti Suomi belongs to. This marketing team is chosen due to the strong relationship that Hilti Suomi has with them as well as the strong influence that the market region has on all other market regions in that hub. Basically, at Hilti the head offices at different hubs dictate most marketing activities in the hub countries (organizational chart in appendix 3). In other words, the head of the region has a lot of control over the market regions that are operating under it and what ideas will be implemented in them and what not. The other great factor influencing the selection of the market region for the pitch is the relationship between Hilti Suomi and that market region.

> *“We have built good relationships with them [the people working at the head office of Finland’s region] so we would have a good chance of selling the idea to them, whereas the head of the whole Hilti organization would probably not listen to us as well. (Sales manager 2, discussion 12.04.2017)*

The idea of the initial pitch is to start up conversation and to let the head office know what has been accomplished in Finland. The idea needs to be well put together and convincingly pitched. A big risk is that, the idea is not sold well enough, and the whole process of international implementation will fail before it started. According to Sales manager 2 (12.04.2017) what every company cares about in the end, is money. That is why the pitch needs to have strong support from the results of the pilot in Finland. If the results are promising, but not strong enough it might still be worth starting the conversation and promising to report back with more results after the official implementation in Finland. Depending on the opinion of the head office, the international implementation can start simultaneously with the implementation of the tool to the whole of Finland or after the results of the implementation in Finland have been measured. Sales manager 2 also discussed, the cultural sensitivity of selling an idea. He believed that while selling an idea is always sensitive of the surrounding cultures, the hub that Hilti Suomi operates in has a very diverse demographic and so there have formed ways of communicating in a multicultural environment that diminished the cultural effects of idea selling. In other words, Hilti has its own company culture that includes ways of communication in a multicultural environment.

> *"There are people from all over the world working at Hilti in this hub, people are very used to working in a multicultural environment and the communication has changed because of that. Not only do people know the suitable ways to sell ideas and talk in that environment, but I believe that people have also learned to understand the cultural differences [of individuals] and not let them bother them."* (Sales director 2, discussion 12.04.2017)

After the pitch, the implementation in the whole country begins either simultaneously or before the implementation of the tool in the headquarters of the hub. In this stage, the support from the sales managers as well as the support of the pilot team of account managers are considered important. The marketing team, together with the sales managers, need to sell the idea to the account managers. The account managers need to see the value of the tool to them, for the implementation to succeed. According to Sales manager 2 (12.04.2017) the sales managers will most likely not see the tool as useless or bad. He believed that the biggest threat is that the launch of the tool is not done successfully and the tool would be ignored by the account managers, since they would not know what it is and what to do with it.

The implementation to the whole country should be led by the regional managers and sales directors. The account manager teams should have meetings where the tool is discussed and the managers would stress its importance. A big kickoff event was not seen as necessary, rather the implementation would be done team-by-team. The encouragement for the use of the tool would come directly from the managers, and the support on things such as the usability of the tool would come from the marketing team. The implementation to the whole country -stage would be done locally in each market region where the tool would be implemented and the environmental issues would be tackled by letting the managers of these market regions decide the best implementation tactics for their cultural environment.

Once the tool is implemented in the whole country, the results are measured again. This is done to find out whether or not the implementation was successful, does the tool need to be altered and to be able to present more results to the headquarters of the hub in case they have not made the decision to implement the tool immediately after the initial pitch. The presentation is held to the decision makers, which in this case would be the marketing manager and sales director of the entire hub. The results need to be presented in a reliable manner and they need to be impressive enough to convince the headquarters of the hub to implement the tool. Presenting the results is partly overlapping with the international implementation. The international implementation stage in this context means the selling of the idea of the tool to a marketing team of another country organization and training them in the processes of creating and implementing of the tool locally.

One cultural issue that Hilti has faced in the past is that in many countries the attitude towards new innovations of products or processes that come from outside that country is negative. The challenge has been that people are not willing to accept the change, by justifying that their market is so different that the change will not work in their country even though it worked in the market it was piloted in. To tackle this issue, the selling of the idea should start with the marketing teams and sales directors. This can be considered international idea selling and would most likely be affected by the cultural attitudes towards change. However, this is a fairly small number of people to influence and is thus easier than influencing all the account managers in that country for instance. After the idea is sold to the marketing team, the marketing team will modify the tool to fit the operating market (creation phase) and then start selling the idea locally to the sales directors and regional managers, who will in turn sell it to the account managers. This way the idea no longer comes from outside, since it is modified to fit the operating market.

The creation phase is presented as the last stage of the implementation cycle. While it is not officially a part of the implementation phase it is presented in the cycle as a last step to depict the relationship between the two. After the international implementation, the country that has decided to take the tool to use should modify the tool to fit their environment. This will be done according to the creation phases presented in figure 13. While the same stages need to be completed in each country where the tool is to be used, the creation phase is expected to take less time than it did in Finland. This difference is due to a platform of the tool that would be used globally. The platform includes visuals and algorithms that form the profiles. The profiles will be formed through the same set of rules in each country. However, the contents of the tool, such as key products and services, offerings etc. should be modified according to the operating environment.

5.3.2 International implementation order

After the cycle is completed in Finland the headquarters of the hub would take the responsibility of the implementation as they have the most influence over the other countries in the hub and thus are most effective in selling ideas. The first step for the headquarters is to go through the cycle by first implementing the tool in their own country (action statement, kickoff event, active support, measuring results and implementing in the whole country). At this stage, they can skip the stage of *pitching the idea internationally*. After this the headquarters is responsible for presenting the results and international implementation to the other countries of the hub. The other countries in the hub on the other hand, are not responsible of any international implementation and thus only execute the stages that are represented in white boxes in figure 18.

Ideally the results of the implementation to one hub would be convincing enough for the headquarters to decide to try to implement the tool globally. In this case the headquarters would go through the end of the cycle starting from the measuring and presenting the results stages. The possible international implementation order is presented in figure 19.

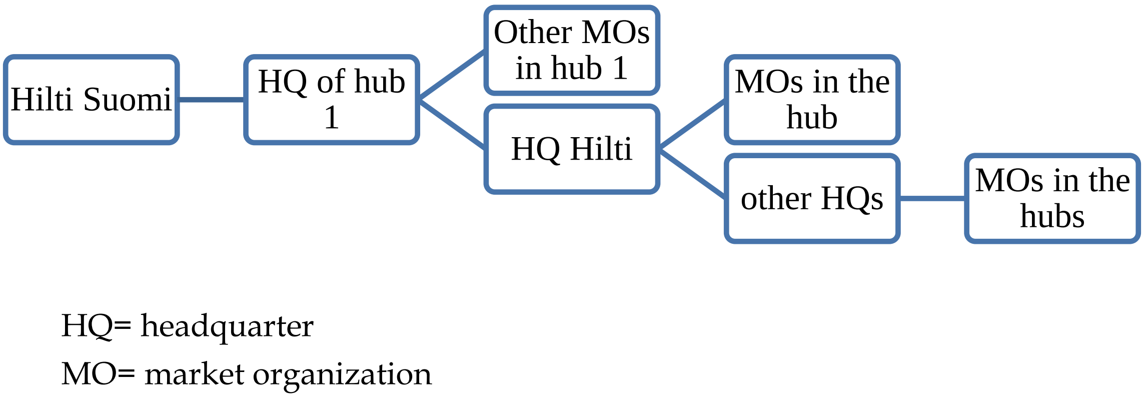

Figure 19 International implementation order at Hilti.

Figure 19 illustrates the idea of the international implementation order. Appendix 3 illustrates the organizational chart of Hilti, where the HQs and MOs are presented. The first implementation will be done in Finland after which the idea is sold to the headquarters of the hub that Finland belongs to. If the idea is sold well, the HQ implements the tool in all of the MOs in their hub. If a global implementation is planned, the HQ of the hub is also responsible of selling the idea to the HQ of the whole Hilti corporation, located in Schaan, Liechtenstein. This would be done due to their strong relationship. If the international implementation stage is successful, the HQ of Hilti would then take the action of implementing the tool first to the MOs in its own hub and then to all the other HQs of Hilti. These HQs are in turn responsible of the implementation in their own country as well as the MOs in their hubs. This way the implementation cycle presented in figure 18 can be repeated as many times as it is needed for the tool to be implemented globally.

In short, the implementation plan consists of nine stages: Action statement, kickoff event, active support, measuring results, pitching the idea internationally, implementation in the whole county, measuring results, presenting the results and international implementation. After all the stages are completed the creation phase will start in a new country or environment, which is followed by a new implementation phase. Therefore, the creation phase and implementation phase form a cycle that is repeated as many times as there are different environments where the tool is created and implemented. Each time the execution of the processes of the creation and implementation are modified to fit the operating environment. This way the tool and implementation can be adapted to fit the operating environment. The next chapter discusses the aspects of implementation that the case company plans to adapt according to the subenvironments.

5.3.3 Glocal implementation

Table 7 describes what implementation factors need to be adapted according to the five subenvironments discussed in chapter 3.1. The implementation stages disclosed in the table are as follows:

1. Kickoff event
2. Active support
3. Implementation in the whole country
4. International implementation

The Action statement is standardized except for the members of the implementation team, and setting the location. Measuring and presenting the results are also fully globalized and will be based on the same criteria. This allows cross-national comparison of results. If a cell in the table has no text, it means that at Hilti they considered that the subenvrionment has no significant effect on the implementation stage.

Table 7 Adaptation of implementation stages at Hilti.

	Kickoff event	Active support	Implementation in the whole country	International implementation
Economic environment		Amount of resources that can be given for support	Scope and implementation schedule	
Political and Legal environment				
Cultural environment	Participation level of manager, methods of idea selling	Nature of support	Encouragement methods, idea selling methods	Idea selling methods
Technological environment	Intensity of training	Intensity of support	Intensity of training	
Marketing environment	Level of importance given to the tool		Implementation schedule	

The kickoff event is the event, where the tool is first introduced to its end users, the account managers. At this stage, it is very important to sell the idea of the tool and to get honest feedback so that the tool can be modified to suit the needs of the account managers (creation phase). Influencing and understanding people's opinions was considered very culturally sensitive at Hilti. As stated before, it is crucial for the account managers to accept the benefits of the tool, for them to change their behavior and use the tool. Therefore, Hilti believes that the kickoff event should always be done by locals who know best how to influence their coworkers. Also, the role and participation level of managers should be localized. While the Hilti culture aims at having a low power distance and close relationship with managers, the relationship between managers and workers still differ from country to country. In countries where the relationship is close and trusting, the managers should be closely involved. Hilti believes that the close involvement in the kickoff event would increase the engagement of the account managers to the tool and would not hinder the honest feedback. However, to ensure honesty each kickoff should have a time dedicated for open feedback where there are no managers around. On the other hand, countries where the relationship is not as close, the role of the managers during kickoff should be more assertive. The managers should indicate the importance of the tool to the account managers for the tool to be used. However, the managers would not be present for the feedback so that the account managers could give feedback freely.

The technological environment of the implementation might require the localization of the intensity of training at the kickoff stage. Since the customer profiling tool is digital, the technological know-how of the environment might influence user acceptance. Since the tool that was created was technologically fairly simple to use, the MOs that operate in a technologically developed environment would only briefly have to explain and show the use of the tool in the kickoff event, whereas MOs operating in technologically less developed countries might have to dedicate one segment of the kickoff to more intense training in the use of the tool.

The competitiveness of the environment (marketing environment) might influence the level of importance given to the tool. If the market is very competitive and the managers see that the tool could benefit the MO, the importance of the tool should be emphasized in the kickoff event. However, a competitive marketing environment can also lead to a situation where the MO simply does not have the time or the energy to focus on the customer profiling tool and this might lead to a less enthusiastic kickoff event. The economic and political and legal environments were not seen as having any significant impact on the localization of the kickoff event.

The active support stage should be localized rendering to three subenvironments: the economic environment, the cultural environment and the technological environment. All other aspects of the active support stage could be globalized. The economic environment sets the premises for the support given. The amount of wealth and resources the MO has; determines the amount of resources it can allocate for the support of the implementation. The cultural environment on the other hand determines the nature of support needed. Culturally bound issues such as attitudes towards asking for support and the acceptance of help differ from country to country, therefore the support needs to be provided in a way that fits the cultural environment for it to be helpful rather than harmful. The technological environment on the other hand determines the intensity of support needed with the tool. The same principles apply here and in the kickoff event, if the environment is technologically well developed, the support needed is most likely low compared to MOs that have a less developed technological environment.

The third stage presented on the table, implementation to the whole country, would be adapted according to all subenvironments except the political and legal environment. The economic environment would give the boundaries for the scope and the schedule for the implementation. MOs with wealthy economic environment may have the option to test and modify the tool more and thus might implement it in stages, in a way growing the pilot team until the tool is fully implemented. Whereas less wealthy MOs might not have the resources for a lengthy implementation process and in some cases, might not be able to implement the tool in the whole country due to licensing fees. The schedule might also be effected by the competitiveness of the operating market.

The encouragement methods used to get all of the account managers in the MO to use the customer profiling tool should be adapted to the cultural environment. The motivational factors and resistance to change of the AMs (account managers) need to be understood. Some cultures need more encouragement to accept change than others. A part of getting the AMs to accept change is to understand what motivates them and adapt the encouraging methods accordingly. This stage needs involvement from the regional managers since they work closely with their team of AMs and have most likely learned to understand their motivations. The AMs as well as the customers may also have different attitudes towards personal data collection. The sales manager 2 at Hilti (12.04.2017) believes that when talking about this kind of questionnaire where the customer is not forced to answer any questions and the questions are not of sensitive nature, the attitudes would not be extremely negative anywhere. Nevertheless, he did acknowledge that in certain countries the reaction of the customers to the questions may be more reserved than in others. He suggested that the AM should be aware of this and use idea selling methods that suit the reaction of the customers. The technological environment should be taken into consideration through the intensity level of the training as discussed with the two earlier stages. The technological environment was also considered to influence the amount of data that is possible to gather. If the customers are very familiar with using technology the threshold to answer the question would most likely be lower than with customers that do not feel comfortable using technology.

Finally, the international implementation stage is to be adapted only according to the cultural environment. As discussed in the previous chapter, the international implementation stage refers to the pilot MO (Finland) or the HQ selling the idea of the creation and implementation of the customer profiling tool to another HQ. In other words, it can be done in a meeting where the presented results and possible benefits are discussed. Since this stage requires always more than one business environment to be involved the cultural environment is the only environment where clear and significant adaptation acts can be made. In short, the idea selling methods need to be adapted to the culture that the idea is sold to. This means that the implementer needs to familiarize itself to the culture that is the focus of the implementation. The choice of implementing to HQs that the implementer has a close relationship with is believed to ease this process.

As can be seen from the table the political and legal environment does not cause any adaptation acts in these stages. In chapter 5.2.1 the action statement of the creation plan was discussed. There the idea of creating a tool that gathers customers' personal data with the consent of the customer was elaborated. Therefore, this obliges even the strictest of personal data protection legislations that are active in the environments that Hilti operates in. This aspect is standardized in the creation phase of the tool and therefore the legal and political environment has no effect in the implementation phase of the customer profiling tool. In other words, the legal and political environment does not have a direct effect on the implementation as the issues are already dealt with in the creation phase of the customer profiling tool.

This chapter aimed to enclose that the creation and international implementation phases of the tool at Hilti are closely related and partly overlapping phases. Both have a plan that consists of stages. The processes, as in the order of these stages and the actions that need to be taken, are universal. However, the execution of these stages may differ from country to country for the plan to fit the operating environment. All in all, both processes aim at helping the salesforce to meet their objectives set by the local MO that are guided by the global strategy.

6 CONCLUSIONS

In this chapter the findings of empirical research with the academic literature and theoretical framework are presented. The conclusions are divided into two sections: the theoretical implications and the managerial implications. The managerial implications bring forward findings of creating and implementing a customer profiling tool that the case company and possibly other companies may find useful in their attempt of improving salesforce performance. In the end of this chapter the limitations of this study and suggestions for future research are discussed.

6.1 Theoretical implications

The theoretical framework of this thesis covered several factors supporting the use of customer profiling for salesforce performance improvement. As it is widely emphasized by several authors (Panagopoulos & Avlonitis 2010, 47–48; Emani 2014, 648; Saxe & Weitz 198, 14; Kidwell et al. 2007, 119–125; Terho et al. 2015, 13–19; Viio & Grönroos 2016; 37–39) salesforce performance can be improved by practicing customer oriented selling and this can be taken further by using value based selling and sales model adaption. These three sales techniques require knowledge about the customer, its business, values and buying patterns (Panagopoulos & Avlonitis 2010, 47–48; Emani 2014, 648; Saxe & Weitz 198, 14; Kidwell et al. 2007, 119–125; Terho et al. 2015, 13–19). Customer knowledge can be gathered quickly with a customer profiling tool (Hildebrandt & Gutwirth 2008, 17–48; Sheth et al. 2000 55 – 65; Ackoff 1989, 3–9; Bellinger et al. 2004, 1–5), therefore customer profiling can be used to help salesforce improvement.

The empirical research of this thesis considered the measures of salesforce performance and the creation- and implementation phases of a customer profiling tool at a multinational case company that largely bases its strategy on direct sales. As such the empirical research had three stages: finding out what constitutes good salesforce performance and how it is measured, understanding and evaluating the creation phase of the customer profiling tool and finally, finding out and understanding the stages of the possible implementation phase.

This research is in line with previous studies where salesforce performance is seen as the evaluation of the contribution of the salesforce to reach the organizations objectives, not limited to monetary sales. (Panagopoulos & Avlonitis 2010, 46 - 48) The case company had set clear, measurable objectives for the salesforce. These objectives were based on the case company specific strategy that in turn was modified from the organizations global strategy to fit the local business environment. However, while

Panagopoulos & Avlonitis (2010, 46 – 48) suggested that salesforce performance should be divided into three dimensions: behavioral, outcome and CRM, the actively measured objectives that Hilti salesforce strived for could be situated in only two of these three categories: outcome and CRM. This does not implicate, that the third dimension is irrelevant, since Hilti does require its salesforce to engage in activities in the behavioral dimension. These activities are seen more as supporting activities that help the salesforce to achieve their measured objectives. The reason why the behavioral activities are not set objectives is most likely due to their nature. Behavioral activities, such as understanding the customer, are difficult to quantify and therefore measure. Hence, this research supports the existence of all three dimensions, but clarifies the difference of the nature of them.

As the setting of this thesis is multinational, the theoretical framework also comprised of environmental factors that need to be taken into consideration in the creation phase of a customer profiling tool as well as in planning the implementation of the tool. According to literature, prior to creating or implementing the tool, a plan needs to be made that takes into consideration the diversity of a multinational environment. Two sets of plans need to be made, one for the creation of the tool and another for the implementation. These plans should consist of an action statement, the processes of the plan and unintended consequences of the execution of the plan. (Lyons & Hamlins 2001,5–100; Rothwell et al. 2003; 201–220)

The findings of this thesis support the theoretical discussion above, as the case company comprised separate plans for the two phases which could be adapted to many environments. Each plan consisted of an action statement and approximate processes. However, the plans took into consideration the possible need for revisiting the processes, that the literature often neglects. Moreover, unintended consequences were not systematically included in the plans of the case company. The possible difficulties were discussed in the creation phase of the customer profiling tool while or prior to executing each process of the plan. In the planning of the implementation the unintended consequences were discussed only briefly.

Regarding the creation of a customer profiling tool the theoretical framework suggests that a customer profiling tool should be created based on the salesforce objectives that are set by the organization. This way the profiles will directly present useful knowledge for salesforce performance improvement. (Terho et al. 2015, 13−16; Shaw et al. 2001; Schubert & Ginsburg 2010, 50 −51) This was fully supported by the empirical findings.

Furthermore, literature explains that the business environment dictates the useful knowledge that the tool profiles should present, the profiling method and the need for customer profiling. Therefore, a customer profiling tool cannot be standardized across all environments. The useful knowledge is dictated by the whole business environment, whereas the profiling method and need for customer profiling are dictated by specific subenvironments. (Brown & Gutterman 2003, 4–5; Hildebrandt & Gutwirth 2008, 17–202; Schubert & Ginsburg 2010, 50 – 51; Luigi & Simona 2010, 150-155) These implications are supported by the empirical findings to some extent. The case company created a tool that was partially standardized and partially adaptable to different environments (see table 6).

The action statement, that included the profiling method was standardized to be able to use the same platform and algorithm in all countries. The environmental factors were taken into consideration as the chosen profiling method fits most environments where the case company operates. The determining of useful knowledge for the profiles was adapted as the questions and profiles of the created customer profiling tool can be adapted. However, the need for customer profiling was not discussed in the case company so the findings do not support nor disapprove the environmental impact on it. Furthermore, theory often neglects the language and presentation involved in customer profiling tools, whereas the case company found that it needed a lot of adapting even within the internal and external environments (company language vs. customer language). The language and presentation of the tool was influenced by all subenvironments presented in chapter 3.1 except for the technological environment.

As per the creation phase of a customer profiling tool the theoretical framework presents the environmental impacts that need to be taken into consideration in the planning of the implementation of the tool. Literature brings forward four subenvironments that dictate these impacts: the political and legal environment, the cultural environment, the technological environment and the marketing environment. (Delener 1999, 135–148; Miroshnik 2002; Hofstede 1991). According to literature the political and legal environment determines the possibility of the implementation, the cultural environment determines the need for change management, attitudes towards personal data collection and power distance, the technological environment determines IT user acceptance and the marketing environment determines the implementation schedule and the importance of the implementation (table 3) (Trader-Leigh 2002, 138–152; Ruta 2005, 35–37; Armenakis & Bedeian 1999; Miroshnik 2002, 358 – 359; Malini & Shanks 2009; Lee & Dale 1998)

The empirical findings support the theoretical discussion, in that the implementation plan should be adaptable to local needs in different environments. As with the plan for creation the implementation plan of the case company was standardized as a framework but the execution of the processes is adapted according to the environment. The case company also found that four subenvironments have a strong influence on the implementation of the tool. The impacts of the cultural environment, technological environment and marketing environment were in line with the discussion above. However, contradicting to the theoretical discussion, the four influential subenvironments included the economic environment but the case company found the political and legal environment to be insignificant in the implementation process.

The economic environment was seen to influence the amount of resources that can be put into the implementation and the scope of the implementation. These aspects are not specific to the case company and therefore, bring additional insight to the theoretical discussion on implementation planning in a multinational context. On the other hand, the insignificance of the political and legal environment for the case company can be seen as unique to the profiling method of the case company as well as the business environments of the case company. As the profiling tool was created to gather personal data directly from the customer with the consent of the customer, the profiling method fits very strict political and legal environments. Therefore, the case company did not find the political and legal environment significant in any of the environments that apply to the implementation of the created tool. Therefore, while this finding contradicts with the theoretical findings, it does not undermine the theoretical importance of the political and legal environment in implementing a customer profiling tool in a multinational context.

To sum up, the empirical findings of this research largely support the theoretical framework of this thesis presented in chapters two and three. The contradictions between the findings and the theoretical framework do not disprove the literature, rather specifies it.

6.2 Managerial implications

In terms of managerial implications, this study brings forward a few things regarding the creation and implementation of a customer profiling tool in an international context. The planning of both phases is discussed as well as the creation process. Additional challenges brought by a multinational environment also need to be taken into consideration by managers.

As suggested by both the theoretical framework and the results of this research, managers should start the project of creating and implementing a customer profiling tool by creating a plan for both phases. These plans should include at least an action statement and the processes of each steps. Moreover, managers are encouraged to make decisions on the adaptation and standardization of these plans and their processes. The plans should be created to be flexible enough to allow adaptation in different environments if they are executed in a multinational context.

Many macro-economic phenomena were discussed in this thesis, such as the legal and political environment and other environments. Therefore, it is important to understand, that a single company has little to no control over them and consequently a single company has limited possibilities of influencing these phenomena. However, some factors that companies need to take into consideration when creating and implementing a customer profiling tool in these environments can be presented.

Prior to the creation phase, it is beneficial for the managers to identify salesforce objectives and how they are measured. Also, the challenges the salesforce faces in reaching these objectives should be identified and examined. The objectives for the customer profiling tool should then be designed to find solutions to these challenges. This way the created tool would directly impact salesforce performance. Managers are encouraged not to standardize the objectives of the tool as the salesforce objectives and the challenges regarding them are greatly influenced by the business environment. Therefore, the objectives should be adapted to fit each environment.

Furthermore, the business environment also influences the profiling method and language and presentation of the tool. According to the theoretical framework and the empirical research managers should pay attention to the economic environment, the political and legal environment, the cultural environment, the technological environment and the marketing environment when creating the tool. These were found to have an impact on the useful knowledge and objectives of the tool, the profiling method, the need for customer profiling and the language and presentation of the tool. The legal and political environment should be considered thoroughly when deciding the profiling method as it may prevent the implementation of the tool completely if it has not been created according to the environment's personal data collection legislation.

This thesis also brings forward the option of choosing an alternative method of customer profiling to profiling based on data mining. From a managerial point of view the questionnaire-type tool is an exciting option as it is easy to adapt to many political and legal environments and it is also less costly than maintaining a data warehouse needed for data mining. For the managers at the case company as well as managers that opt to create a similar customer profiling tool, this research suggests the creation process to consist of seven steps: creating an action statement, specifying the objectives of the tool, revising the done processes, editing the language and presentation of the tool, getting opinions from the final users and their managers and modifying the tool. After modifying the tool, it is suggested to go back to the revising process.

For the case company, the action statement is standardized while specifying the objectives of the tool, creating questions and profiles and language and presentation are mostly adapted according to the operating environments. The standardization of the action statement is a choice that enables creating one platform and set of algorithms for the tool rather than creating it from the beginning in each environment. This standardization choice is cost effective, however managers need to make sure that the same action statement and with that, profiling method fits to every business environment.

For the case company, the rest of the execution of the creation processes are adapted according to the business environment with the exception of creating the questions and profiles, which is adapted to fit all subenvironments, but the technological aspects, alias the algorithms are standardized in order to maintain aa standardized action statement and unified tool. The adaptation of the rest of the processes ensures better results as the tool can cater to many environments.

The theoretical framework and the results of this thesis also encourage managers to find a good fit of standardization and adaptation in the implementation plan. The managers should also measure the results of the implementation actively to get feedback on the success of the implementation and the usefulness of the tool. The planned implementation processes of the case company consist of the action statement, kickoff event, giving active support, measuring the results, pitching the idea internationally, implementation in the whole country, measuring the results, presenting the results and international implementation. After international implementation the creation phase of the tool would start in the business environment that it is implemented to. This creation phase is done according to the adaptation and standardization choices described above.

When choosing the international implementation order, a factor that should be considered is the countries influence on other countries. The order of the implementation should go “top down” as in the most influential country should pitch the idea to the countries it has influence over. However, another factor plays a big part in the choice of the implementation order as well. The order should be chosen based on the relationships between the countries. Managers should use their relationships to sell the idea further. Therefore, the implementation order might not automatically be from the most influential country to the least, the relationships between the countries also play a big role.

As with the creation phase, the managers need to understand the environmental impacts in the implementation phase. The theoretical framework together with the empirical research suggest that all four subenvironments have an impact on the implementation phase. The economic environment should be taken into consideration when planning the amount of resources allocated to the support of the implementation. Also, the scope of the implementation should be planned according to the economic environment. The managers should determine how vast of an implementation can be done with the resources available. Also, the cost benefit should be calculated.

As stated earlier, the political and legal environment determines whether the implementation is possible. Legislation concerning personal data collection can hinder or prevent the implementation of a tool that uses profiling methods unfit for the environment. This environment does not concern the managers of the case company as the creation method chosen fits all relevant legal and political environments.

The cultural environment impacts many aspects of the implementation process and therefore must be taken into careful consideration when planning the implementation. The cultural environment impacts the need for managerial presence and support in feedback processes (kickoff) and throughout the implementation it also impacts the nature of the support. In low power distance cultures for example, the managers can be present for the processes where the account managers or end users give feedback on the created tool, if seen necessary. They should also be active in giving support for the use of the tool, the nature of the support should be encouraging. Whereas in high power-distance cultures the involvement of managers in the feedback processes should be minimal for the feedback of the account managers to be honest. The support should be more stern as the managers should express that they expect the account managers to use the tool, no lengthy discussions and explanations are needed. Moreover, the cultural environment impacts the idea selling methods that should be used in the international implementation phase.

The technological environment together with the cultural environment impact the need for change management. Values and ideologies tied to culture as well as technological advancement determine how well the employees and customers accept a new IT based tool that collects personal data. Managers should be aware of these values, ideologies and technological skills and adjust their management style accordingly. For instance, countries that are not that advanced technologically may need more support in learning how to use the tool. Whereas countries with a highly advanced technological environment may not need extensive support in using the tool, but they may be more aware of data collection methods and rights and this may impact the customers willingness to give their data. However, it is not uncommon for people in highly advanced technological environments to openly share their personal data despite their knowledge on the subject, especially in collectivist cultures.

Lastly the managers can adjust the level of importance given to the tool as well as the implementation schedule based on the marketing environment. If the competitiveness of the environment requires quick improvement of salesforce performance, the managers can choose to give high importance to the project of creating and implementing the tool. Also, the implementation schedule can be planned to be short if the marketing environment gives time pressure to the project.

The contradictions found between the theoretical framework and the empirical findings discussed in the previous chapter indicate that managerial implications are partially company specific and tied to the profiling method. Therefore, managers must always strive to truly understand their operational environment and the possible implications the different subenvironments may have to the creation process and the planning of the implementation of a customer profiling tool. The objective of the tool: to improve salesforce performance, should be kept in mind during the entire project and consequently the salesforce objectives should be used as a base in creating the tool.

For the marketing and sales managers, it is important to consider all the comments and opinions presented in this chapter. However, the discussion above can be summarized to three big factors that need to be understood in order to successfully create and implement a customer profiling tool for the use of salesforce performance improvement: the objectives of the company, the real-life difficulties or issues regarding salesforce performance and the environmental factors that require standardizing or adaptation.

6.3 Limitations to the study and suggestions for future research

This research provides both theoretical and managerial implications, however it does have its set of limitations. First, this research is based on a single case study, which always provides a very narrow interpretation of a phenomenon. Second, the implementation phase was studied through a weak market test and interviews, this means that unlike the creation phase, the implementation phase was not observed as it was happening, thus leaving room for speculation.

Third, to find out the actual improvement of salesforce performance a much lengthier research would have to be made and quantitative as well as qualitative data would have to be gathered and compared to the salesforce objectives. According to Silverman (2001, 32) it is usual to conduct the first phase of a study using qualitative methods and continuing it next with a quantitative research. To have further insight on the topic, it would be beneficial to continue with a qualitative research on the implementation process using observation and a quantitative research on the results of the implementation. Finally, the empirical research concerned a very specific type of customer profiling tool, to understand the full implications and processes of creating and implementing customer profiling tools, more tool types would need to be researched.

This chapter provided the conclusions of this thesis. Although there are limitations and this research leaves room for further research, this thesis can be seen to provide practical relevance for the case company as well as other multinational organizations with a direct sales approach. This thesis contributes to the constructive research approach by indicating applicability in a new context. Further research is needed to support the results of this thesis. Both quantitative and qualitative research on the implementation process and results would be beneficial.

7 SUMMARY

This thesis focused on finding out *how to create and implement a customer profiling tool to improve salesforce performance.* To find the answer to this main topic, two sub-questions were presented and answered. These sub-questions were: 1) *What factors need to be considered in the creation of a customer profiling tool?* 2) *What factors need to be considered in the implementation of a customer profiling tool?* Previous literature was reviewed and a constructive research was conducted and the results were analyzed to answer these questions.

The literature review consisted of two chapters. The first of these chapters focused on defining customer profiling and answering the first sub-question. Salesforce performance is defined as the *assessment of salesforce's contribution to achieving the organizations objectives.* It consists of three dimensions: behavioral, outcome and customer relationship management. These three dimensions describe the nature of salesforce objectives, against which salesforce performance is measured. Salesforce objectives can be non-selling activities, qualitative outcomes or customer based results. (Panagopoulos & Avlonitis 2010,47). According to prior research customer orientation can improve salesforce performance this can be further strengthened by value based selling and sales model adaption (Kidwell, McFarland and Avila 2007, 119-125; Terho et al. 2015, 15−16; Viio & Grönroos 2016, 37−38; Panagopoulos & Avlonitis 2010, 46−48; Anderson & Wynstra 2010).

Customer profiling on the other hand, was defined as *the act of collecting data about customers or an individual customer and transforming it into information or further, knowledge that is beneficial for the profiler*. (Hildebrandt & Gutwirth 2008, 17 – 202; Sheth et al. 2000, 56 – 57; Schubert & Ginsburg 2010, 50 −53). These two concepts: customer profiling and salesforce performance improvement were brought together by explaining the role of customer profiling in salesforce performance improvement. Customer profiling can be used as a tool to understand the customer better. This is an initial and crucial stage of customer orientation, value based selling and sales model adaption. Therefore, customer profiling can help in succeeding to attain the three sales techniques that in turn can improve salesforce performance. (Terho et al. 2015, 13−16; Shaw et al. 2001; Schubert & Ginsburg 2010, 50 −51; Panagopoulos & Avlonitis 2010, 46−48)

The creation and implementation of a customer profiling tool were also discussed based on previous literature. The importance creating a plan for these phases was elaborated. Although the motivation behind the creation and the implementation of a plan may be the same, the objectives of these two differ. Therefore, two separate plans are needed. The plans should be created to fit the business environments they are executed in. More precisely, the plans should be glocalized to fit the subenvironments: economic, political and legal, cultural, technological and marketing environment. This means, that the plans should have flexibility in areas where local environmental factors may have great impact. (Brown & Gutterman 2003, 4 – 5; (Luigi & Simona 2010)

The following aspects of a customer profiling tool are greatly impacted by the environment: determining useful knowledge, choosing the profiling method and the need for customer profiling. (Miroshnik 2002; Brown & Gutterman 2003, 4 – 5; Luigi & Simona 2010; European Comission 2016; Regulation (EU) 2016/679; Directive (EU) 2016/280; Hildenbrant & Gutwirth 2008, 241) Similar aspects in the implementation phase are: possibility of the implementation, attitudes towards change, motivation to change, attitude towards personal data collection, power distance, IT user acceptance, implementation schedule and the importance of the implementation (Delener 1999, 135 – 148; Miroshnik 2002; Hofstede 1991). These are the aspects in the creation and implementation phases where decisions between standardization or adaptation need to be made when the tool is to be used in an international context. Parts of these phases can be adapted (differentiated) to fit each of these environments. Other parts can be standardized (kept the same) in a way that the same way of creating or implementing fits all relevant environments. (Luigi & Simona 2010)

The empirical part of this thesis was done as an intensive case study. The empirical data was collected through five semi-structured theme interviews, five participant and non-participant observations and five informal discussions. By analyzing the data three types of salesforce objectives were found in the case company: behavioral, outcome and CRM. However, only the outcome and CRM objectives were actively measured and had a direct impact on the salesforce's wages. this was due to the nature of these objectives. The outcome and CRM objectives were seen as more easily quantifiable and therefore easier to measure than the behavioral objectives. This did not however, take away from the importance and effort the organization put in to the behavioral objectives as well.

The creation of the customer profiling tool started out with identifying the challenges the salesforce faced in reaching their objectives. The objective of the creation phase was to find solutions and offer help to overcome these challenges. The creation phase included seven stages, some of which were repeated throughout the process. These stages were designed to be global, whereas the execution of them could have local variances. This meant that the theme and objective of each stage stays the same but how it is completed varies. To save money and time, the platform and algorithms of the tool would be global as well. The tool was created to be a questionnaire; therefore, the algorithm would form profiles according to the answers of the questions. This algorithm would be global, but the profiles and questions would change according to the objectives of the MO using the tool.

The implementation phase of the customer profiling tool would follow a nine-step cycle starting with an action statement and ending in international implementation. After the last step, a new creation phase in a new MO would begin. The plan of international implementation was to use close relationships as well as influencing power to spread the tool internationally. This meant that after the tool was piloted it would be introduced to an MO that has a close relationship with the piloting MO and that has a strong influence on other MOs. The glocalization of the implementation phase would follow the same ideology as the creation phase. The implementation steps, as in what to do in what order, would be globalized, whereas *how* to do these steps would be localized according to the operating environments.

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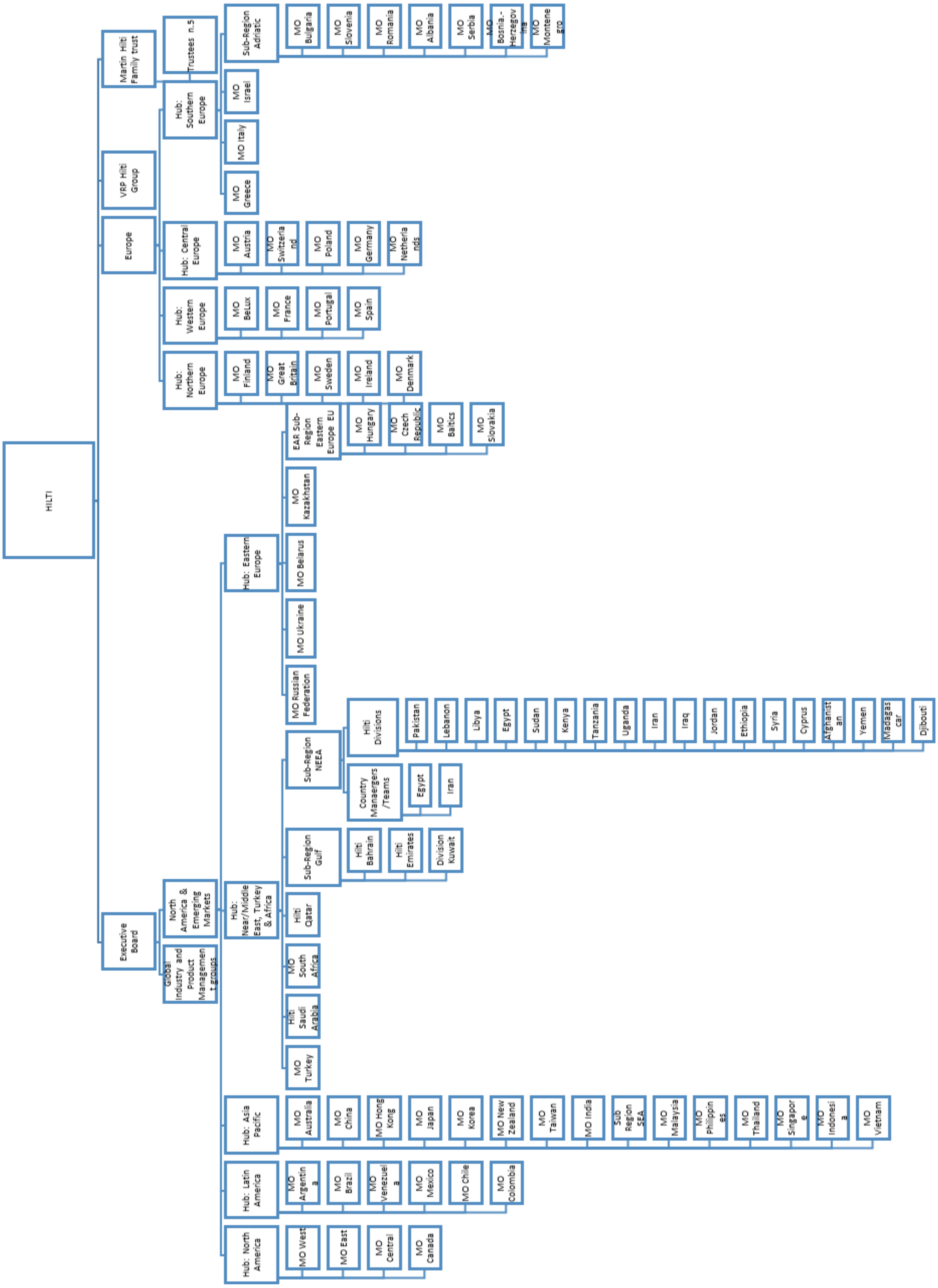
APPENDIX 1 OPERATIONALIZATION TABLE

Reserch problem	Subquestions	Theoretical themes	Interview themes	Observation checklist
How to introduce a customer profiling tool to improve salesforce performance?	What factors need to be considered in the creation phase of a customer profiling tool?	Salesforce performance, Customer orientation, Value based selling, Sales model adaption, Customer profiling, Planning a process, Business environment, Glocalization, EU legislation	Current situation, Setting the objectives for the tool, Planning the process Contents and usability of the tool, Revision, Modifying the tool	1a, 1b, 1c, 2a, 2b, 2c, 2d, 2e, 2f, 2g, 2h
	What factors need to be considered in the implementation of a customer profiling tool?	Planning a process, Business environment, Glocalization, Planning a process, BPM, IT implementation	Creating an implementation plan, Start of implementation pilot, International implementation	2f, 2g, 3a, 3b

APPENDIX 2 OBSERVATION CHECKLIST

THEMES	CONTEXT	OBSERVATIONS
1. Improving salesforce performance	Overall	a. Measured salesforce objectives
		b. Other salesforce objectives
		c. Challenges in reaching the objectives (managers' and salesforces' point of view)
2. Creating a customer profiling tool	Overall	a. Objectives for the tool
		b. Planned vs. actual creation stages
		c. Execution of the creation stages
		d. Challenges in the creation stages
		e. Priorities in the creation stages
	Multinational	f. Attitudes of the managers
		g. Attitudes of the salesforce
		h. Effects of the business environment to the creation stages (e.g. organizational culture on used language)
3. Implementing a customer profiling tool	Overall	a. Objectives for the implementation
		b. Kickoff event
	Multinational	*No observations, based only on interviews*

APPENDIX 3 HILTI GLOBAL ORGANIZATIONAL CHART



APPENDIX 4 THEORETICAL AND PRACTICAL CRITERIA OF THE CRA

Steps	Criteria	Application in this research: link to theory	Application in this research: link to practice
Find a practically relevant problem which also has research potential	The research problem must be practically relevant as well as theoretically interesting.	Customer profiling is not widely researched in regards to personal selling.	Problem stemming from a real-life problem Hilti is facing
Examine the potential for long-term research co-operation with the target organization	Reliability: longitudinal study, commitment and similarity of values between the co-operating parties Meaningfulness: research needs to be published	No strong theoretical link.	Reliability: contract between the researcher and the case company has been signed and vales assessed. Meaningfulness: publication issues discussed and agreed upon at the beginning of the co-operation
Obtain a general and comprehensive understanding of the topic	Understanding both, the theoretical side as well as the practical side of the topic	Theories are used to create a more in-depth understanding of the topic.	Interviews with professionals and all relevant parties
Innovate and construct a theoretically grounded solution idea	The solution needs to bring something new to the academic environment	A creation process of a new type of customer profiling tool is constructed to fit a multinational environment, also an innovation plan is made.	No strong links to practice

Implement the solution and test whether it works in practice	Brings together the theoretical side and the practical side of the thesis providing information on whether the solution works in both of these aspects	Weak market test	Weak market test
Examine the scope of the solution’s applicability	The solution, or the problems faced in the implementation process should be applicable organizations other than the case company	Theory not industry or company specific	Although the practical research is company specific, the construct is formed on a more general level due to publication issues, thus also making the solution more applicable.
Show the theoretical connections and the research contribution of the solution	The contribution should be to either test a theory/ theories or to create a new way to reach a specific goal.	customer profiling tools are used for the purposes of personal selling are not widely studied	A forecasting customer profiling tool that does not use data mining is a novelty.

* In the table, the sixth step is colored gray, because the empirical research in this study ends at the weak market test.