THE LEVEL OF STRATEGIC PART OF CRM ARCHITECTURE IN SMALL AND MEDIUM-SIZED ENTERPRISES IN THE CZECH REPUBLIC

[Úroveň strategické části architektury CRM v malých a středních podnicích v České republice]

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Abstract: This paper aims to evaluate the level of the strategic part of CRM in SMEs in the Czech Republic. In the empirical part, quantitative primary research was carried out. The questionnaire survey was attended by 1 067 respondents. To evaluate the primary research, the PDCA method, which is used to evaluate process quality, was modified. This paper provides a different perspective on CRM level assessment. Based on a literature search, a research question and hypotheses dealing with the level of strategic activities were formulated. The communication strategy reached the highest level in terms of implementation. The hypotheses examined the relationship not only between the level of CRM strategy determination, the perception of the CRM importance and the increase in the number of loyal customers, but also between the size of SMEs and selected strategic activities. For most hypotheses, this relationship was confirmed, even if there is a differentiated degree of tightness.

Introduction

Customer relationship management (CRM) is a strategic approach that integrates people, business and technology to understand the customer needs (Mohammadhossein and Zakaria 2012, Pozza et al. 2018). Customer relationship management has its own architecture, in which its strategic part is the meaning, and which determines other parts of CRM. The strategic part of CRM should contain the most important decisions which need to be implemented in practice so that customer relationship management is beneficial and brings effects for both the customer and the company (Chromčáková, Starzyczná 2018). The SME sector influences has a key role in a currently highly competitive environment that is characteristic of the globalization process. It is imperative to acquire customers and maintain them so that this relationship would bring good economic results to the company (Starzyczná, Pellešová, Stoklasa 2017). The position of SMEs on the market is not simple. Currently, this difficult market position is still affected by the COVID - 19 pandemic, which complicates to build relationships with customers and evokes the search for new customer solutions, both in the B2B and B2C market.

This paper aims to evaluate the level of the strategic part of CRM in SMEs in the Moravian-Silesian Region in the Czech Republic. The starting point is a brief theoretical discussion of the examined issues based on secondary data. This is followed by an empirical section on research methods with results and discussion. A research question has been formulated not only for the level of strategic activities but also for six hypotheses. The level of performed activities was

evaluated by using a modified PDCA method (WPDCA) while hypotheses were evaluated based on the correlation analysis.

1 Literature review, research question and hypotheses CRM architecture and its strategic part

Frequently, the three elements of CRM architecture are mentioned in the professional literature: namely the analytical, operational and collaborative (Peelen 2005, Greenberg 2010). However, some scholars say that the strategic part also belongs to the part of CRM architecture (Buttle and Maklan 2015, Lošťáková 2017). The strategic part of CRM also refers to a new approach of CRM (Lošťáková et al. 2017), moreover, it is the starting point for other follow-up parts such as the operational part, analytical and the collaborative one. Kozák (2011) emphasizes that the CRM implementation in Czech enterprises is one of the main problems of a short-term vision in top management of companies. The strategic approach is missing here. The strategy gives the basis for decisions in the stage of specification of the CRM system, especially for the specification of technology, processes and CRM organization (Portal System online 2020). Therefore, strategic activities need to be evaluated in order to allow the continuous improvement because they have an impact on the success of CRM implementation. The majority of SMEs do not realize the benefits that CRM provides (Boon et. al. 2011). Based on the current state of knowledge, the following research question has been formulated: *RQ₁: At what level of the modified Deming cycle are the individual activities of the strategic part of the CRM architecture in SMEs implemented?*

The strategic CRM represents the strategy development and value creation processes (Payne, Storbacka, Frow 2007). The goal of strategic CRM is to align the business strategy to customer strategy. It is not merely a strategy confined to marketing, but also the integration of all resources and capabilities of an enterprise, that should be carried out with the overarching goal being that of generating customer value (Payne and Frow 2005), which is closely connected to customer value for the company (Kumar, Reinartz 2016, Vávrová 2016). CRM strategy usually has multiple parts. It usually includes a customer strategy. It is the basis for product strategies, communication strategies and structure strategies dealing with the choice of technologies and settings of all CRM processes (Portal System online 2020). Companies with the strategic CRM are regarded as more motivated (Brink, Odekerken-Schraqder 2006). Companies that realize the importance of CRM think strategically and in the long run (Starzyczná, Kauerová et al. 2007). Based on the current state of knowledge, the following hypothesis has been formulated: *H₁: There is a relationship between CRM strategy determination and perception of the CRM importance*

Cooper and Lane (1999) mentioned the importance of customer care that is the part of customer relationship management. Companies should have a strategy for individual customer groups (segments) or individual customers. Companies build a long-term relationship with customers that requires a sustained and systematic knowledge of customer needs and strategic approach to customer relationship management (Starzyczná, Kauerová et al. 2007). Zamazalová (2009) considers a customer as an important strategic potential. Chlebovský (2017), who deals with the issue of customer solutions (CSM – Customer Solution Management), recalls Peter Drucker's paradigm that a business has only two basic goals, to gain and retain customers. According to Marinescu, Mihaescu and Niculescu-Aron (2007) long-term relationships are one of the most important assets of companies. Based on the current state of knowledge, the following research hypothesis has been formulated: *H₂: There is a relationship between CRM strategy determination and the increasing number of loyal customers.*

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Small and medium-sized enterprises and customer relationship management
SMEs often struggle with the lack of funds or professional staff. This can limit their growth and development (Sudhakar and Ravindran 2012). SMEs have problems with the use of technology, although it is not necessary to overestimate technology in CRM (Kozák 2011). The new EU SMEs strategy emphasizes the transition to digitization which can be challenging for SMEs (Mastantuono 2020). Marketing 4.0 emphasizes digital marketing as an important part of business development (Kotler, Kartajaya, Setiawan 2016). The change in the current business environment caused by the coronavirus may be a challenge for SMEs to reconsider their customer strategy and related communication strategies. New approaches to communication with customers are associated with e-commerce. Many companies today use multi-channel marketing (Kotler and Keller 2016). Enterprises establish the-shops and use online tools to communicate with a customer. The multi-channel strategy offers more options for obtaining products that meet customer requirements even in the coronavirus period. The customer can have multiple accesses to the company's website (Portál Marketingové noviny 2020).

It should be noted that the use of CRM in small and medium-sized businesses affects a lot of authors in different countries. By SMEs there is a personal approach to customers which is also emphasized in theoretical approaches to customer relationship management (Blažková 2016, Harrigan, Ramsey a Ibbotson 2011). The size of a company, its products and services are the main factors that determine its customers and that limit the size of markets, in addition, strategic planning in general and CRM strategies must be adapted accordingly. Is the size of the company a risk or a chance (Ekonomický deník Portal 2020)? Small and medium-sized enterprises have a differentiated organizational structure. As companies grow, the number of employees grows. It is necessary to think about the division of work and competencies in order to avoid communication problems. CRM can eliminate these problems (Frejková, Chalupský 2014). However, according to Pelham and Wilson (1999), small businesses sometimes lack systematic decisions and strategic thinking. Based on the current state of knowledge, the following research hypotheses have been formulated:

H_3: There is a relationship between the enterprise size and level of the determination of the communication customer rules.
H_4: There is a relationship between the enterprise size and level of determination of the strategy for individual loyal customers.
H_5: There is a relationship between the enterprise size and level of the goal setting for customer relationship management.
H_6: There is a relationship between the enterprise size and level of the CRM strategy determination.

2   Research methodology
The subject of the research was the main CRM strategic activity. The object of the research was SMEs from the Moravian-Silesian Region in the Czech Republic.

2.1 Evaluation of research question (modification of special method PDCA - WPDCA)
There are several methodological approaches in the literature to assess the evaluation of relationship marketing including CRM. Coote (1994) characterized three framework approaches to relationship marketing, namely the Anglo-Australian approach, the Scandinavian approach (theory interactive net) and the North American approach (relation between buyer and seller). The Anglo-Australian approach is based on the work of Christopher, Payne and Ballantyne (1991) who emphasize the quality management in particular. In the course of time, these approaches have converged but basically in all of them, we would find connections to CRM processes and activities. In our opinion, the Anglo-Australian approach based on quality

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management is the closest to our research and goal. To evaluate the level of strategic activities, a special PDCA method or the Deming cycle method was used. The Deming cycle is based on four basic phases of the process (activity) which are qualitatively different (plan; do; check; act). The PDCA method also refers to the Shewhart cycle. Shewhart (1939) already discussed the concept of PDCA in 1939 in terms of quality control. The method is used in enterprises even today with the aim of constantly improving the quality of products, services, applications or processes (Gupta 2006, Jagusiak-Kocik 2017). This method was not found to be used to evaluate the level of CRM. Four of the main strategic activities were evaluated for the whole sample. For the purpose of this research, the PDCA method was modified (WPDCA). One option was added, the possibility of non-realization, the letter W (without realization). This phase was added because some enterprises are not implementing some activities. After our adjustments, the individual phases of the cycle are the following ones (see Table no. 1).

Table 1: Modification method PDCA (WPDCA)

Phase of cycle	Title of phase	Characterization
W	Without realization	non-realization of the activity,
P	Plan	planning the intended activity (intention),
D	Do	implementation of the activity, (according to the established plan),
C	Check	verifying the result of the implementation of the activity against the original intention,
A	Act	modification of the plan and to the own implementation of activities on the basis of validation and across-the-board improvement in practice.

Source: Developed by authors

A mode or the most frequently occurring response will be used to evaluate the use of activities in parts of the CRM architecture. Specifically, relative response rates and mode were used (the most frequent value is the value with the highest relative frequency).

Data collection and questionnaire survey
To obtain the necessary data, primary research was carried out in the Czech Republic (descriptive and causal research). It was a one-time quantitative survey based on a questionnaire survey preceded by qualitative research through a structured interview with business managers. Qualitative research had the character of preliminary research that helped with better orientation in the researched issues. Quantitative research was carried out electronically having its advantages and disadvantages. The advantage was the flexibility of the research. The disadvantage was the fact that some respondents did not answer all the questions in the questionnaire. That is why the information was incomplete and, therefore, had to be excluded from the research. Misleading information can pose a risk of research distortion. The number of addressed enterprises had to be higher (closer to 3.3). The questionnaire mainly included closed questions. The possibility of respondents' answers corresponded to the phases of the modified method of the Deming cycle (5 options – W, P, D, C, A). In addition to them, the respondents were also asked some additional questions. Specifically, the first question focused on the perception of the importance of CRM and the second one dealt with the growth of the number of loyal customers which also had been used in the formulation of hypotheses. Respondents answered on the basis of a subjective assessment of the situation in the company. In addition to factual questions, the respondents also answered identification questions. The most frequently occurring answers of the respondents were used to evaluate the activities in the parts of the CRM architecture. Specifically, the relative response rates and mode were used (the most common value is the value with the highest relative frequency).

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2.2 Verification of hypotheses

To evaluate the hypotheses (H1 to H6) based on the literature review in the first part of the article, the Pearson correlation coefficient was used (Ramík 2003). Microsoft Excel was used for the calculation. A high correlation coefficient value does not necessarily mean a statistically significant dependence of quantities. To test the statistical significance of correlation coefficients, test criteria with different probability distributions are used. Student's distribution is used most commonly with n - 2 degrees of freedom (Bolboaca, Lorentz 2006). Student's distribution is also used in this article to determine the statistical dependence of variables or to reject hypotheses. The variables were CRM strategy determination (variable x), the perception of the CRM importance (variable y), the increasing number of loyal customers (variable y), the enterprise size (variable x) and variable y – the level of the determination rules for communication with customer, determination of the strategy for individual loyal customers, the goal setting for customer relationship management and the strategy determination for customer relationship management. The measurement was performed by subjective indicators including a five-point measure adopted for this study (see the phase of the Deming cycle - modification of the PDCA method - more detailed text).

2.3 Respondent sample

The sample size consisted of SMEs of the Moravian-Silesian Region in the Czech Republic. We proceeded from the definition of SMEs, which is used in the EU, based on Annex 1 of the Commission Regulation (ES) no. 800/2008 of 6 August 2008. In our article, we used the criterion related to the number of employees. Other indicators are also useful for the definition of SMEs, but for our research the number of employees for our research was sufficient. By 31 December 2018, according to the Czech Statistical Office, there were 28,276 active economic entities in the Moravian-Silesian Region (Portal Regional Outputs-Yearbooks 2018) which employed at least 1 employee. The statistics are "slightly" distorted, because more than half of the enterprises have Prague as their place of residence, even though they do business in other places. Respondents were selected on a random respondent's selection. In total, 1388 companies were contacted. However, while 1067 were usable and their correctly and fully completed questionnaires were used, 321 questionnaires had to be discarded. The return rate of the questionnaires was 76.9 %. The respondent sample accounted for 1,067 respondents which corresponded with the calculation of the minimum sample (Kozel et al. 2011): The minimum sample size was set at n = 384.16. The companies included in the study are incorporated in the Czech Republic, and all of them are private companies. The majority of them were micro-enterprises, namely 452 (42 %), followed by small enterprises in the number of 405 (38 %) and there were 210 (20 %) medium-sized enterprises. Most respondents ran business in the services sector. The period of operation on the market was mostly more than 10 years for almost 80 % of respondents. Most respondents are also in the B2B and B2C market, so its clients were both end consumers and companies.

3 Research results (answering the research question)

Evaluation of the level of strategic activities according to the modified PDCA method (WPDCA)

As we can see in Table no. 2, most of enterprises are on the phase – "do" (D) 35 % of enterprises carried out the setting of CRM goals, 32 % have their CRM strategy, 35 % of businesses carried out the strategy for individual loyal customers, 36 % of enterprises have their rules for customer communication and 33 % of them regularly improve this activity.

Table 2: The results of strategic CRM activities (%)

Activity	W	P	D	C	A	W+P	D+C+A	Order [1]
The setting of CRM goals	15	16	**35**	16	18	31	69	3.
CRM strategy determination	17	19	**32**	11	21	36	64	4.
Strategy determination for individual loyal customers	12	12	**35**	16	25	24	76	2.
Determination of customer communication rules (communication strategy)	12	10	**36**	9	33	22	78	1.

Source: Developed by authors

The phase do (D), control (C) and act (A) are levels of activities, which explains that enterprises implement them overall, however, we can include all D + C + A phases in the strategic parts listed above. These phases differ in the quality of implementation that companies use to the further improvement of customer relationship management.

Evaluation of the determination of customer communication rules
The customer communication rules took the first place performed by 78 % of all enterprises (see Table no. 2). They carry out the determination of customer communication rules. 36 % carry out this activity (D), 9 % control it (C) and what is considered a very positive result is that 33 % of enterprises regularly improve the customer communication rules (A) (see Table no. 2). How did different sizes of SMEs tackle this activity? In the case of micro-sized enterprises, 69 % of the enterprises carried out the customer communication results. Among them, there were 17 % of the enterprises in phase D and 10 % in phase C, but surprisingly 42 % regularly improved this activity (phase A). Micro-sized enterprises are on the highest level of improving this activity (A) which is different from small and medium-sized enterprises. In the case of small-sized enterprises, 83 % of the enterprises carried out this activity. 54 % of small-sized enterprises are in phase D, 3 % in phase C and 26 % in phase A. In the case of medium-sized enterprises, 85 % of the enterprises carried out the customer communication results, there were 40 % of enterprises in phase D, 17 % in phase C and 28 % in phase A.

Evaluation of strategy determination for individual loyal customers
The strategy determination for individual loyal customers took the second place (see Table no. 2). 76 % of enterprises carry out the strategy for individual customers. 35 % of enterprises carry out this activity in phase D, 16 % control it (phase C) and 25 % regularly improve it (phase A). However, there are also some differences among implementation (D), improvement (A) and the size of enterprises (see Table no. 2). In the case of micro-sized enterprises, 74 % of the enterprises carry out the strategy determination for individual loyal customers. Only 24 % of micro-sized enterprises are in phase D and 22 % in phase C. However, phase A was confirmed by most micro-sized companies (28 %). 65 % of the small-sized enterprises carry out this activity. There were 33 % of enterprises in phase D and 15 % in phase C. However, phase A was 17 % different from all enterprises. What was the situation with medium-sized businesses like? All addressed medium-sized enterprises have a strategy for loyal customers. In phase D, there were 63 % of enterprises. There were 7 % in phase C and 30 % in phase A.

Evaluation of goal setting for CRM
According to research results, 69 % of SMEs performed the goal setting for CRM. This activity took the third place. 35 % of enterprises carry out this activity (D), 16 % control it (C) and 18 % regularly improve it (see Table no. 2). What is the situation for the individual size categories of SMEs like? In the micro-enterprises, 66 % of the enterprises performed this

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[1] In terms of feasibility.

activity, 62 % of small companies and 91 % in medium-sized enterprises. There were 32 % of micro businesses in phase D, 22 % in phase C and 12 % in phase A. 38 % of small-sized enterprises were in phase D, only 6 % in phase C and 18 % in phase A. There were 39 % of medium-sized enterprises in phase D and 22 % in phase C and in phase A 30 %.

Evaluation of CRM strategy determination
The CRM strategy determination is the least applied activity in companies (64 %). The largest share was represented by firms placed in phase D, i.e. 32 %. In phase C, there were 11 % of companies and 21 % in phase A (see Table no. 2). There were 55 % of micro-enterprises that performed this activity. 15 % of companies were in phase D, 23 % in phase C and 17 % in phase A. A total of 66 % of small-sized enterprises performed the CRM strategy determination. Majority of small-sized enterprises were in phase D (46 %), only 3 % in phase C and 17 % in phase A. There were more medium-sized enterprises (77 %) that performed this activity than micro and small sized enterprises. Most medium-sized enterprises, i.e. 40 % were in phase D, 0 % in phase C and 37 % regularly improved this activity (A).

To summarize the results for the size categories of SMEs, in terms of mode, the differences were reflected in the structure of responses from micro, small and medium-sized enterprises in terms of mode (see Table no. 3).

Table 3: Response mode in the SME structure (%)

SMEs	Goal setting for customer relationship management.	CRM strategy determination	Strategy determination for individual loyal customers	Determination of customer communication rules (communication strategy)
Micro	32 (D)	24 (W)	28 (A)	42 (A)
Small	38 (D)	46 (D)	33 (D)	54 (D)
Medium	30 (A)	40 (D)	63 (D)	40 (D)

Source: Developed by authors

The response mode for all SMEs size categories mainly concerned some of the implementation phases. Mostly, however, it was the lowest phase (D). We found out that the highest phase (A) was in the case of micro-enterprises in communication strategies, on the other hand, the goal setting is in case of medium-sized enterprises. In the case of setting strategy activity there is also the lowest phase (W) in micro-sized enterprises. When evaluating the individual phases, it is necessary to assess the distribution of the response frequency among all phases and phases of realization.

Hypotheses verification, the relationship between the size of the enterprises and the research activities
Using empirical data, a correlation coefficient was calculated that, by the way, has already been mentioned for verification of hypotheses. The Pearson correlation coefficient and the correlation significance test were used. Table no. 4 shows the results of the correlation test. Regarding the significance of the correlation results, they are statistically significant for five hypotheses (T> 1.96219). Since the value of the correlation coefficient is positive, it can be stated that there is a positive linear relationship between the examined random variables. The relationship found in the correlation study may mean that changes in the variable X are the cause of changes in the variable Y and vice versa. The hypothesis H4 is not accepted. There is no dependence between the enterprise size and strategy determination for individual loyal customers. The result is not statistically significant (T < 1,96219).

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Table 4: Test of correlation significance

Hypotheses	R	T > or <critical value
H$_1$: There is a relationship between the level of CRM strategy determination and the perception of the CRM importance	0, 95	105, 27470 > 1,96219
H$_2$: There is a relationship between the level of CRM strategy determination and the increasing number of loyal customers.	0, 94	95, 13955 > 1,96219
H$_3$: There is a relationship between the enterprise size and level of the determination of the communication customer rules.	0, 30	10, 36466 > 1,96219
H$_4$: There is a relationship between the enterprise size and level of determination of the strategy for individual loyal customers.	*-0, 67*	*-18, 30810 < 1,96219*
H$_5$: There is a relationship between the enterprise size and level of the goal setting for customer relationship management.	0, 94	97, 00275 > 1,96219
H$_6$: There is relationship between the enterprise size and level of the CRM strategy determination	0, 23	7, 88291 > 1,96219

Source: Developed by authors

The highest correlation rate was reflected in three hypotheses (H1, H2 and H5). The value of the coefficient of determination for these hypotheses was also high. The percentage of common variability of the variables was 90.3 % for H1, 88.4 % for H2 and 88.4 % for H5. The first and second hypotheses concerned the relationship between setting a CRM strategy and the perception of the CRM importance and the increasing number of loyal customers. The high correlation rate results (H1 and H2) are caused by all enterprises. The importance of the CRM strategy was perceived by 97 % of micro-enterprises, 100 % of small enterprises and 100 % medium-sized enterprises. The growth in the number of loyal customers also confirmed the large share of enterprises, although it was lower than in the perception of the importance of CRM, except for medium-sized companies. These were 83 % of micro-enterprises, 86 % of small-sized enterprises and 100 % of medium-sized enterprises.

When assessing the relationship between the size of SMEs and the level of selected activities, the situation was differentiated. A very strong dependence was also shown in the already mentioned fifth hypothesis where the relationship between the size of SMEs was evaluated and the level of the goal setting for customer relationship management was confirmed. The third and the sixth hypotheses can also be accepted, although the degree of tightness of the relationship was low. The percentage of common variability of variables was 9 % for H3 and 5.3 % for H6. The fourth hypothesis was not confirmed. The dependence between the size of SMEs and the level of strategy for individual customers has not been confirmed, as listed above.2

4   Discussion
Our respondents perceived setting **the communication rules** with customers and communication strategy as important, as evidenced the highest share of implementation of all examined activities. Some companies combine marketing only with marketing communication which may be the reason for the highest attention of companies to this activity. Gruner and Homburg (2000) argue that intensive customer communication is generally considered to be a determinant of successful product or service. In addition, if communication strategy is continually evaluated and improved, this process can significantly strengthen customer relationships and loyalty to the business. A study by the German company "rheingold institute"

emphasized that customer loyalty was built on their trust (FOCUS agency 2020). Although micro-sized enterprises achieved the lowest share of implementation in the evaluation of communication strategy settings, they are on the highest level of improving this aktivity (A: 42 %) in contrast with small and medium-sized enterprises. Small and medium-sized enterprises achieved higher shares overall. The value of the correlation coefficient also confirmed lower dependence between the size of the company and level of the determination of the communication rules. Micro-sized enterprises are often reported to have some problems with CRM and its implementation. However, customers are at the center of their attention. What is interesting are the results of a British market study that focuses on business creativity. The study states that 95 % of creative businesses can be identified among UK micro-sized enterprises. Then, the increase in turnover is associated with the growth of the customer base. And it cannot be without good communication with customers. Therefore, the result of Czech micro-sized enterprises in setting rules for communication with customers may not be surprising. According to Kozák (2011), companies lack the need to maintain customers. The communication rules with customers can eliminate this problem (Cooper and Lane 1999). The communication strategy should respond to changes in the business environment. During the COVID - 19 pandemic, some companies were already looking for new ways to communicate with customers and the customers themselves used electronic communication and sales channels more.

The strategy for individual loyal customers is the second place in terms of the share of implementation. However, some companies forget that customer relationship management is about a long-term outcome (Liagkouras, Metaxiotis 2014). Within the supplementary question block, some respondents were questioning the results of CRM. One question was focused on customer loyalty. In this case, the answers were quite favourable. Respondents should confirm that the implementation of CRM has brought them an increased number of loyal customers. 40 % (of 423) respondents confirmed that there has been an increased number of loyal customers. 47 % (505) of them rather agreed, 13 % (139) could not evaluate it. These results can be considered positive because only one tenth of respondents did not record an increase of loyal customers. Wilson et al. (2002) say it is also necessary to pay attention to contacting individual customers with the right offer, the right channel of communication and at the right time which corresponds to the general demand for market orientation and customers. Within the structure of SMEs, the influence of a more thoughtful organization related to the work of medium-sized enterprises compared to small and micro-enterprises was reflected in this activity. There was not a single medium-sized enterprise company in the sample that did not carry out this activity, even though the mode was in the lowest phase of implementation. In the case of the strategy for individual customers, the shares of realization did not clearly increase with the growth of companies, which was influenced by small enterprises, which achieved a lower share by 9 p.b than in micro-enterprises. The relationship between the size of SMEs and the level of the determination of the differentiated strategy for individual loyal customers was not confirmed either.

The CRM goal setting took the third place, although the CRM goal setting is important for the clear intent of meaning of customer relationship management in a company. Mostly, the CRM goal is producing new facets of mutual interactivity between customer and the company, satisfied customer, effective marketing campaign and increased sales (Bridson, Evans 2008; Binns 2020). The significant level of regular improvement (in phase A) was found in the case of medium-sized enterprises (30 %). This result is not so surprising because medium-sized enterprises have more resources (financial, technology, professional employees) than better manage processes and activities in the company. Also, in the goal setting, the shares of

implementation did not increase with the size of companies. Once again, this concerned small businesses, which achieved a lower share of implementation by 4 p.b. than micro-sized enterprises. However, medium-sized enterprises achieved the highest shares of implementation in this strategic activity which confirms the best position of medium-sized enterprises again. However, the strong relationship between the size of SMEs and the level of target setting was confirmed.

The last task in our research was to **determine the CRM strategy**. Unclear CRM strategy or the lack of developing such a plan could cause the failure of CRM implementation. Top management must define CRM strategy and alignment of this strategy to the company's strategy (Arab and Selamat, 2010). In connection with the relatively high share that SMEs do not implement the CRM strategy, we were curious about the results of an additional question of how important CRM is for them. 97 % (438) of micro-sized enterprises are absolutely convinced that CRM is an important part of their business. Only 3 % (14) have an opinion that CRM is not necessary. In the case of small and medium-sized enterprises, all of the respondents agree that CRM is important. It is incomprehensible that although there is a large share of people who consider CRM as very important, the share of companies performing this activity was the lowest. The lowest share of implementation occurred in micro-enterprises (55 %), but in terms of the quality level of implementation, micro-enterprises were not so bad because 55 % to 40 % were constantly improving their CRM strategy (C+A). Small and medium-sized enterprises achieved a higher share of implementation than micro-enterprises where the growth of shares with the growth of companies were reflected. However, in the case of small and medium-sized enterprises, the mode was in the lowest phase of implementation D which meant implementing the strategy according to the plan. In this case, however, the companies did not approach its analysis and adjustments, which would evoke the analysis performed according to practice. However, medium-sized enterprises achieved a significant share of implementation in phase A which puts them in the best position in terms of implementation. The relationship between SMEs and level of the CRM strategy determination was confirmed, nevertheless, but the dependency rate was low.

During the research work we were somewhat limited by the sample of respondents because the companies were located only in the Moravian-Silesian Region. A certain limitation was that they were SMEs, although we tried not only to evaluate the whole sample, but also the answers in terms of size categories of SMEs. In addition, we also verified the relationship between the size of companies and the level of selected activities. The type of market was not taken into account (B2B, B2C), which may differ, especially in communication (Lipiäinen 2015; Kantorová and Severová 2017).

Conclusion

The results of the whole sample of SMEs show that a lot of companies set rules for communication with customers or communication strategy (78 %) and set out a strategy for individual loyal customers (76 %). In practice, it sometimes happens that companies perceive marketing as marketing communication. Fewer companies have already formulated goal setting for customer relationship management (69 %) and at least (64 %) had an overall CRM strategy. It showed that a significant part of enterprises were implementing partial strategic activities but they do not always approach them comprehensively. It can be said that SMEs devoted less attention to a more comprehensive concept of strategic CRM. Rather, its sub-parts are being promoted which may mean some incoherence between the implemented activities. For all activities, the mode was in phase D, although the setting of communication rules had a significant share of responses even in the highest phase A which was mainly influenced by

micro-enterprises. In terms of the size of SMEs, it was shown that the share of implementation in the setting of communication rules and CRM strategy was growing with the growth of the size of companies. This is not the case with the strategy for individual customers and the setting of CRM goals where small-sized enterprises have deviated from this trend. However, the highest shares of implementation (D + C + A) were achieved by medium-sized enterprises in all activities, which may be affected by the higher level of organization and division of labour in these large enterprises. If we look at the mode, according to the size of the SME, even here the lowest quality phase prevails (D). Some activities of micro-enterprises are exceptions, specifically setting strategies for individual customers and communication strategies where the mode is in the highest phase A. Medium-sized enterprises also have a mode at the highest phase, namely in setting CRM goals. As mentioned previously, the surveyed SMEs pay the highest attention to the communication strategy. It is generally known that they are closer to a customer than larger enterprises. The change in the business environment today will force them to think even more about how to communicate with customers and how to contact them because many customers moved to the online environment during the COVID-19 pandemic. Many companies now have a problem with their established communication channels and they will have to respond to the current situation. The results of the correlation analysis confirmed all hypotheses concerning the relationship between the size of SMEs and the level of strategic activities, with the exception of the fourth one, which concerned the relationship between the enterprise size and the level of the determination of the strategy for individual loyal customers (H_4). However, the degree of tightness of relationships in the confirmed hypotheses varied.

The direction of further research should be geared to the deeper assessing of the relationship between activities in order to search for methods to improve the quality of processes and activities within the CRM architecture as well as to formulate more precise recommendations for SMEs that can overall strengthen their competitiveness and market position overall.

A practical use of research can be inspiring for SMEs in the application of the PDCA method (WPDCA) to evaluate the quality of CRM processes in their companies. The aim may be to classify activities into individual phases which will offer to draw attention to the need for their improvement and which can also be a starting point for setting up the innovation process with regard to the changes in the business environment and the flexible response to changes in market conditions, being very specific today, with regard to the ongoing pandemic and its consequences. It also corresponds to the digitization of marketing and its development.

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