Title: Building a niche company in Recruitment Industry
“A case of Swedish company Multimind AB”

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Authors: (Group No. 2212)
Narana Charoenrungsiree - 760907-T043
Rungnapa Charoenrungsiri – 791208- T085
Summary

In this thesis, we aim to find out ways that Multimind’s create customer focused value and sustain the value in the recruitment industry and their customer relationship management in the niche market. Our purpose is also to study their strategy, policies and their organizational culture especially in customer focused value and relationship management in this service business. In this thesis we will study only on their strategy toward this niche market. Therefore, the scope of study will cover its business’s history on company’s objective, operation process, organization’s culture, company’s policy and strategy in market learning and innovation. We use qualitative method by conducting the interview with the informant. We use both primary and secondary data for collecting the data. In our primary data, judgment sampling method is being applied in selecting the interviewee. For Secondary data; we have searched the information from the company’s website, academic journals from university library.

Keyword: Niche market, customer value based, recruitment, recruitment agency in Sweden, relationship marketing, recruitment firm in Sweden, client relationship
Foreword

Since this thesis mainly focuses on Multimind AB and we will not be able to achieve it if we did not get the very kind and willing cooperation from Multimind AB. We would like to give special thank to Mr. Kristian Andersson, Managing Director of Multimind AB, Mr. Thomas Birkendahl, Deputy Managing Director of Multimind AB, Philip Nordfeldt, Recruitment Consultant. We highly appreciate your time and effort in answering in-depth information for us and we also would like to thank every staff of Multimind AB who helped in giving us the information and taking our calls.

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Rungnapa Charoenrungsiri
Narana Charoenrungsiree
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1. Introduction

1.1 Background

There are varieties of channels for both job seekers to find jobs and employers to find the right candidates in Sweden. For example, applying for a job on internet, newspaper, magazines, use services of recruitment agency, approach or headhunt potential candidates directly (Job Search Resources, 2005).

There is the growing of job seekers in Sweden, at the same time on the employers side who would like to recruit the right candidate. Recruitment agency seems to be one of a good solution for both job seekers and employers. Recruitment agency will act as a middle person or match maker who will match the demand between the candidates who are looking for the job and the clients who are the employer looking for the employees.

At the same time, there are many recruitment agencies and different types of them in Sweden such as executive search, headhunting, temporary or contract recruitment, specialist field: IT, Engineer, staffing and outsourcing. They are serving and recruiting candidates to local and international companies which are based in Sweden from small to large firms. Most of them are recruiting only Swedish or those who can speak Swedish language. After discussing with our supervisor Prafulla Acharya, we found one company that is interesting and provide some service different from other recruitment agencies in Sweden. The company is called “Multimind AB”

1.2 Company Background

“Multimind AB”, a Swedish recruitment company and was found in 1999. It focuses on providing staffing and recruiting service for multi languages and international experience both international and local candidates for Swedish companies who might have contracts, customers or suppliers in other parts of the world which requires the employee with language skill and culture to deal with their parties. The positions are primarily in the fields of Financial Control/Accounting, Marketing/Sales, IT/Engineering, and Human Resources. Because of its service in recruiting the multi language and cultural experience or international candidates, it makes Multimind AB recruiting service different from other agencies. (Multimind AB, 2009a)

Multimind AB encourages diversity in the organization by offering workshops and seminars for the company to discover the competency in multi cultural staffing by using competence model. In Multimind’s competence model, it highlights on three competence which are 1) Professional Competence (P) – the sum of the theoretical and professional competence 2) Social Competence (S) – the ability to interact with other individuals and situations 3) Multi-Cultural Competence (M) – knowledge about foreign languages and their cultural implications on business (Multimind AB 2009b). Multimind AB believes that by combining three competences, this model will
help in increasing the company’s competence and competitive output such as effective administration, faster-speed to market, minimized risk of cultural problem on the other hand create goodwill among the customers and stimulate the employee satisfaction, quality and creativity (Multimind AB 2009b).

1.3 Research Problems

This research tries to answer the following questions:

- How does Multimind AB maintain and build its relationship with client companies to be able to stay competitive in the market?
- How does Multimind add the additional value in their service to the client company?

We found this topic worthwhile to study because first, we found that there are not many researches that we can find about niche marketing in recruitment industry. Secondly, we think that it is interesting to find out how business starts from the small market, target only the special need of a group and can stay, survive and be profitable in the market without being eliminated by competition from the big companies in the industry.

1.4 Purpose

In this thesis, we aim to find out ways that Multimind AB’s create customer value and sustain the value in the recruitment industry and their customer relationship management in the niche market. Our purpose is also to study their strategy, policies and their organizational culture especially in customer focused value and relationship management in this service business. Moreover, we have not found any study on the niche market in recruitment industry. We believe this could be advantage for the future study.

1.5 Scope of Study

We found Multimind AB recruits both local and international candidates but not every recruitment agencies want to focus on international candidate. We found their niche market on international candidates interesting and in this thesis we will study only on their strategy toward this niche market. Therefore, the scope of study will cover its business’s history on company’s objective, operation process, organization’s culture, company’s policy and strategy in market learning and innovation that support them to become competitive and sustainable in the market. Moreover, we will be studying and finding the information on the company’s activities, strategy both formal and informal way of making, maintaining and retaining by using relationship marketing with client companies as they are important party for service business.
1.6 Limitation

First, because we are focusing on one company which is Multimind AB therefore this might limit us from studying about other companies’ aspects. Due to the limited time and budget, we might not be able to conduct every face to face interview with the interviewee. However, we will use other methods to help in communication such as phone, and e-mail.

Second, we have been facing with some language problem when we are searching secondary data from some website. We have found that some local information from some website that could be useful for us are providing only in Swedish language. Because of this reason, we then have to spend more time in searching for other alternatives sources for our secondary data.

Lastly, since we have limit access to find recruitment history, growth of the industry and other information about recruitment industry in Sweden, therefore we have to use the information based on UK recruitment industry instead since UK and Sweden has some same characteristic in labour market such as immigration, members of EEA and EU and following the European Employment Strategy including other instruments such as Employment Guidelines, the Joint Employment Report, and the Recommendations on the implementation of National employment policies set by Employment Committee of European Commission (Employment Committee).

1.7 Implication of this Research

Academic Implication

Since we mentioned earlier that we have not found many researches about niche marketing in recruitment industry therefore in this research, we would to create the hypothesis for future research and we hope that it could be another source for other Bachelor or Master student who would like to study in the same or related area.

Practical Implication

We aim to see how niche company survives and we believe that the result of this thesis could be benefit to Multimind itself to improve its own strategy. In addition, service companies in other industries could find this thesis as the guideline if they aim to focus on the niche market and building customer value in their service and company.

1.8 Personal motivation

First, the idea of thesis study in the recruitment industry is found from both authors’ working experience in Thailand. We had been working in this field for two to five years and we would like to do the thesis about recruitment industry is because the recruitment business that we had experienced on mostly focusing recruiting local
people for medium to large international companies. For our recruiting experience, candidates from other countries are difficult to place and rarely requested by the local company to hire due to the cultural, language, work permit, document barriers and higher salary than local people.

Second, as we nearly graduate in this May 2009, we have started to search for job in Sweden. We have contacted some of recruitment agencies not only in Sweden but also some other recruitment agencies in other countries in Europe. Most of them are recruiting only local people and require only those who can speak their local language. Until we have met our supervisor Prafulla Acharya, he has introduced Multimind AB as it is one of a few recruitment agencies which recruits international candidates.

By studying in their website, we found the idea very interesting that they encourage the diversity to increase the competency in client’s company. According to our experience, relationship or value adding is very important to hold the client and candidates in our hands. Losing them is to lose our future income and in Multimind’s case, it must be more difficult in the niche market to both finding the new clients and maintaining the existing one. We therefore would like to work on their case and might apply their knowledge for our future career or future company when we go back to Thailand.

1.9 Research Method

In order to deeply understand Multimind’s marketing and customer relationship strategy that they have used in surviving in this market, we decided to use the qualitative method by conducting the interview with Multimind AB’s personnel. The primary and secondary data will be used to collect the data in order to get the facts and real information from the company and information about recruitment market. For literature part, we use electronic journals to search for full text database and other sources for other finding about recruitment service and industry.

1.10 Philosophical Assumption

In this thesis, the nature of reality that we are presenting is subjective as both authors were recruiter before and had been in recruitment industry in Thailand for 2 to 5 years. Therefore, some idea that presenting in this thesis may base on the authors’ experiences in Thailand. In fact, it may be different in Sweden recruitment market. Apart from that, in our research method, we have conducted the interview with only one staff in Multimind AB who is the only one participant. Then the information may be bias. In order to avoid the subject and bias, we are trying to find out the reality by searching the support information from the empirical data and trustworthy sources and peers review method is being applied.
1.11 Structure of the Report

1: Introduction
This part is about the introduction part of the thesis which will include of general background about recruitment, Multimind AB’ company background, research problem, purpose of doing this thesis, scope of study, limitation, target group, implication of this research, personnel motivation, research method and philosophical assumption

2: Theoretical Framework
This part is about the concept of all the theories that we use for studying how Multimind AB can sustain in Niche market by we are mainly focusing on sustainable value proposition and relationship marketing to be our main concept in this theoretical framework.

3: Literature Review
This part is about describing the concepts and variables from the theoretical framework and mapping the concept of the literature review. By the first literature review is sustainable value proposition and it is including of marketing orientation, continuous learning about customers, a commitment to innovation and customer value process focused in organization. The second literature review is relationship marketing.

4: Method of Data Collection
This part is about the method of how we collect the data and how we do this research. In this part it is including primary data, secondary data and also validity and reliability. Topic selection, literature search, methodological stance are also presented in this part.

5: Description of the process
This part is about the finding, it is about all the information we have collected from both primary and secondary data and these information will be used in the analysis part. The information are including of the supply and demand of the international candidates in recruitment market, about recruitment industry, about recruitment agency, expectation of clients toward recruitment agencies.

6. Findings
This part contains the findings about Multimind which includes its organizational structure, vision, future goals, service process, and strategies on client management.

7: Discussion and Analysis
This part is about the discussion and analysis, by our thesis we have used the synthesis thesis in analyzing the data from finding part along with the theories.

8: Conclusion
This part is about the conclusion, this part we have summarized each part of the project and put it into the conclusion. We have also come up with our hypothesis as follow: Customer value-focused management and relationship marketing may affect firm on being sustainable in niche market.

9. Recommendation for Future Research
This part we have suggested the future researcher on the topic that should be studied about niche market.
2. Theoretical Framework

In this thesis, we are studying on how Multimind AB can survive and stay in niche market in recruiting international candidates for Swedish firms. Because it is service business and its competitive advantage is not about the product but how does the company serve the client and their satisfaction. Building and nurturing the relationship with the customer could give the company more knowledge about market and help in improving its service and strengthen its network with the customers. Moreover, since in service business human is both service provider and customers therefore they are the major stakeholders in the business whom the firm is forced or pressured to maintain the relationship with various stakeholders by offering customer value in order to create competitive advantage and create market opportunity (Kandampully and Duddy 1999).

We will use cause and effect in Fisher (2007, p.127) in showing the relationship of our theoretical framework. According to the framework below, we want to find out that two strategies which are sustainable value and relationship marketing used by recruitment service business in niche market can cause the long term relationship with clients which later strengthen the relationship and effect the company in its sustainability in the niche market.

We will use theory of Sustainable Value proposition which is the extension part of Customer value based theory to analyze the firm both internal and external aspects in learning about client and market. The second theory will be another tool to find out how did Multimind AB build and maintain its relationship with client companies. For more understanding about each theory, the explanation of each theory will be shown in the section of literature review.

Figure 1: Theoretical Framework
Source: Author’s work
3. Literature Review

First of all we would like to discuss about niche marketing which are described or defined by many scholars. Niche market is the small market which the individual or small of group consumer has the same need (Dalgic and Leeuw (1994, p.40). Kotler (2003) also mentioned in the similar meaning that niche market is the market which is divided into sub segment and niche marketing is to specialize in that market. Niche marketing is described differently by Shani and Chalassini (1992) as the bottom up approach that the marketer starts from the small group of target market who has same specific need and expands to other group that has other different need. Moreover, Shani and Chalassini (1992) mentioned that niche marketing is different from market segmentation in the way that market segmentation is the top down approach. The marketer starts at the big market and narrows down the market into sub segment according to the specific needs.

As written by Parish et al (2006, p. 697) that one of the success factor of niche marketing is relationship. Kotler (1999) also stated that the three key characteristics of niche marketing for being successful are 1) they put a lot of dedication to their customer and provide the additional or superior value to the customer with responsive service and punctual delivery 2) top management always stays in touch with key clients and 3) continuously improve the customer value.

3.1 Literature Mapping

According to Kotler’s (1999) key characteristics of niche marketing we started to look for addition value or customer value theory and relationship theory mentioned by Parish et al (2006) that it is the key success. However, after we found these two theories, we think that there are still chances that the company might struggle even though they have implemented customer value-focused management and relationship marketing in their organization. The causes that can fail businesses are for example, uncompromising market forces, increased competition, shortened product lifecycles and changing demands of the customer (Gudergan and Low, 2001).

Finally, we have come up with Sustainable Value Proposition in this thesis in order to see how the firm can still be sustainable in this niche market for many years. In this sustainable value propositions, it based its theory from customer value-focused management but in sustainable value propositions, it extracted and added variable that was not emphasized in customer value-focused management which is creativity. Gudergan and Low (2001) also created another model to show that which variables effect on market orientation and market knowledge that can effect on sustainable value. Therefore, we have mapped our literature as shown in Figure 2.
3.2 Sustainable Value Proposition

Peter Drucker (1973, p. 79) has given the definition of the firm that ‘the firm is to satisfy the customer and it is the mission and purpose of every business’. To satisfy the customer, the firm must achieve the superior customer value. Firms also do not exist to only reduce transactions costs or maximize profits but provide a product or service for the customer to fulfill the needs by themselves. Learning about the customer is the valuable knowledge for firm to learn about market as Gummesson (1996) said that customer focused will affect the firm’s primary responsibility and customer knowledge is very important to achieve market orientation.

According to customer value-based theory of the firm of Slater (1997), superior performance or additional value activities increases in the firm that has customer value-based organizational culture (i.e. market orientation) which is about the skill in learning about customers and their changing needs, managing the innovation process and organizing themselves around customer value delivery processes.

Market Orientation

Slater and Narver (1995) wrote that market orientation is the culture that places the highest priority on the profitable creation and maintenance of superior customer value while considering the interests of other key stakeholders, provides norms for behavior regarding the organizational development of and responsiveness to market information.
Continuous Learning about customers

Other than building customer learning culture, continuous learning is one of the important contributors for the company’s competitive advantage. Slater (1997, p.165) emphasized more that the objective is to learn about the customer not from the customer. Communication is not the only good sources in learning about them but also by conducting the market experiments and other sources such as consultants, universities, alliance partners or suppliers who have insights about customer needs or what can satisfy them. Firm must continuously learn from experience and each learning style will have effect on improving the organizational effectiveness (Slater and Narver 1996).

A Commitment to Innovation

Because of the enhancement in technology, some competitive advantages can be imitated easily by competitors. Slater (1997, p. 165) talked about commitment to customer valued focused innovation that it is essential in order to sustain competitive advantage. Innovation could be the creation of new businesses within the existing business or the renewal of ongoing businesses or it could be the developing new products or reformulating existing ones, new manufacturing methods or distribution channels or discovering new approaches to management or competitive strategy. Slater (1997, p.165) stated that successful innovation is to learn from the mistakes. To minimize the risk and maximize learning, successful innovators should work intensively with lead customer, to understand their specific needs (Von Hippel 1986), work cross-functional teams (Quinn 1985), undertake low-cost market experiments (Hamel and Prahalad 1991) and intensively study causes for project success or failure (Garvin 1993).

A Customer value process-focused organization

Slater (1997) stated that the central organizational challenge in the customer value based theory of the firm is to maximize the effectiveness of the firm’s customer value creation activities. The examples of activities are new product development process, the customer order fulfillment process, and the market sensing process (Day 1994). When it comes to execution, firm must consider first the superior value that the customer will get. Some firms chooses the other alternatives by outsourcing it to the expert in that field in delivering the activities in order to minimize the cost and the firm can instead focus on its core value which will create and maintain the long term distinctiveness in customer’s minds (Quinn 1992).
According to the above process of developing customer value-based theory of the firm, Slater (1997, p.166) has put them in the model shown in Figure 3 below. It is the model showing the chain of customer value developing. The firm’s market orientation is conducted and the firm starts to learn about the customer who later leads to the new innovation to create customer value and fulfill customer specific needs. The firm’s innovation has an impact on the environment and increases the competition which afterward stimulates the firm to seek for knowledge about the market again to update its information about customer, competitors, market and etc.

![The Customer Value-Focused Firm and Its Environment](image)

**Figure 3:** The Customer Value-Focused Firm and Its Environment (Stanley F. Slater, 1997, p.166)

We found the Customer Value-Focused Firm and Its Environment model very useful but in the broad sense which we later found the extension of Slater’s theory. It is written by Gudergan and Low (2001) under the topic of “Sustainable Value Proposition”. In this extension, they have added other specific variables which can affect the firm in building sustainable value toward the customer and have developed the model called ‘Value Proposition Management Framework’ as shown in Figure 2.

According to the proposition made in this Sustainable Value proposition, there are linkages between innovation, creativity and learning. The propositions show that greater creativity and learning leads to greater marketing innovation. As there are many definitions that these three words overlapping. Zaltman, Duncan and Holbek (1973) defines that innovation is the adoption of new idea, practice or material artifact. Thompson (1965) gives the definition of innovation which overlaps with creativity and organizational learning as well. The definition of innovation of Thompson (1965) is the generation, acceptance and implementation of new ideas, processes, products or services. Mumford and Gustafson (1988) also supported that
creativity and organizational learning can effect the organizational innovation. Therefore in model it shows that creativity and learning can as well effect the market innovation.

The next part is the effect of market knowledge and customer value management towards the market orientation. The proposition has specified that improving customer value management and market knowledge lead to greater market-orientation. As Kohli and Jaworski (1990) stated that market orientation is the usage of market intelligence to get the information about the customers and their needs. Baker and Sinkula (1999) said that market orientation is the use of market knowledge in strategic process. For Gudergan and Low (2001) they define customer value management as “developing and employing structures and processes that direct an organization’s activities towards creating customer value”. There are some connections that customer value management is the input for planning the marketing strategy in the future therefore it could lead to the greater market-orientation.

In Value Proposition Management Framework created by Gudergan and Low (2001), it shows that learning is the driver of market knowledge therefore they proposed another proposition which is greater learning results in great market knowledge. And by combining marketing innovation and market orientation they believe that it could have an impact on building the sustainable value propositions. Therefore, they conclude the propositions that increasing marketing innovation has a positive impact on the development and implementation of sustainable value propositions and greater market-orientation has a positive effect on the development and implementation of sustainable value propositions.

In the framework shown in Figure 4, Gudergan and Low (2001) added ‘Creativity’ and ‘Learning’ as the process to encourage and support ‘Marketing Innovation’ within the organization. Learning also effects more market knowledge and ‘Marketing Knowledge’ and ‘Customer Value Management’ effects on ‘Market-Orientation’. We found this model more specific and analyze from the inside out of the firm. Gronroos (2007) gave the importance on internal marketing which is seen as culture to make the employee at all level to have customer focused mindset.

We think that Slater’s customer value-focused theory is useful and can be studied as the base of this analysis such as the definition of marketing innovation and market orientation. However, we found Slater’s customer value-focused theory very broad in studying and analyzing the data of our case study in this thesis. Therefore, we decided to pursue our thesis according to this extension model of Gudergan and Low (2001) in analyzing the Multimind. We divided the area of searching for the primary data according to the framework which are firm’s creativity, learning, how learning effects in their market knowledge and their customer value management.
3.3 Relationship Marketing

The evolution of Relationship Marketing was developed since 1950s. That time the attention is on Consumer Marketing until 1960, the focus started to change to Industrial Marketing and in 1970s Nonprofit & societal marketing was studied by the academic scholar. In 1980s, service sector started to be in focus until 1990s, relationship marketing has become the area that business started to give attention to (Christopher et al, 1991, p.8-9). Figure 5 shows the changing focus of marketing in the last 50 years.

![Figure 5: The evolution of relationship marketing (Christopher et al, 1991, p.9)](image)

Relationship marketing has been in the focus of marketing over the last 20 years. The theory was introduced in the service marketing literature by Leonard Berry in 1983 (Gronroos, 2007, p.25). Relationship is one of the important marketing methods in service context because in the service business, service provider has to involve with the customer in the same time that the customer is buying the service. If the customer is not satisfied with the service, they can change the service provider easily which means that the exchange of value for money stops as well (Gronroos, 2007,
p.25). Moreover, the idea is supported by Berry and Parasuraman (1991) that relationship marketing is preferred to use in service. Therefore, service business has to try to build the bond relationship with the clients as much as possible.

There is no specific method to build relationship marketing but there are definitions given from many academic authors mentioned about Relationship Marketing theory. One of them is Morgan and Hunt (1994) referred Relationship Marketing as those “activities directed towards establishing, developing and maintaining successful relational exchanges”. They focus on importance of trust, cooperation and shared value in maintaining successful relationship. Gronroos’s (1990) definition of relationship marketing is “marketing to establish, maintain, enhance, and commercialize customer relationship so as the objective of the parties are met”. The highlight is on the mutual benefit does not always come from commercial interest but another important factor is from long term relationship. Christopher et al (1991, p.4) defined the relationship marketing as “getting and keeping customer”. He emphasizes the quality and importance of customer service in order to maintain the long term relationship with customers. Berry (1995) stated that relationship marketing is to attract, develop and retain customer relationship.

Another idea is Gummerson (1996) whose idea about relationship marketing is that relationship marketing includes the stakeholders both inside and outside of the organization. Shani and Chalasani (1992, p. 44) defines relationship marketing as “an integrated effort to identify, maintain, and build up a network with individual customers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized, value-added contacts over a long period of time”. Their relationship marketing will also combine database marketing, advertising, sales promotion, direct marketing, etc. and value adding to build the bond with the customers.

According to the above definitions from various researchers, we found that all of them direct to the same objective which is to build the long term relationship with the customer. Each of the researchers emphasizes on different perspective so in this thesis, we chose to emphasize on definitions of some researchers. First we will explain about Shani and Chalasani (1992) idea in relationship marketing. Since it also combines the database marketing as another marketing tools to learn about the customers to build the long term relationship with clients and they also support that relationship marketing is effective when use with niche market. Relationship marketing does not suit with the large market as it will not be effective and difficult to get build relationship with each customer.

Shani and Chalasani (1992) said that relationship marketing is based on three key elements which are 1) information gained about the customer to become the database 2) using innovative media to get interaction with clients on one to one basis 3) monitoring the relationship with the each client over time. Moreover, they have given the difference description about database marketing and relationship marketing as shown in Figure 3.
Moreover, they also mentioned that relationship marketing can prevent the competitor in trying to gain the share from this profitable niche market because first the individual relationship could build the goodwill in clients. It creates the difficulty for competitors to try to take the clients away. Secondly, with the good relationship the information shared from clients can help the company in making the better move in the market.

However, the idea of Shani and Chalassini is written to focus on packaging industry which might not suit completely. Christopher et al. (1991, p.8) described idea about relationship marketing by combining quality, customer service and marketing as shown in Figure 6.

Figure 6: The Relationship Marketing Orientation: bringing together customer service, quality and marketing (Christopher et al., 1991, p.4)
Christopher et al (1991, p. 4-5) said that “marketing is concerned with exchange relationships between the organization and its customers and quality and customer service are key linkages in this relationship” and their view in customer service is about building the long term relationship with the customers or other stakeholders in order to meet mutual benefit. Customer service is also the process to utilize the transactions for the customers and the quality customer service is the understanding customer’s purpose, wants, needs and able to find additional value to increase in the service or product that they want.

Christopher et al (1991, p. 31) added that customer service should be added in the full element of the marketing mix and should not be considered as one department that only takes complaint from the customer. Customer service has become very important in pre-sales, sale and post sales stages. In Figure 7, the relationship marketing ladder of customer loyalty is shown. When the company starts to identify the prospects then they will try to convert prospects into customers. Christopher et al (1991, p. 22) mentioned that the important point is not to turn the prospect into customer but to turn customer to be regular clients. The regular clients then are turned to supporter and advocate accordingly by using customer service, people and process. In moving clients up the ladder, company must understand the in-depth, their demand and trying to figure out what we can do to improve our offering to them.

![Figure 7: The Relationship Marketing Ladder of Customer Loyalty (Christopher et al, 1991, p.22)](image)

However it is very subjective to say what can define quality therefore Christopher et al (1991, p. 7) said that quality is to offer different thing in the eye of the customer and quality should be perceived from the viewpoint of the customer. Moreover, quality is the means to sustain company’s position among the competition over time (Christopher et al, 1991, p.68). By integrating the three keys, relationship marketing emerges and helps the company to build long term relationship and total customer satisfaction.
4. Method

According to the theoretical framework, our aim was to find out how company creates the sustainability in niche market by using customer value-focused management and relationship marketing. We therefore have chosen three main theories in explaining for theoretical framework. The literatures are Customer Value-Focused Management, and the extension part of Customer Value-Focused Management which is Sustainable Value Proposition. This theory proposed on creating sustainable value based on market orientation and marketing innovation and this research also based on Relationship Marketing theory.

We then collected data from the informant by interview. We used pre-coded interview which we set the questions related to the customer-value focused strategy and relationship management with clients. We also studied about Multimind’s organization chart, structure and its recruitment process, along with its future goal and vision.

4.1 Topic Selection

The interest in this topic emerged from authors’ personal motivation from working in recruitment industry in Thailand for many years. We wanted to know more about recruitment industry in Sweden and also we were interested in applying the job here. We met with our supervisor Prafulla Acharya and he mentioned about one recruitment company called “Multimind” who recruits international candidates for Swedish company. We found that their target market is distinctive from our recruitment background which aims to focus on local more than international candidate. After discussing with our supervisor, we think that we should find out more on how can they survive in this niche market and what is the business or marketing strategy they are using.

4.2 Literature Search

After we have the topic of our paper, we started to search the literature from the idea of niche market or niche marketing. We searched our literature from that key word and read in the journal we found about niche marketing. The method that we used for searching the literature is mainly university’s library. In each journal, we found names of researchers, scholars or authors whom the author of the journal referred the idea to. We therefore picked the name of the author whose idea could be related to our topic and searched for their journal. After searching for journals about niche market, we found that the other theories that usually show in the result are customer relationship, relationship marketing, and customer value-focused theory. We therefore extended our search into those theories.
4.3 Methodological Stance

After considering about the time limitation in doing this thesis, we therefore decided to use structure approach to write this thesis (Fisher, 2007, p. 123). According to structure approach, we collect data according to the searched literature. We designed our project to be interpretive research (Fisher, 2007, p.47) because our thesis will concentrate mainly in understanding and interpreting the action, service, relationship, recruitment process, organization chart and culture of Multimind into non bias and rational description in order to analyze with literature.

In order to get the primary data, we called to Multimind and informed about our thesis topic that will focus on Multimind company. We also sent them our proposal in order to let them know our scope of study and decide on giving their cooperation to them. We put our researcher role as the Academic (Fisher, 2007, p.58) which allows us to study about the company without any involvement in the company however, we understand that we might not be their first priority in getting the answer back and some confidential information is not given. Because we chose Multimind as our only case study, this allows us to go insight and deeply understanding about the company’s strategy. Therefore, in our thesis we think in-depth research would be more appropriate for us in collecting data. Due to the ethical consideration issue, as we mentioned earlier about our introduction to Multimind in asking for cooperation, we used informed consent (Fisher, 2007, p. 64). When we sent them our interview questions, we also included the cover which contains all the information about this thesis including topic, course, supervisor, our names, etc. (Please see the cover in the appendix)

Hyde (2000, pp. 82 and 84) mentioned that qualitative research usually used inductive process meanwhile, deductive process is sometimes used in qualitative research to assure the conduct of qualitative research findings. Therefore, in our research, we use inductive process and have partly used deductive process. As mentioned by Hyde (2000) earlier, we used inductive process to collect our qualitative data by not specifying the scope of the answer from the interviewee but letting them describe, explain and answer to the extent that they would like to. However, we combined deductive process in data collecting process to ensure that the interviewee understand the main point that we would like to know from them. Since our research has no statistic involvement and is not quantitative research therefore only deductive process might not be appropriate to use in this research.

4.4 Method of Data Collection

Since we concentrate on Multimind as our case study in this thesis, we think qualitative research is the appropriate method to collect the primary data as mentioned by Hyde (2000, p.83-84) that “qualitative enquiry often takes the form of a case study”. He also added that case study is the in-depth study of the smaller number of events or phenomenon. The questions mainly contain the starting question word of “How” and “Why”. We think quantitative research is not appropriate to this research in the way that quantitative research will have to
involve the large sample, measurement of behavior and characteristics. In addition, Hyde (2000, p.84) said that quantitative research is to describe the general but ignore the particular.

According to Fisher (2007, pp. 158-164), there are varieties of methods of data collection such as interview, panels, questionnaire, observation and documentary. Each method has different purpose and way of conduct as followed:

- Interview could be open and in the same time we can structure the question by using pre-coded interview to focus to the point but able to let the interviewee to give the idea freely according to the question.

- Panel interview will need to take more than one interviewee in one time. It is as same as interview in open for idea to flow freely.

- Delphi Technique requires the panel of experts to answer the scenario written in the form of questionnaires.

- Questionnaires are the pre-coded and they contain mostly tick box and some open questions for the respondents.

- Documentary research can be done in open and pre-coded way. In pre-coded way the researchers can use the electronic document files or electronic textual databases to count the frequency and context of the appearance of certain key words or phrases.

- Observational research can be divided into unstructured observation, checklist, categories, and activity sampling. It is the research method which the researcher will observe the activities or people’s behavior or etc. The degree of openness or pre-coding is ranged according to the structure that the researcher set to observe.

4.4.1 Our Method

Because in our thesis, we need to get the information mainly from Multimind AB. The information should be in depth and open therefore we use exploratory research (Fisher, 2007, p. 166) in order to not be restricted to the choices of answer but it should be based on the fact and reality of Multimind AB’s activities, policy, strategy, organizational culture and etc. We think that the best method in getting these information is to interview the personnel of Multimind AB for primary data.

4.4.2 Sampling Method

In our case study, we chose judgment sampling to select our interviewee because we purposefully intend to interview personnel of Multimind since he/she would be the most productive sample (Marshall, 1996, p. 523) to answer the interview questions related to Multimind. At first, we contacted Mr. Philip Nordfeldt who is Recruitment
Consultant. Later, he transferred us to ask the approval from Mr. Kristian Andersson, Managing Director for using Multimind as case study. After he approved, we informed him about our next plan to interview, he then informed his intention that he would like to be the first person who screen the interview questions therefore we agreed that he is the right person to screen our interview questions. We also let him delegate to the appropriate person. Ultimately, Mr. Kristian Andersson has delegated to Mr. Thomas Birkendahl, Deputy Managing Director to answer all the questions for us

4.4.3 Primary Data

In the beginning, we planned to conduct interview to collect the primary data by e-mail interview but if it is possible we would like to pay the visit and have in person interview with major person who is responsible for the topic that we ask in the question. The questions are sent to Multimind two times – first time on 23 April 2009 to Managing Director of Multimind AB, Mr. Kristian Andersson via e-mail and the second time on 31 April 2009 to Mr. Thomas Birkendahl, Deputy Managing Director of Multimind AB. In the case of who will answer the question, we let Mr. Kristian Andersson to decide.

The pre-coded interview is used in creating the questions. We set the questions for each topic and the interviewee can answer according to the question. This way, it could save the interviewee’s time and it can lead interview to focus on the points. The questions are written below:

4.4.4 Validity and Reliability

We will try to avoid mixing and interpreting the data from our working experience or being biased in writing this thesis. Therefore, we decide to prove the validity and reliability of the information we receive from Multimind AB. The answer will be proved for validity and reliability by using peer review method.

4.4.5 Secondary Data

Our secondary data, we have searched the information from Multimind AB’s website which provides us basic information about the company business, its services, job opportunities and contact information. We also have searched the information about the statistic and figure of recruitment agency in Sweden from www.bemanningsforetagen.se, figure about job seekers from www.scb.se, and information about Swedish Labor Market from www.arbetsformedlingen.se. We also use database of the library by searching journals or articles in ABI/Inform.

For our Literature sources, we have searched the academic journals for our theories from mainly the university library database: Emerald and Elin and book.

**Keyword:** Niche market, customer value based, recruitment, recruitment agency in Sweden, relationship marketing, recruitment firm in Sweden, client relationship
5. Description of the Process

5.1 Supply and Demand of International Candidate in Recruitment Market

5.1.1 Immigration

We found that there were immigrants who migrated to Sweden from many places such as Nordic countries, European Union, the rest of Europe, Africa, North and South America, Asia and others (Westin, 2006). Moreover, base on the preliminary population statistic 2009, the total populations in Sweden are 9,263,872 people. Since year 1997 to 2008, there have been increasing in immigrants from 44,872 - 101,171 people as shown in Figure 8 (Statistic Sweden 2009). The increase in immigrants in the last eleven years is around 125% which effects in the supply in labour market in Sweden.

Moreover, according to the Euro Statistic survey about countries whose citizen are most numerous immigrants to EU Member states of the year 2006, for Sweden it shows that the citizens of Iraqi migrated to Sweden the most, followed by citizens of Poland, Denmark, Somalia and Germany (Euro Statistic 2006).

![Figure 8: Immigrants by Period](image)

Source: Statistic Sweden 2009

5.1.2 Free Movement for Nordic and EU/EEA citizens

The creation of European Community in 1950s also has made it easier for movement in Europe in goods, services, capitals and even people. The policy has supported people to enter member of Schengen countries freely without showing the passport (Gelatt, 2005). If the person is from Nordic countries, he/she does not
need any kind of permit to work or live in Sweden and for EU/EEA citizens, they can freely reside or work in Sweden up to three months without work permit requirement.

For the citizen of non EU/EEA countries, he/she is required to have both resident and work permit before entering into Sweden but in case if they are university student from non EU/EEA countries, they are allowed to work as long as the resident permit is valid but the resident permit must be stamped on the passport before entering into Sweden (Arbetsformedlingen and Eures, 2007)

5.1.3 Demand for Highly Skilled and Different Languages Needed

Other than the numbers of immigrants that we found there are supply of immigrants to be job seekers in Sweden. We also found that there is demand in companies that would like to recruit people who are not local or cross border because companies are looking for top quality graduates to work. The reasons that they would like to recruit international candidates are they would like to build the international management team and increase business growth in Europe. Firms started to look for international candidates in other countries and based on the survey of the number of employers who hire graduates from other countries increased from 63% in 2001 to 73% in 2002. The company who does not hire international candidates also planned to recruit across border in the next two years (Business Europe, 2002).

The highly skilled shortage is still the problem in industries such as oil and gas and in many countries from Brazil to Germany (Financial Times, 2008). Even in Sweden that the labor skilled shortage is also the problem in some sector such as construction or mechanical industries. The labor shortage has occurred due to the economic booms and people start to choose job in the field of academic type. Therefore the companies have to start looking for the international candidates to fill in the vacancies (Andersson, 2008).

Business is going around the world. It cannot be ignored that there are new emerging business markets in different countries or continents such as India, China and Eastern Europe. A changing world and internationalization has encouraged organization or company to hire people with different language and skill in order to ease the company to enter the new market or make the connection (The Lawyer, 2007).

5.1.4 Diversity Promotion in the Organization

In November 1997, the promotion of multicultural working life has been promoted and supported by Swedish trade unions and employers' organizations (Ahlberg, 1998). The first law is the Law of Equality released in 1979 and there are several laws in this area to protect discrimination of ethnicity, women and disability.
5.2 About Recruitment Industry

5.2.1 History

The history of recruitment agency written in the website of Fast Lane Personnel begun from USA in 1893, during the post-war economic boom of the 1950’s, the executive management team of many American leading corporate were searching for the way to find best talent and reliable candidates. The rising economy not only boosted in creating the new jobs but also to create the problem of how to find the best candidates in their organization and the ability to identify people with the emerging necessary skill. At that time, human capital management was one of the major problems that management had faced. Executive Firms had been created in order to help managing those problems. They provide innovative, professional solution for complexes and never ending issues such as hiring, training, evaluating, retention and compensation. Here are some basic tasks for Recruitment Agency:

1. Recruitment will help job seekers to move into the new career
2. Matching candidates as per job specification
3. Providing top value services by fulfilling employers/clients need
4. Providing job resources solutions
5. Recruiters will represent the candidates and employers the schedule and arrange the job interviews.

5.2.2 Method of Service Charge

Recruitment services make income by passing organizations (employers) with job seekers (candidates) for job interview. When employers decide to employ forward candidates, the recruitment agency will receive an agreed upon the commission from the employer.

5.2.3 Recruitment Procedure

For the procedure, the recruitment agency will post vacant position through a classified section in newspapers and weekly magazine but nowadays, there are more prosperity way and options for recruitment agency to post such as internet, website. Some of recruitment agencies have their own website; this is not only for job seekers to post their resume but also for employers to post requested. The job of recruitment agency is not only to announce vacant position also provide guideline to job seekers such as interview techniques, resume writing & cover letter. Recruiter also helps job seekers in targeting job search and saving time of employers by forwarding the candidates to fill in the vacant position. Many plus points of using recruitment agency, recruiting and seeking eligible candidates can be long time and take process. Recruitment agencies usually have experiences in screening resume in the first stage. They could help employers save lots of time in screening and filtering the candidates. Moreover, recruitment agency usually interviews a vast number of candidates and keeps them in the database. (Fast Lane Personnel, n.d)
5.2.4 The Growth of Recruitment industry

According to limitation in finding the information about Swedish recruitment industry, we therefore have to base the growth of this industry from UK market as UK and Sweden share some same characteristics of labour market in terms of immigration, they are both members of EEA and EU and follow the European Employment Strategy including other instruments such as Employment Guidelines, the Joint Employment Report, and the Recommendations on the implementation of National employment policies set by Employment Committee of European Commission (Employment Committee). We found the source in pamphlet about Recruitment 2020, the growth in recruitment industry which is based on UK market is due to the competitive business environment which effects on:

1) The war of talent – to find the right people with the right talent for the job,
2) Specific soft skill and innovation needed – Firms start to look for creativity and innovative attitude other than qualification of the employee.
3) Outsourcing for the specialist – firms start to outsource the work to other companies with expertise in the area to gain the speed and just in time services and flexibility in the same time does not have to add more number of staff in the companies.

Due to the above reasons, the recruitment industry has grown very fast from 19s to 20s. According to the turnover amount of recruitment companies in UK in figure 9, it shows that the amount of turnover in the year 2000 increased around 23% from 1999 and became steady around 22k million Pounds until 2005.

![Figure 9: Overall Turnover of Recruitment Companies to](image)

Source: Gallagher N. and O’ Leary D., 2007, p. 27
In the pamphlet about Recruitment 2020, the information shows that the reason that the recruitment industry grew greatly during 19s to 20s is because of the open market which has low barriers to entry and most of the firm is small companies which are easy to set up. According to the survey in Figure 10 about the size of the companies which engaged in recruitment and provision of personnel, the normal size is around upto 4 people.

![Figure 10: Number of Enterprises Engaged in Recruitment and Provision of Personnel by Employee Sizeband (2004)](chart)

Source: Gallagher N. and O’ Leary D., 2007, p. 33

### 5.3 About Recruitment Agency

Because of the supply and demand in recruiting international candidates therefore, recruitment agency has to act as middle man in bridging the supply and demand. The Swedish Association of Job Placements and Recruitment Firms, also known as SPUR, maintains data for the industry as one of its services. According to SPUR, there are about 400 agencies; with an SEK 3 billion turnover (USD1 equals SEK 7.90). The growth rate for new, small agencies (less than 10 employees) is 25% (Sweden Market for temporary job placement, 1998).
5.3.1 Recruitment Agency according to Regulations

There are types of recruitment and according to the Guidance on the Conduct of Employment Agencies and Employment Businesses Regulation 2003, there are “Employment Agencies” who introduces work seekers to client employers for direct employment by those employers. This way is known as permanent recruitment or employment even though it is only for a fixed period. Another type is “Employment Business” which engages work seekers under either contracts for service or contracts of employment and supplies those work seekers to client hirers for temporary assignment or contracts where there will be under hirers supervision or control.

Service of employment agency and business are divided into three categories which are
- The services for permanent recruitment
- Circumstances where it provides temporary work opportunities to temporary workers who it employs under contracts of employment (contract of services)
- Circumstances where it provides temporary work opportunities to temporary workers who it employs under contracts for service

According to the regulation, the role of employment agency towards the client company is responsible to provide service of connecting one person with another which a person could mean an individual, firm or corporate body. On the other hand, the role of employment agency or employment business towards the work seekers will not only look for their work seekers but also provide the additional services such as CV writing, photographic services, training or the provision of the protective equipment.

However, those additional services can be charged by employment agency or employment business which has to inform the work seekers in advance. Most of the regulations in the Guidance on the Conduct of Employment Agencies and Employment Businesses Regulation 2003 are stated about the relationship in detail between employment agency and work seekers. Since this thesis emphasizes mainly on client employer side, the reader can find the further information in http://www.berr.gov.uk/files/file24248.pdf.

5.3.2 Types of Services

According to the Guidance on the Conduct of Employment Agencies and Employment Businesses Regulation 2003, there are two types of recruitment services as follow:
- Retained service, the client will pay for each search. In this type, the recruitment agency will require a lot of commitment and information such as culture, goal, structure, and the job to fill in the right candidate for the company. Usually, the retained service is used for recruiting executives in middle to higher management level or senior technical positions.
• Contingency service, the client will pay the fee when the candidate is accepted. In this service, it is used to recruit low to middle level of management.

5.4 Expectation of clients toward Recruitment Agencies

From a source in commentary written by Sexton we found that the expectation is mostly on the service given by recruitment agencies. As client companies always expect to get the highest quality of the candidate from the recruitment agencies, moreover it is critical for both client companies and recruitment agency in filling the position in client companies therefore the client companies expect the highest level of service, trust and the service provided should be taken with integrity, objectivity and conducting recruitment with fairness (Sexton 2008).
6. Findings

6.1 About Multimind

After getting the result of the interview, there are ways to arrange the data into useful information and for material analyzing. There are coding, content analysis and Discourse analysis. According to Yin (1994, cited in Fisher, 2007 pp. 187-188), there is other way to put the research material in the thesis which are writing case studies and there are two types of them 1) Theoretical propositions and 2) a case description. Theoretical proposition is to follow the conceptual framework in collecting the research material and how to write the case study in order to test the propositions or relationship with theories. For descriptive approach, it is simpler and the writer has to develop the series into heading or subheading in order to explain the reader according to the major issues.

In our case we chose to use descriptive and interpretive approach in arranging the material. We put the research material according to the main topics.

Mr. Kristian Andersson, Managing Director of Multimind AB delegated the questions to be answered by Mr. Thompson Birkendahl, Deputy Managing Director of Multimind AB. We received the answer from him on 28 April 2009 for the first e-mail interview and 6 May 2009 on the second e-mail interview. The result of the interview is shown below:

6.1.1 Multimind’s Vision and Organization

Multimind’s concentrates on specializing in recruitment candidate with different language skill and have international experience. Company’s vision is to expand in the few countries and to be the obvious alternatives for companies and organizations who look for international candidates. They do not have long term goal of 10 years but their short term goal in the next three years is to double their turnover.

From the interview with Mr. Thomas Birkendahl, Deputy Managing Director of Multimind, he answered that Multimind has flat organization (as shown in Figure 11) and always opens for the employee to share their new ideas in the regular meeting. Open office is used to create open environment and motivate sharing idea among employees in the office.
Multimind’s recruitment process is shown in Figure 12. It starts from 1) profile contract and analyze the demand of the client. 2) Second step is to advertise the job vacancy on the advertisement via mainly internet and seldom newspaper. 3) The selection of the potential candidates is followed after receiving the applications from the applicants. 4) Potential resume is identified, the candidate will be called for the interview to collect more information about the candidate and keep in the database. 5) Credential references are also another important stage in proving the candidate’s working experience or background. 6) If the candidate is qualified, their profile will be presented to client to review for their job vacancy and call for interview. 7) When the candidate passes the interview process at client’s company and the client decides to hire him/her, the follow up guarantee will be conducted to make sure that both candidate and client are happy and satisfied.
Terms and conditions for each client are customized and Multimind does not have the specific guarantee. They also add extra activities such as test according to client’s requirement such as language tests, personality analysis and IQ tests.

6.1.3 Multimind’s Strategy in Client Management

Recruitment Consultants try to work closely to know about the clients’ requirements the most in order to fulfill the right candidate for them. Recruitment Consultants give more personal attention to each client and that is what the clients prefer them more than the competitors. Multimind tries to find new solution for the problem for each client by working closely and paying attention to the cause of their dissatisfaction. Relationship with clients is made through working hours and also after working hours. Commitment is another quality that Multimind wants the employee to give to the clients. Fast response and personal attention is what their clients are impressed and continue doing the business with Multimind.

For current clients, Multimind uses different channels other than direct contact with the clients. They always get in touch with clients as much as possible by phone, e-mail and regular meeting even lunch and after work. Multimind always concerns about clients’ satisfaction therefore when there is any problem occurred, they will listen to the clients first to understand why they are not happy. For recruitment function, Multimind will work in detail about job description of job, requirements and desires of the clients in order to find the right candidate that matches with clients’ requirement.

For future clients, Multimind hardly uses marketing communication to attract new clients. The only campaign they are using is subway campaign as they focus mainly on their current clients and potential candidates. Moreover, they use cold calling to attract future clients and job ads to attract the candidates. In order to find the information about the new clients, Multimind uses networking and internet and also buys the client lists which contain information about contact person, number of employees. In addition, they sometimes gain information about clients and market from alliance partners and candidates.

Client relationship is very important for Multimind. Even though, they are the only staffing and recruitment company in their target market (mainly focus in Stockholm area), they still put a lot of effort in providing the good quality service to the clients in order to ensure their satisfaction. Moreover they hold the motto of “Customer is always right” and clients are the most important factor for Multimind, therefore they will solve the problem for the clients every way they can to ensure that they will place the repeat order in the future after taking care of the problem.
7. Discussion and Analysis part

In this discussion and analysis part, we will use the synthesis in analyzing the data that we found along with the theories.

7.1 Multimind’s Strategy towards the Customer Value Adding

By applying the primary data that we extracted from Multimind with our theoretical framework, we found that customer value and service is the backbone of their strategy which is compatible with the theory of customer value-focused management. Multimind concerns both internal and external factor. Internally, they have structured the organization to be flat, unhindered communication and open for the employee to share ideas. The employees are encouraged to be creative and innovative in solving the problem for the clients and exchanging idea with each other in the open and statusless environment organization.

Externally, Multimind uses different ways in learning about their clients and market. Direct contact seems to be very effective in getting information about what the clients want and other information about clients’ company. Multimind also learns about the customer from the problem occurred. They try to gain more information about the customer’s expectation and find new solution to satisfy the clients. Multimind has put a lot of dedication not only in working hours but also after working hours. Alliance partner, Internet, networking, buying client list is their way of learning the market.

According to the proposition in Gudergan and Low that by conducting the creativity and encouraging learning in the organization, it will have effect on the innovation. We found that Multimind has encouraged the creativity to be used in the organization and always learned from the outside about the clients and market. The creativity and learning in Multimind has resulted in marketing innovation which Multimind always find new way of solution to clients, and adjust the new additional service such as language test, personality test and IQ test or terms and conditions to match more clients’ requirement. As Mr. Thomas Birkendahl mentioned that they do not have specific guaranteed and the terms and conditions for each client is not the same.

The next part of the analysis is market knowledge of Multimind and customer value management. As mentioned earlier in the literature review that learning is the driver of market knowledge. In our case, Multimind has learned about the clients and market thru several channels. Regarding their customer value management, company has applied customer knowledge to improve additional value, services and activities such as extra screening test or flexible guarantee or terms and conditions. The data that we gathered from our interview seems to match with the proposition that improving customer value management and market knowledge lead to greater market-orientation.
7.2 Multimind’s Strategy towards Relationship Marketing

We see that Multimind has tried to build relationship with clients every way they can. The satisfaction of the clients is the first priority that they have to deliver. From the data we collected from Multimind, clients chose to use Multimind because Multimind is the specialist in recruiting people with different language and culture skill and international experience. But the point that clients are very satisfied and still keeps giving repeat order and continuing the business with Multimind is their fast response and personal attention. In our literature review, we have mentioned that there is no specific way in doing the relationship marketing but there are many ideas and views from academic researchers who gave different definitions and theories about relationship marketing.

We therefore try to analyze that which of these theories or models that Multimind’s relationship building activities seem to comply with the most. In the literature review, we have given the focus on the relationship marketing which is written by Shani and Chalasini. The definition of their relationship marketing is "an integrated effort to identify, maintain, and build up a network with individual customers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized, value-added contacts over a long period of time" and combining database marketing as another tool to strengthen the relationship with clients. However, the data we collected from the informant has shown that they hardly use database marketing with the clients but rather collect the database about candidate instead. As they focus on working for the few clients more than mass clients. Moreover, the service requires personal interactions and information exchange between company and clients. Since their Recruitment Consultants put a lot of dedication and personal attention to the clients therefore database marketing might not be necessary for their type of service.

We found that the activities of Multimind in building the relationship with clients have complied with the theories of relationship marketing of Shani and Chalasini in terms of trying to continuously interact with clients and being flexible in service, terms and conditions, meeting client satisfaction and building good relationship with clients. However, Multimind does not integrate database marketing to build relationship with clients therefore Shani and Chalasini’s idea does not match with Multimind’s customer relationship strategy completely.

Instead, Multimind relationship building activities seem congruent with the definition given by Christopher et al who emphasizes on the quality and importance of customer service in maintaining the long term relationship with customers. We found that Multimind gives the importance on the customer service for example in the recruitment process (shown in Figure 12) that they add credential references in the process before sending the profile of the candidate to the clients (presentation) and after the candidate is hired, they follow up the guarantee to ensure that both sides are satisfied in the job and new employee.
Christopher et al mentioned that quality is to offer the different thing in the eye of the customer and we found that the recruitment process of Multimind offers quality service differently from other general recruitment procedure because in the general recruitment procedure and guidance of conduct about rules and regulations of recruitment agency that we found, credential references or follow up for the guarantee is not considered as a must in recruitment service. However, tentatively these two additional services are considered as optional for each recruitment agency whether they would like to provide to the clients or not.

By analyzing their recruitment process, we noticed that each client group is assigned for each Recruitment Consultant in Multimind organization chart. Each Recruitment Consultant will work closely with one Account Manager for one client group. The arrow of Customer Care shows that Account Manager always involves in customer care and be in the middle between Recruitment Consultant and client in order to help in coordination or solving the problem for the client in recruitment process. With this functional process, Recruitment Consultant is able to give full attention in analyzing the client’s requirement and able to deliver the quality work to their own specific client group. In the same time, Account Manager can as well build the close and bond relationship with his/her own client.

According to the client allotment, we found that Multimind gives the importance on customer service throughout the process since the beginning of Account Management to Operations Recruitment as Christopher et al mentioned that customer service is very important in all stages since pre-sales, sales and post sales. The client allotment of Multimind has been designed to serve client’s both requirement and complaints. Clients can always contact Account Manager, Recruitment Consultant and even management level because everybody has direct contact with the client. They work in working hours and after working hours, even during lunch and regular meetings to increase communication with clients in order to know more about them and strengthen the relationship with clients. By analyzing their customer service providing to clients, we see that Multimind is using customer service in trying to laden the stage the customer loyalty from client to supporter and advocate by using customer service, process and people.

7.3 Metaphor for Multimind

After studying about Multimind in the above topic, the metaphor that seems to suit with Multimind’s strategy towards clients is “Partner”. We found that they are willing to learn more about the clients, solve the problem for them and have long term relationship with clients since they mentioned that they concentrate on current clients more than finding new ones. We think that Multimind is trying to work for future order and does not want to have short term business with any client as they highly concern about clients’ satisfaction and always find new ways to solve the problem for them not using just routine or standard solution.
8. Conclusion

The interview result shows that company emphasizes on unwavering communication with clients and concentrate on fully satisfying the clients in either their requirement or problem solving. Multimind’s strategy seems to emphasize on personal more than impersonal. Mass communication or database marketing or other kind of integrating media is not the suitable tools for them in building or attracting relationship with clients since they tend to focus on few major clients than mass clients.

Extreme flexibility and sensitivity in terms and conditions and additional service can always be discussed if the clients want. In addition, their strategies show that they want to deliver more than what they can promise. They emphasize on fast response, quality of service and personal attention to satisfy clients. The outstanding point in their strategy is their dedication for clients because they can have meeting with clients during lunch or responding to clients after working hours.

From the overall analysis, current clients seem to be the key in their success. They are not working like the hungry wolf company who looks for new clients but aiming to create better relationship with few clients more than relationship with large numbers of clients. This also could mean that they emphasize on quality more than quantity. Moreover, we noticed that Multimind is not just working for clients but they are partnering with clients in learning, customer focusing, and relationship building.

After analyzing Multimind’s strategy towards sustainable value propositions and relationship marketing, we found that they have put a lot of concentration on both strategies in order to build the long term relationship with clients and be sustainable in the market.
9. Recommendation for Future Research

However, since we have studied only two perspectives which are customer value-focused management and client relationship strategies of Multmind. We would like to suggest the future researcher to study on other perspective or aspect which can effect firm on being sustainable in the niche market.

Moreover, we only study Multimind as our case study we therefore would like to recommend future researcher that it might be useful to study strategies of other niche company in other countries or make the comparison between them. In addition, since this thesis focuses on client relationship and customer value-focused from Multimind’s side therefore, researching on client side might be useful in generating the other perspective.

In this thesis, barriers or obstacles in niche market are not discussed which it might be useful to study on the negative side that can affect on niche company in trying to be sustainable in the market or the limitation of being niche company in service area.

In addition, other methods of collecting data such as observation can be used in order to have better insight of the phenomenon.
# Appendix A

**Figure A.** Working Process between recruitment agencies, candidate and client company

![Diagram](image.png)

<table>
<thead>
<tr>
<th><strong>Interactions between candidate, recruitment agencies and company</strong></th>
<th><strong>Candidate</strong></th>
<th><strong>Recruitment Agencies</strong></th>
<th><strong>Company</strong></th>
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<tbody>
<tr>
<td><strong>1. Send profile to Recruitment Agencies</strong></td>
<td><strong>1. Send the request to recruitment agencies in finding the new employees</strong></td>
<td><strong>• Receive profile of candidates, interview, make comment and store the profile in the database</strong></td>
<td><strong>• Receive the request from company</strong></td>
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<td><strong>2. Receive the contact from the recruitment agencies about the job that match candidate’s qualification</strong></td>
<td><strong>• Inform the candidate about the job match</strong></td>
<td><strong>• Send profile of the potential candidate to company</strong></td>
<td><strong>• Search for the right candidate in the database</strong></td>
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<tr>
<td><strong>3. Negotiate with the recruitment agencies about salary and agree on the offer</strong></td>
<td><strong>• Negotiate for the salary and starting date</strong></td>
<td><strong>• Manage other arrangement such as contracts</strong></td>
<td><strong>• Inform the candidate about the job match</strong></td>
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</table>

Source: Author’s work
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<th>No.</th>
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<th>EEA Countries</th>
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*Note: Citizens of Switzerland has the same right as EEA nationals*

Source for EU countries: http://www.euimmigration.org/countries.html
Source for EEA countries: http://www.utl.is/english/residence-permits/eea-members/eea-countries
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<th>Definition of the word and Abbreviation</th>
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Appendix B

Questions and Answers from First round of E-mail Interview

EF 0705 – Master Thesis
International Business and Entrepreneurship
School of Sustainable Development of Society and Technology

Tutor: Prafulla Acharya

E-mail Interview with Multimind AB

Title: Building a niche company in Recruitment Industry: A case of Swedish company Multimind AB

24 April 2009

Authors: (Group No. 2212)
Narana Charoenrungsiree
Rungnapa Charoenrungsiri
Please fill in the information below:

Name of the Interviewee Thomas Birkendahl____________________________
Position or Title Deputy Managing Director_______________________________
Answered Question No.______________Date 2009-04-28____________________

Please note that if there are more interviewees answering the questions, please kindly give the information about the interviewee separately, Thank you.

1. Why do client companies want Multimind AB to recruit for them? What are Multimind AB’s distinctions?

MultiMind is the only staffing and recruitment company in our market (mainly Stockholm) that is specialized on supplying staff with language skills and international experience. Furthermore we put a lot of focus on quality and service towards our clients and employees.

2. Which marketing strategy or tools does Multimind AB use in maintaining the relationship with clients (who hire international candidates)?

3. How do you retain the client companies to get repeat order from them?

2. & 3.

Except a subway campaign we have not used any mass communication tools. Our sales- and marketing strategy focuses strongly on our current clients and target groups (including potential candidates).

Our main strategy is to deliver as fast as possible and with highest possible quality to our current and future clients. We communicate by using job ads and cold calling to identify potential candidates and clients. Regarding current clients and consultants we work very hard on developing the relationship by meeting as often as possible (regular business meetings, lunch, after work, etc).

4. What do client companies always say about Multimind AB according to the service received?

Many clients have stressed that we are more personal than our competitors and that they find it easy to get in touch with us. They also appreciate that we always get back to them quickly.
5. What are the obstacles or problems for Multimind AB found in placing the international candidates in the client side and how did Multimind AB solve the problem for the client?

Multimind has worked with its unique market niche since the year 2000 and therefore also has a unique database and network with people carrying a wide range of different language and cultural skills. We have solved our clients problems through working active and using our creativity to find new ways and solutions.

6. How does Multimind AB deal with the client companies when they are not satisfied with candidate’s performance or not right for the job?

First of all it is very important to listen carefully to our client and to understand why they are unhappy. Then we would ask the client what we can do to solve the situation. Usually we always meet our clients demands and we work by the device “the customer is always right”. It is important to be sure that the client is happy and ready to place another order in the future after taking care of the problem.

7. Which methods does Multimind AB use to ensure the client companies that the candidate is right for the job and client company?

We ask our clients to provide a detailed description of the job, the requirements and desires. During the recruitment process the following steps are important and always carried through: selection, interview, credentials & references.

8. How does Multimind AB encourage employee to be creative and innovative?

In terms of personnel in our HQ our flat organization encourages creativity and innovation. Another way are our regular meetings where everyone is free to share his or her thoughts. Furthermore our open office solution invites to more creativity.

9. How does organization structure and policy of Multimind AB support the creativity and innovation?

See above.

10. How does Multimind AB encourage the employees in learning about client thru the activities, events or daily tasks?

As our clients are the single most important factor at MultiMind, we want our employees to commit themselves to the client. Everyone at the MultiMind HQ has direct contact with our clients and certain responsibilities towards them.

11. Apart from learning and knowing the clients by direct communication with them, does Multimind AB use other sources to learn more about the clients and recruitment market such as asking from candidates, alliance partners, internet, media, activities or any other sources?
When we identify new prospects we use all our networks and the Internet to learn more about the market. At some occasions we have also bought client list with information about important contact persons, address, number of employees etc. In general we use all the activities that you mention above to learn more about clients and the market.

12. Apart from the ordinary process and the agreement in the contract, does Multimind AB provide any extra or special services to the clients and How?

We have standardized contracts and terms but are always flexible to discuss our clients’ desires and adjust the contract accordingly. For example we can offer certain guarantees or special terms of payment.
Questions and Answers from Second round of E-mail Interview

EF 0705 – Master Thesis
International Business and Entrepreneurship
School of Sustainable Development of Society and Technology

Tutor: Prafulla Acharya

E-mail Interview with Multimind AB

Title: Building a niche company in Recruitment Industry: A case of Swedish company Multimind AB

30 April 2009

Authors: (Group No. 2212)
Narana Charoenrungsiiree
Rungnapa Charoenrungsiiree
Please fill in the information below:

Name of the Interviewee________________________________________________
Position or Title________________________________________________________
Answered Question No.______________Date_______________________________

Please note that if there are more interviewees answering the questions, please kindly give the information about the interviewee separately, Thank you.

1. According to the flat organization that you mentioned in the previous answer, may we ask for Multimind AB’s organization chart?

See attached file.

2. According to the previous answer for question no. 2&3, you mentioned that Multimind AB uses job ads and cold calling to identify the potential candidates and clients, may we ask that do you use job ads on internet only or other media such as newspaper, magazines or etc.?

Mainly Internet, very seldom newspapers

3. As you mentioned that everyone at Multimind has direct contact with the clients and certain responsibilities towards them, may we ask you for the detail about the stage of contact or level of involvement of the staff in each level in dealing and building relationship with client?

4. Other than guarantees or special terms of payment, what is the standard guarantees or terms of payment?

We don’t have standard guarantees, the terms of contract are unique for most clients.

5. Has Multimind joined or worked closely with the client in any activities to suit with client’s unique requirement? (For example, language skill test to match with level of client’s requirement or developing or adding screening methods such as aptitude, attitude, EQ or IQ test)?

Yes: language tests, personality analysis, IQ tests.
6. May we ask for Multimind’s recruitment process, terms and conditions regards to the contract and how Multimind charge the client for successful placement?

For recruitment process, see attached file. Terms and conditions are confidential information.

7. What is Multimind’s vision and goal in this niche market in the next 10 years?

Our vision is to be represented in a few more countries and to be the obvious alternative for companies and organizations that are looking for international competence. We don’t have goals for the next 10 years but in a shorter perspective we want to double our turnover in the next three years.
## Schedule of Study

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References


Gelatt Julia, October 2005, “Schengen and the free movement of people across Europe, Migration Policy Institute


Statistic Sweden 2009 web page (Access on April 10, 2009)
http://www.ssd.scb.se/databaser/makro/SaveShow.asp


