Crucial Factors in Customer Relationship Management

A Chinese Perspective of the Telecommunication Industry

Dissertation in TPA, 15 ECTS

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Abstract

Customer Relationship Management (CRM) which focuses on the relationship with customers has become more and more important in business management. CRM is a managerial system based on technological applications which can help companies to get competitive advantages. In our paper, we focus on the CRM in the Chinese context and our purpose is to identify important factors during the management of customer relationship in China. We have studied one of the largest Chinese Telecom companies.

The theoretical framework in the field of CRM is mostly based on literature from the west world. Therefore, we found it interesting to study how the Chinese cultural impacts on these important factors. Based on the structure of this framework, we obtained large amounts of information about a company we refer to as “Company A”, from their managers, as well as the websites, as empirical data. So in the analysis part, we revised a new model, after collecting the empirical data, which is more suitable for this research. Abductive research and qualitative strategy are chosen in our paper.

One of the contributions in our paper is that we concentrate on important factors from a Chinese perspective. In our conclusion, we indicate that most of the important factors in Chinese companies are similar to western companies, but we also point out differences which are important in the Chinese context. These factors are information sharing culture, CRM adoption, relationship networks, materialistic achievement, process innovation and data quality. All these contribution can be helpful for companies to implement and improve CRM.

Key words: Customer Relationship Management; CRM; CRM system; Chinese CRM system; important factors in CRM system; improvements for CRM system
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1. Introduction

In this chapter, the background for customer relationship management (CRM) will be introduced. After that, there is a discussion about the problems in CRM. The following sections are research purpose and limitations in this paper.

1.1 Background

No matter what kind of size a company has, it always needs a systemic way to manage its business, leading to a specific term in management field, business management. Business management has a wide meaning about how to make business more effective, efficient and profitable. It includes several aspects such as marketing, project planning, information management, human relations and resources, communication and so on (Shelby, 1993).

During the past decades, there have been many changes in the field of business management. In the 1980s, there was a growing interest in the company’s business strategy and how it was managed. Basically, it was about how to manage business inside the company with concentration on organizations, enterprises and so on. However, in recent years, a shift can be found in the focus of organizational theory away from the internal processes of organizations and towards the business communication to external relations (Hakansson & Snehota, 2006). It would provide valuable new insights and advance our understanding about the behavior of business organizations to external relations. Relationships based on external communication are referred to interactions with consumers (Hill, Provost & Volinsky, 2006). As knowledge should be transferred and developed, an understanding of how to transfer and analyze information effectively from customers has become crucial for both academicians and practitioners (Tsai, 2001; Reinartz, Krafft & Hoyer, 2004).

In the 19th century, the relationship between the company and its customers just relied on some key contact employees. These employees got feedback from customers directly, so they could analyze these data and make it useful immediately. Nevertheless it also had some negative impacts. For instance, if these key contact employees left their former company for another one, they would also take the knowledge about the customers. Then how could a company use a safe and efficient way to communicate with the outside? Electronic systems could be a good choice to get and keep data. However, to get data is not enough. What is more important is to analyze the data and make it into useful information, otherwise it would be useless. Consequently, an electronic system which can both get and analyze data becomes much more important to the company.

In 1998, the first Customer Relationship Management (CRM) packaged information system was launched by Siebel Systems (Bull, 2010). By 2008, AMR Research and
Gartner valued the global market for CRM is about US $ 13 billion (ibid.). Nowadays, CRM has already become one of the most useful systems for business communication. It can help business to achieve a fundamental goal, as well to maximize wealth.

Consequently, more and more research focuses on the topic of CRM. There are about 1,410,000 results in Google Scholar (2011), and almost half of them are published in the last 10 years. However, most of the research is about the structure of CRM and how to satisfy customer to make them loyal. One area that has not been widely researched is about what factors are more important during the customer relationship management, especially in Chinese research. Meanwhile, CRM was created by western companies, but eastern companies also use it. Since the culture is different, these important factors may be different when eastern companies use it.

1.2 Problem Discussion

An overview of previous research shows that companies have business and non-business, formal and informal relationships with different customers. This means that customers have different economic value to the company (Ritter, 1999; Reinartz, Krafft & Hoyer, 2004). Consequently, how to organize the communication with a large amount of customers is an important issue which companies face. Thus, many companies move their focus away from the market product-focused or brand-focused marketing toward a customer-focused approach (Reinartz, Krafft & Hoyer, 2004). In addition to the variety of different types of customers, the same company also has several relationships with one customer (Ritter, 1999). Obviously, it is not easy to get over these relationship problems. So, the question we want to focus on is about customer relationship management (CRM), such as what factors are important to build up effective relationships with customers, and how to use these relationships to obtain competitive advantage.

Kincaid (2003, p.41) defines CRM as “the strategic use of information, processes, technology, and people to manage the customer’s relationship with company across the whole customer life cycle.” In the CRM, it can be divided into two parts. One part focuses on the way for management, and another part is the about technology like the software application which helps to accomplish the process. Also these two parts are connected to each other. The way for management can be seen from the technology and technology affects the way for management.

In terms of previous research about CRM, research put more emphasis on components of strategy, such as customer profitability (Niraj, Gupta & Narasimhan, 2001), customer loyalty (Verhoef, 2003), linkage between customer profitability and loyalty (Reinartz & Kumar, 2000) and linkage between satisfaction and business performance (Kamakura, Mittal, Rosa & Mazzon, 2002). Just little research concerns CRM
strategy across companies. For companies, CRM is a tool to reach their customers. How to use it well is what companies should know. However, for the reasons of successful CRM approaches or the characteristics CRM may fail potentially, there is no clear evidence (Reinartz, Krafft & Hoyer, 2004). Moreover, these previous academic research about CRM has not provided a clear definition of what factors are more important for customer relationship management.

In the process to improve CRM, culture is an important element (Finnegan & Currie, 2010). Compared to western culture with analytic thinking, eastern culture is more about holistic thinking (Chang, Park & Chaiy, 2010). The difference between Chinese management and Western management is not about “Yes” or “No” (Cheng, 2000). Some of the phenomenons in Chinese organizations are discussed by western theories, also some western theories are practiced in Chinese organizations. Consequently, the differences appear during the way to solve problems. Western management focuses on individualism, which means to maximize individual benefits (ibid.). So in western organizations, relationship is built on equality and companies put more emphasis on the attributes of products. Employees just need to do what they required to do. On the other side, Chinese management focused on collectivism (ibid.). For employees, the task is to solve problem together. So the person with good ability should do more than the others. Also Chinese companies tend to value existing relationships with the customer as a standard of selecting products. However, for Chinese organizations, to know about western management is not just to use western ways. We should make it suitable for Chinese habits. Moreover, CRM is similar in worldwide business which is formulated by western way. Also most of the previous research we use is in the U.K. or U.S. Then how does it work in eastern companies? Since a lot European companies have invested in the Asian market, and China has a large market for CRM, we have chosen the Chinese context for this research.

In order to get clearer views about CRM, we use a telecom company as our study. As these companies have a large amount of customers, they have better knowledge of using CRM than those companies that only have few customers. The practical relevance of this study, is explained by Ryals and Knox (2001, p.534) who indicated “that a 5 % increase in customer retention resulted in an increase in average customer lifetime value of between 35% and 95%, leading to significant improvements in company profitability”. Chinese telecom companies are owned by the government which means it has a huge size and it also indicates that they have a large amount of customers. It will be a great profitability if they can just increase a little percent for customer retention.
As figure 1.1 shows the process of the problem discussion, there are many factors that affect customer relationship management. Also based on previous research, many important factors in customer relationship management have been mentioned. Among these many factors, we want to find out what factors are more important than the others. However most of these factors are mentioned by western opinion, there is no research in the Chinese context yet, so it will be meaningful to figure out how these factors work in Chinese companies. Consequently, the research question is:

*What factors are important in customer relationship management for Chinese companies?*

### 1.3 Research Purpose

The purpose of this paper has two aspects, namely the theoretical and the practical aspects. The first one aims to establish the important factors during customer relationship management (CRM), especially for Chinese companies and to identify the Chinese cultural impacts on these crucial factors. With regard to the practical aspect, some advice can be given to CRM. During these processes, we can also figure out a suitable CRM framework for the Chinese context. This helps not only Chinese companies to improve their CRM, but it can also help western companies to understand the CRM in Chinese companies.
2. Theoretical Reviews

This part clarifies the meaning of CRM and a CRM system. We regard CRM as managing customer relationship and a CRM system as the technological system to support customer management. Also, the performance of CRM is identified as beneficial to the financial results for companies. After summarizing previous literature, theoretical framework is displayed in four layers: Culture, Human, Process and Technology.

2.1 Clarification of CRM

2.1.1 Definition of CRM

Plessis and Boon (2004) summarize that the definition of CRM is managing the customer relationship through understanding and managing customer needs, which derive from information of customer feedback, to improve effectiveness and efficiency of firms to gain more profitability. Handen (2000) highlight this process of managing customer relationship by several important elements of CRM: implementation of an information system strategy, customer segmentation, and process and technology changes. The elements were confirmed by Nicolett, Andren and Gilbert (2000, cited in Plessis & Boon, 2004), who identified CRM as a whole organizational strategy which is designed to increase profitability and customer satisfaction through customer segmentation and process changes linking from customer responses.

Other previous researchers used a more concrete way to explain CRM, and they described the definition of CRM from the relationship between technological implementation and business needs. A CRM system is identified as technological applications to meet business needs, which are divided into software and hardware. Bose (2002) argue CRM is a combination of technological implementation and business processes, and also pointed out the importance of the interaction from customers in the combination. Chen and Popovich (2003) confirm that CRM consists of three perspectives – people, business processes and technology. CRM bases on information and communication technology (Ryals & Knox, 2001), which centralizes and segments customer data for decision-making, and then prompts business process changes responding to actual customer behaviors (Harris, 1999, cited in Plessis & Boon, 2004). In detail, a CRM system is identified to make business processes more automatic than before with a series of information technological products (Kirby, 2001, cited in Mendoza, Marius, Perez & Griman, 2007). The technological applications supported by real-time customer information involve electronic selling, marketing and automatic customer services and support (Nicolett et al., 2000, cited in Plessis & Boon, 2004). However, it is hard to get successful implementation of CRM
when it is only seen as information technology (Chen & Popovich, 2003). Furthermore, CRM is considered as a managerial way, as described by Brown (2000) and Swift (2001), which uses integrated channels, products and other internal resources to influence customers through effective communications by the technological system.

As is mentioned above, CRM is defined as a combination of a managerial system and technology applications in our research. Rodgers and Howlett (2000) figure out the construction of CRM from both the business and technological perspective. From their description, the organization is divided into two departments, front offices and back offices, from the perspective of different influence on customer interaction. We summarize their model, and display a brief construction by two layers, organizational departments and a CRM system, as figure 2.1 shows.

![Figure 2.1 The construction of CRM](image)

### 2.1.2 Performance of CRM

Many firms expect CRM to bring out a substantial payback, reduced costs, customer loyalties, and real-time customer information for decision-making (Roh, Ahn & Han, 2005). Previous research discussed these benefits from CRM in the following perspectives.

From the relationship perspective, Mendoza, Marius, Perez and Griman (2007) point out that CRM is used to create and maintain a long-run relationship between firms and their customers. Sheth and Sisodia (1995) confirm this point, and indicated that CRM prompts satisfying transactions between firms and customers through a long-run and mutually beneficial relationship. The relationship was also developed by Ozgener and Iraz (2006), who indicated the characteristics of the relationship – active and

In the views of financial outcomes by CRM, as a matter of fact, more investment in time and finance might establish a higher quality system (Teo, Devadoss & Pan, 2006). Although the financial outcome of CRM is difficult to measure, the findings of Minami and Dawson (2008) identify that a direct financial outcome should be brought out through CRM.

The tangible benefits of CRM might be easier to describe than the financial outcomes. Wang, Lo, Chi and Yang (2004) underline that CRM brings out customer behavior-based performance, such as retention, repurchase, and cross buying, through delivering customer value. Visibility of management and effectiveness of distribution channels are mentioned by Finnegan and Currie (2010), and intra-company integration and value network establishment are the pluses. Another perspective of the benefits of CRM focused on managing customers rather than the growth of customers. Lawson-Body and Limayem (2004) point out that CRM might help firms to manage their customer in an organized way with a series of management. Clear customer segmentation and behaviors which are useful to anticipate customer needs might be emerged from this organized way.

2.1.3 Communication and Understanding of Customers

Customer needs always lead to business changes (Karakostas, Kardaras & Papathanassiou, 2005). How to collect customer feedbacks and establish effective and efficient ways between customers and firms was discussed by previous researchers. CRM emphasizes on the customer-focused conception and collecting and managing customer information, and has positive and beneficial impacts on customer information processing. In the interaction between firms and customers, communicating with customers, and an understanding of the customers are valuable to be mentioned, because of the meaningful impacts on the performance outcome of the CRM.

Communicating with customers is the main way to gain feedback through salesmen, customer service providers and other related roles. The findings of Karakostas et al. (2005) show that integration with customers is a focused area. In terms of CRM, to establish and develop communicating ways for collecting customer feedback should be considered. Meanwhile, the findings from Swift (2001) emphasize that to use communication methods at the right time with the right offer can increase effective communication.

CRM implies continuous understanding process for customers, which need to give responses quickly to changeable customer needs (Kim, Kim & Park, 2010). The
understanding process not only focuses on analyzing customer information or communicating with customers directly, but also pays close attention to observing customer behaviors. In other words, understanding of customers acts the role of anticipating customer needs from the analysis. The findings of Karakostas et al. (2005) confirm the benefits of customer understanding, which derive from the analysis of customers’ profiles to discover new and valuable services.

2.2 Influential factors for CRM

The factors which influence CRM include various perspectives. For instance, Ko, Kim, Kim and Woo (2008) categorize different firm characteristics which might influence CRM as follows: the size of a firm, organizational strategies and the extent of information systems. Some research focused on the benefits from the relationship orientation (Minami & Dawson, 2008). Also, some findings argued the importance of employees’ adoption to CRM technology (Finnegan & Currie, 2010; Becker, Greve & Albers, 2009).

From classifying the previous related research, we divide it into four concrete perspectives, which are according to the frameworks of Finnegan and Currie (2010), Chen and Popovich (2003), and Mendoza et al. (2007), to influence CRM. These four layers are culture, human, process and technology. They constitute a systemic and all-around synopsis which includes former related research.

2.2.1 Culture factors

Business culture has gained much attention in the world of business management. From this perspective, previous research emphasizes two kinds of culture which influence CRM: information sharing culture and customer-focused culture.

Information sharing culture
The findings of Finnegan and Currie (2010) indicate that information and knowledge sharing culture leads to effective communication in CRM. The benefits of information and knowledge sharing culture might emerge from the process of problem solving or implementing customer needs in a relatively effective and efficient way. Plessis and Boon’s findings (2004) also confirm the knowledge sharing culture is valuable to CRM. With the help of CRM technology, a broader technological application is utilized to share information and knowledge. Therefore, the culture works beneficially in CRM.

Customer-focused culture
Customer-focused culture is an important conception brought by CRM. The finding of Chen and Popovich (2003) underline an evolution process from the product-focused approach to the customer-focused approach. In a customer-focused organization, customer needs are used to develop corresponding products and services, while to the goal of the product-focused approach which intends to find customers for using mass marketing efforts, it is totally different (ibid). Chang et al. (2010) suggest that management should set up it in an organization and combine it with the management. This point is confirmed by the findings of Karakostas et al. (2005), who also suggested developing a customer-focused culture in an organization. It derives from learning and understanding of customers, and conducts behaviors of serving customers. The point of the necessity of customer-centric culture might be seen as a significant guideline in the implementation of CRM. Hence, the extent of customer-focused perception in a company directly influences CRM.

2.2.2 Human factors

Human factors concentrate on the people who directly operate a CRM system, and managers in CRM. Additionally, the role to implement a CRM project which pays further attention on CRM technology is discussed.

CRM Adoption

A CRM system involves many user roles, as described by Finnegan & Currie (2010), including frontline salesmen, marketing and service providers, business analysts, and so forth. Some of them deal directly with customers, and some work collecting customers’ responses, while others analyze customer profiles and feedback. It is a challenge to the management to ascertain how to enable these different roles to adopt a CRM system (ibid). The adoption of a CRM system involves the whole organization, so the adoption might be seen as an enterprise-wide undertaking. Also, the whole adoption is confirmed by Becker et al. (2009) who concentrated on interactions between CRM implementation and managers and employees and whose study showed that CRM adoption need to actively supported by the whole firm. Avlonitis and Panagopoulos (2005) discuss CRM adoption from salesman’s view, and they found that salesman belief towards a CRM system determines their extent of CRM adoption and more interested they are more adoption they will get. Individual characteristics, such as operating experience of information systems and strong knowledge of business processes, also influence employees’ adoption of a CRM system (Avlonitis & Panagopoulos, 2005).

Furthermore, comparing with other information systems, Minami and Dawson (2008) indicate that CRM adoption to employees is similar with the adoption of other information technology. Another point from the findings of Ko et al. (2008) shows companies with mature information systems are easy to adopt a CRM system. Therefore, CRM adoption is the basis in the implementation of CRM.
Management
The senior manager is a particular role which manages several departments in CRM, like a CRM project team and business process support departments. He determines the core business processes and guides a CRM project team to implement technological applications. Rigby and Ledingham (2004) point out business needs should be precedent to technological capabilities of firms. This point supports the clarification of senior managers by Finnegan and Currie (2010), who suggested senior managers not only to be distracted by technological capabilities, but also to focus on how CRM can meet the business need. The findings of Mendoza et al. (2007) also highlight the importance of this particular role in CRM.

CEOs as another key roles influence CRM through their commitment. Ko et al. (2008) indicate the commitment and supports determined by CEOs’ experience of information systems, which might derive from their background, directly influence the process of the implementation of CRM.

Internal User
Salesmen might be seen as internal users of a CRM system in companies. Their needs should be understood, recognized and satisfied by technological implementation (Sebor, 2008). As those who directly communicate and serve customers, how they use a CRM system has great impact on their performance and customer satisfaction. Meanwhile, training can help them realize how a CRM system works and what benefits they can gain from using a CRM system. Avlonitis and Panagopoulos’ findings (2005) show that training makes salesmen understand a CRM system better. Therefore, guiding internal users and making them use a CRM system better should be focused.

CRM Project Team
As a major force of technological implementation, a CRM project team supports the implementation of a CRM system in technological capabilities. Finnegan and Currie (2010) identify three points of a CRM project team: the roles which construct the project team, including a full-time team leader, end users – like salesmen, business experts – like service providers, technical experts; the goals they should achieve, like a deadline and milestones; and the supports and resources they gain from the top management. The findings of Mendoza et al. (2007) point out unique documents to identify the goals of implementing a CRM system. Obviously, adequate supports and management of a CRM project team influence the implementation of a CRM system.

2.2.3 Process factors
Business processes need to be supported by CRM systems. Technology always serves business needs (Rigby & Ledingham, 2004). Implementing CRM involves many changes of business processes which possibly consist of redesign of business
processes, collaborative process integration, creativities from business processes, and so forth.

**Process redesign and innovation**

Roh et al. (2005) indicate that making business processes fitting to customer needs increases customer satisfaction. The finding of Chen and Popovich (2003) also highlight that a continuous effort in redesigning core business processes should be taken to meet changeable customer needs. As we all know, customer needs always continuously change, therefore, how to make feasibilities and efficiencies of process redesign acts as an impact on CRM.

Finnegan and Currie (2010) point out effective information channels, like front offices, of customer feedbacks helps firms to redesign business processes. The findings of Ozgener and Iraz (2006) highlight business dynamics and flexibility determined by process redesign act as a positive impact on CRM. Therefore, redesigning business processes through quick responses to customer needs benefits CRM.

Sometimes, process innovation is essential in the process redesign, especially in the occasion in which a particular customer need entails creative changes in business processes. As Karakostas et al. (2005) point out, process innovation derives from implementing new services or products, which should be associated with, and supported by, organizational process changes. Ozgener and Iraz (2006) also support the importance of process innovation and emphasize the flexibility of process innovation in CRM.

**Process Integration**

Another important point of business processes is integration which needs to integrate collaborative processes. The benefits of this kind of integration are identified by Osterle (2001, cited in Geib, Kolbe & Brenner, 2006) through reducing manual tasks and shortening process times. He also indicates that standard collaborative processes and integration architectures should be required.

Sometimes, process integration includes different functional departments, like marketing, customer services, and technological supports. It seems to be hard to implement. However, fruitful benefits of process integration still induce the implementation of integration. Therefore, integrating business processes might be a significant point towards CRM.

**2.2.4 Technology factors**

CRM bases on information systems which derive from technological applications. From the technology perspective, usefulness of a CRM system, quality and unification of data and technological implementation were discussed by previous
researchers.

**Usefulness**
To the end users of a CRM system, like salesmen who directly communicate with customers, usefulness of a CRM system influences their performance (Avlonitis & Panagopoulos, 2005). Ozgener and Iraz (2006) also confirm the importance of convenient operation of a CRM system. Clear and friendly user interfaces and ease to understand mostly represent the usefulness. Similarly, it makes sense towards the business process designers. However, an interesting finding from Karakostas et al. (2005) show interaction between CRM technology and its users is not only unidirectional. Surprisingly, they indicate that end users should also consider the technological implementation. Interactions between end users and technological implementation might determine the usefulness of a CRM system.

**Data quality**
A unified database, as a core function of technological implementation, is built to clarify customer information, including removing dirty data, and make the data accurate to the firm (Beasty, 2005). Another finding from Alshawi, Misri and Irani (2010) confirms the importance of accurate data in a CRM system. They indicate that data quality of CRM is highly required when compared with other information systems. Furthermore, Roh et al. (2005) point out that the customer information quality is one of the causes to increase efficiency in CRM. Also, the findings of Mendoza et al. (2007) confirm the benefit of efficiency and supplement another benefit of the consistent service for customers. Therefore, the customer data quality is required at a high level in CRM.

**Technological implementation**
Technological implementation is determined by the technological capabilities of companies and the construction of a CRM project team. No one might ignore the importance of the technology towards the implementation of CRM, as Finnegan and Currie (2010) identified. They also indicate that companies should pay more commitment and technological investments to CRM.

Sebor (2008) describes several steps of CRM technological implementation. The first step is that there are isolated projects of different departments and initiation of collaboration. Second, joined-up thinking emerges, but with different orientation. Then the third step involves a CRM project from a company level. The last step is value-based collaboration for mutual benefits. However, what should be pointed out is that if CRM is seen as only a technology, it is hard to implement successfully, and furthermore, that though successful implementation has been met, it does not mean the success of a CRM strategy (Kim et al., 2010).

In the detail of technological trends, third-party technology and standards, which are mostly free to use, increase the flexibility of technological implementation (Geib, Kolbe & Brenner, 2006). Technology renovation might be seen as another point to
2.3 Influential factor summary

Below, we have constructed a theoretical framework (see figure 2.2) from the four perspectives.

Influential factors on the organizational level

**Culture:** Information sharing, Customer-focused

**Human:** CRM adoption, Management, Internal user, CRM project team

**Process:** Redesign and innovation, Integration

**Technology:** Usefulness, Data quality, Technological implementation

Figure 2.2 Influential Factors of CRM

To business culture, information sharing is suggested by previous researchers to keep effective communication in CRM. Meanwhile, customer-focused culture, as a conception brought by CRM, need to be emphasized.

Human factors involve several important roles in CRM. Commitment from top management is related to the supports to CRM. A senior manager and a CRM project team determine technological capabilities in the implementation of a CRM system. Internal users of a CRM system are another factor mentioned by previous researchers, because of their direct influence on customers. On the other hand, CRM adoption is seen as a basis of CRM in an organization.

From the perspective of business processes, process redesign and innovation are suggested to meet continuously changeable customer needs. Also, process integration is used to optimize old business processes.
Technological applications give strong supports to CRM in an organization. The usefulness influences employees’ performance, especially at salesmen and customer service providers. For providing high-quality services to customers, data quality should also be emphasized. Meanwhile, previous researchers mentioned the importance of steps and technology renovation in technological implementation of CRM.

2.4 Chinese cultural impact

2.4.1 Chinese culture

China has attracted more and more multinationals because of its huge market and its low labor costs. However, except for these two advantages, the cultural differences between the west world and China should be considered by any firm which has developed, or will develop its business in China.

Relationship and harmony
By contrast with the west world which advocates the importance of individuals, Chinese lay stress on groups (Martinson & Westwood, 1997). Attention to individuals brings out an openness and spontaneity culture. Correspondingly, connectedness and reciprocal relations derive from the emphasis on groups. Networks of relationships construct the basis of a Chinese organization. A man is always seen as a member of a group, and his rights are granted by participating in the activities of a group (ibid).

An everlasting theme of Chinese social pursuing is harmony, which is also created and preserved by networks of relationships (Martinson & Westwood, 1997). To sustain the relationship networks, Chinese endorse status hierarchy, conformance, and mutual obligation and reciprocity (Bond & Hwang, 1986). For instance, it is a common principle to keep the harmony and conformance in a group that the minority should be subordinate to the majority.

Reliance on experience
Comparing with the west counterparts, Chinese managers usually are apt to make a solution according to their previous experience when facing a problem (Redding, 1990). They rely more on their experience and intuition than the use of systematic analysis (ibid). Combination with various related experience to create a familiar solution towards a problem is a common sense of Chinese managers.

Due to this usual practice, Chinese managers are inclined to resolve a problem in a similar situation. Also, acceptance of a similar situation is more comfortable to them than a radically new one (Leung, 1992). Seeking a scientific solution to a new situation is not considered as a first choice for them because of their common sense of using the similar experience (Martinson & Westwood, 1997). To a certain extent, it
hinders an innovation process.

**Information exchange**

To keep the harmony in an organization in China, information exchanges conform to two principles always. When information is beneficial to promote and reinforce the existing relationships, it will be encouraged; By contrast, if information leads to radical changes or possible destruction of the existing relationships, it will be suppressed (Martinson & Westwood, 1997). On the other hand, limited access to information of most of employees in an organization is seen as another way to keep the harmony. Because employees are comfortable with it (ibid), simultaneously, Chinese managers utilize this kind of hierarchy to maintain relationship networks.

Chinese is a high context language, and it features implicit, ambiguous and conditional words (Hall, 1976). In daily communication, people are accustomed to use suggestive words rather than accurate ones. Through the limitless meanings, the suggestive words are apt to provide more flexibility, to maintain harmony and to avoid conflicts of relationship networks (Kirkbride, Tang & Westwood, 1991). However, it manifests that ambiguous and conditional word might give rise to indistinctness. Due to terseness of Chinese words and their rich meaning (Martinson & Westwood, 1997), how to make an expected meaning understood articulately is hard.

The underdevelopment of management science in organizations in China is obvious (Martinson & Westwood, 1997). One of the reasons is that formal and systematic management methods are not very desirable in most of Chinese organizations (Lasserre, 1988; Redding, 1990). Although many kinds of information systems have been adopted in the contemporary business management, the development of information systems in China also proceed slowly. The main reason is that the richness of a meaning in a high context language is hard to be conveyed through information systems (Martinson & Westwood, 1997). Chinese communication is more based on verbal forms.

**Face**

Face preservation is an important way to maintain harmony in Chinese relationship networks. Sometimes, an individual may preferably sacrifice extra costs to restore an affronted face (Martinson & Westwood, 1997). As general knowledge known by Chinese, to preserve other’s face may make daily work or business transactions easy, because of its expected benefits to sustain good relationships.

On the other hand, worry about losing face makes Chinese not highly regard service-oriented jobs (Pang, Roberts & Sutton, 1998), because serving someone is seen as reducing one’s status to be a server (Tsang, 2011). Although service-oriented jobs, like customer-contact employees, affect customer satisfaction directly (ibid), it is impossible to ignore the influence of face consideration on service behaviors.
Materialistic achievement
Another cultural tendency is that more and more Chinese has emphasized materialistic achievement, because of high-speed economic development with which a number of Chinese may have tasted comfort, convenience, and status promotion from their wealth (Tsang, 2011). The Chinese society accepts materialism widely (Abramson & Inglehart, 1995; Fang, 2006). Gain and loss from the desire of materialistic achievement are obvious. On the one hand, this desire gives birth to a number of Chinese entrepreneurs who feature diligence and enterprise (Tsang, 2011); On the other hand, it also conducts unethical business behaviors because of greed and immorality (ibid).

Passive influence of this tendency in an organization conducts a high rate of employee turnover, because of employee leapfrog for an income increase. In a few Chinese firms, a major headache of their human resource department is that annual employee turnover might be more than 30% of the staff (Tsang, 2011). Furthermore, the desire of materialistic achievement is one of most important reasons which induce little effectiveness of employee management practices, like management participating, empowerment and job enrichment (ibid).

Chinese always advocate a long-term orientation (Hofstede, 2001). However, the materialistic achievement tendency exactly departs from this orientation for short-term gains. Tsang (2011) suggests that managers in Chinese firms should arouse their employees to have long-term job plans for the future vision of both firms and employees.

2.4.2 Impacts on the influential factors

The cultural differences between the west world and China bring obvious impacts on CRM. Chinese firm managers have to confront the impacts, and establish their particular management style different from the west ones to assure the effectiveness of CRM.

To business culture, information sharing has many challenges. Due to the high context of Chinese, implicit, ambiguous and conditional words always conduct more, and repeated communication. It not only increases extra time costs, and but also reduce the effect of information exchanges. On the other hand, if both sides are not conscious of differences between original expression and corresponding understanding, which possibly departs from actual meanings, mistake information diffusion is likely to take place through information sharing culture. Therefore, managers have to take related measures to prevent the low effect caused by implicit communication, when they advocate information sharing culture.
Meanwhile, the Chinese information exchange culture also influence the process of CRM adoption, especially at CRM training. This high-context communication increases the difficulties of CRM adoption, if document learning, a usual form of training is used. Furthermore, a commonly doubtful attitude towards information systems influences employee’s confidence to CRM systems.

Customer-contact employees, like salesmen and customer services, play a really important role to influence customer satisfaction. As described above, CRM adoption of employees takes a number of time and human costs. However, high-rate turnover caused by the desire of materialistic achievement and low status consideration in contemporary Chinese firms reduces the quality of customer-contact employees. The service quality and customer satisfaction might correspondingly decline. Therefore, long-term orientation cultivation towards customer-contact employees reveals its importance.

Chinese managers are always cautious to process redesign and innovation, because of their usual practices that they are apt to resolve a similar problem with their related experience rather than to create a scientific solution to a radical new problem. Hence, they look very conservative. However, with the development of information systems, this conservation is changing, because of the formal and systematic business information provided by information systems. The attitude towards process redesign and innovation is on the way from intense conservation to actual analysis.

To process integration, relationship networks play an important role, especially at involving several different departments. Intangible power from interpersonal relationships is likely to influence the cooperation priority which determines correspond time from target cooperators who are expected to provide help. In other words, good interpersonal relationships can make cooperation work like process integration finished effectively and efficiently. Sometimes, to preserve face and then sustain relationships, cooperators would rather sacrifice their extra costs, such as their private time.

Technology implementation of CRM systems is impacted by Chinese culture as well. The features of Chinese information exchanges determine that CRM system design pays more attention to the accuracy of information transmission. It should help system users to express actual meanings which might be articulately understood by others when they input information. Although it is obviously hard to be done, the consequence as which employees promote their confidence towards CRM systems is expected.
3. Methodology

3.1 Research Approach

According to Bryman and Bell (2007), deductive research bases on a particular domain and the theoretical literature related to this domain deduces a hypothesis which should be tested with relevant empirical data. They consider related theories as a guideline to the process of data collection. Sedmak and Longhurst (2010) confirm the main function of deductive research is to test and modify theories. Correspondingly, inductive researchers create theories from empirical findings (Bryman & Bell, 2007; Sedmak & Longhurst, 2010). In our paper, an abductive research method is chosen. It is regarded as the middle ground which is between deductive and inductive research. With regard to how to use previous literature, former knowledge may be seen as the inspiration for collecting and analyzing empirical data. And then empirical findings are the basis to discover new theories.

This paper is tasked with the purpose to help companies to verify how to identify the important factors which influence CRM in the Chinese context. Also, the purpose would be supported by previous literature which is combined to make an appropriate framework to guide the collection of empirical data. Therefore, it may be regarded as a deductive approach. On the other hand, concrete and convinced knowledge concluded by empirical findings possibly confirms the framework, or exceeds and complements the knowledge of previous literature. Hence, the research is also seen as an inductive one.

3.2 Research Strategy

Research methods, such as quantitative and qualitative methods, are used to ensure new knowledge from research processes is convinced (Sedmak & Longhurst, 2010). A qualitative strategy is chosen in the process of this research. With the clarification of Bryman and Bell (2007), qualitative research emphasizes more words rather than data numbers. Also, it regards the research outcomes as an examination from the interactions between individuals (ibid). The suitability of qualitative research emerges from in-depth studies and specific knowledge in a particular subject.

Our research question is about find its influential factors of CRM in the Chinese context. CRM has been used publicly in many companies. Also, previous literature has mentioned various critical factors to CRM. However, in the Chinese context, whether these factors affect CRM in the same way should be pointed out. As Edmonson and Mcmanus (2007) argue, qualitative research brings out fruitful
outcomes in the research field in which little previous knowledge has been explored. Therefore, a qualitative research method is used in our research process.

3.3 Research Design

Case studies are often used for the study of a single organization (Bryman & Bell, 2007). It is rather useful and helpful to research on a detailed and intensive examination on an organization (ibid). Eisenhardt (1989) point out one of the most important realities of case studies: large amounts of data. Being intimate with the empirical evidences often let researchers produce creative theories (ibid).

Meanwhile, Sedmak and Longhurst (2010) indicate that case studies are used to undertake research in a specific context for a studied phenomenon, like our research based on the Chinese context. Hence, we choose a suitable company for a case study. The company occupies almost one of third customers in the Chinese telecommunication market. Also, CRM acts a very important role in the customer management in the company. We use the detailed and specific data of the company to answer the research question.

3.4 Data Collection

Observation and interviews are seen as two appropriate methods to collect data in case studies (Bryman & Bell, 2007). We chose to collect documents from the relevant conferences and associated video speeches public on websites of the company. Furthermore, interviews, as a major way to gain detailed information, provided large amounts of one-hand data.

We have 12 interviews in all. Due to the large scale of CRM, which involves various roles from front offices to back offices, it is significant to stand on the view of managers who are familiar with both whole business procedures and corresponding steps in managing customer relationship. Simultaneously, the opinion and suggestion of the internal users of the CRM system, like salesmen, are also considered. From the different perspectives including business process managers, customer-contact managers, technological managers and the related employees, we intend to seek out the concrete and convinced factors to build an effective CRM. Furthermore, what should be pointed out additionally is that we interview at least two persons in each kind of these roles.

- Business process managers: they have sufficient knowledge of business needs.
Customer-contact managers: they are responsible for sustaining customer relationships.

Technological managers: they concentrate on technological implementation.

The related employees: salesmen, employees from customer services and marketing departments.

During the process of collecting data, we employed two methods to sample, snowball and theoretical sampling (Bryman & Bell, 2007). Snowball sampling is embodied by the suggestion of some interviewees who gave us significant interviewees, who are not in our sampling frame, to choose in future interviews. On the other hand, we use theoretical sampling to ensure that the theoretical points from our framework have been all covered.

3.5 Data Analysis

Eisenhardt (1989) highlights data analysis is the heart of building a new theory from case studies. Also, the difficulties and challenges caused by mixed and disordered data are also pointed out (ibid). Therefore, we chose grounded theory which has become by far a most widely used method for analyzing qualitative data, according to Bryman and Bell (2007). We follow the processes in the grounded theory illustrated by them. After the first turn of data collection, we started from coding - the basic step in the grounded theory for refining concepts and categories. Then, data were broken down into the concepts through constant comparison. We revised a new framework which appeared to be similar to the theoretical framework. However, some changes were also made for several concepts.

In terms of theoretical saturation, coding and collection of data should be always connected and alternated (Bryman & Bell, 2007). We collected data in the second and third turn when the previous data seemed to be not adequate. Recollecting and reanalyzing new data are useful for qualitative research (Edmonson & Mcmanus, 2007). Consequently, there is a constant movement backwards and forwards between these steps. After the comparison of indicators and concepts categories were generated, we tried to make sure there is a fit between indicators and concepts. In the last period, we compared existing theories with outcomes to make a formal theory.

3.6 Validity and Reality

To ensure the validity and reality of our research, we utilize the criterion argued by Bryman and Bell (2007) to test the process of our research. First of all, the internal
validity would be fulfilled by the consistency between our research data collection and the theoretical framework. On the other hand, the external validity, which is also met by our formal theory generated, represents that the findings would be used in more general area. Secondly, we make an adequate agreement in the process of our research, and the extent of the agreement determines the internal reality. Meanwhile, our research will try to a direction for further research on the construction of implementation of CRM strategies. Hence, the external reality would be met.
4. Empirical Data

This chapter shows the information from the interviews and secondary data from websites. The overall information of Company A is given in 4.1, and specific information from different perspectives is shown in the following.

4.1 General Company Information

Company A is one of the largest companies in Chinese telecommunication industry. In recent years, Company A experienced a large-scale alliance and has accomplished the recombination of two companies in the telecom industry which both shared the market in a rather considerable amount before. It has more than 4,630,000 employees distributed in the head office and 31 provincial subsidiaries in China, and some worldwide subsidiaries. Also, every provincial subsidiary has an independent CRM system.

The products and services provided by Company A involve fixed networks and mobile telecommunication networks. From the views of different kind of services, this company mainly provides fixed and mobile communication services, data transportation services, Internet access services, value-added telecommunication services and integration services of information and communication systems. To provide high-quality services for customers, Company A concentrated on the establishment and improvement of the mobile communication network, and the development of the fixed broadband network. Meanwhile, except for consolidating the previous services, it also has the emphasis on the broadband-based fixed and mobile networks.

Customers of Company A are kept in a rather large-size. There are more than 270 million network users in the Chinese market. It includes several main aspects among broadband, Global System of Mobile communication (GSM, 2G mobile network) and fixed-line services. Right now, Company A is expanding a more important market with the new mobile network by the name of 3rd-Generation (3G), which is going to dominate the repartition of the Chinese mobile telecommunication market.

The vision of Company A is to become a world-leading provider of broadband information and communication services. As a crucial factor, the 3G expansion strategy should be implemented with enough emphasis. With the perspective of market-focused and customer-focused, Company A concentrates on the growth of mobile broadband Internet services, and meanwhile raises competitive capabilities in the field of broadband multimedia services.
4.2 Business and Organizational Culture

Information sharing
To share information effectively and efficiently, Company A establishes many communication ways. They encourage employees to use more electronic ways to communicate. Instant messages and E-mail as conventional electronic communication tools work well in the company. Employees accustom establishing an instant message group involving relevant members to discuss a particular topic.

For instance, there are 31 provincial subsidiaries in Company A and every provincial subsidiary has its own independent CRM system. That means a new business process might be implemented by many different solutions. Usually, a new instant message group is established by a host from the marketing department who formulates the new business process, and includes participators from 31 subsidiaries. Towards a new business process, like the “terminal sale” process (see figure 4.1), a host brings forward the process figure and its description. Then, according to the guidance, participators separately implement it with their own resources. The instant message group is used by them to discuss the problems during the implementation. Every participator has a chance to know the others’ experience to avoid making same mistakes. Even if a participator has to face a particular situation caused by the provincial resources, others might give him constructive suggestion.

![Diagram of 3G e-marketing platform and business support system for provinces]
Although the electronic communication let employees share their holding information quickly, these kinds of relatively informal information exchange methods have to face a problem which sometimes conducts different information to diffuse. In the “terminal sale” process, the 2nd step by the name of “Resource authentication” caused a misunderstanding. When a participator finished this step and shared his experience that device authentication is almost the same as SIM card authentication. Hence, a few participators realized the difference between them was just the type. However, the “almost” from the meaning of the first participator did not mean the type difference, because he saw the type difference as a common sense. Actually, device authentication included a model-register step which SIM card authentication did not include.

On the other hand, Company A regards meetings as a formal way to communicate. These meetings are mainly about allocating tasks, making decisions for big problems and launching brainstorming about a present phenomenon or potential problems. Comparing with fixed schedules for daily and weekly meetings, brainstorming meetings are more flexible. Also, the free and political ambience of brainstorming meetings conducts information and knowledge to be shared easily. Due to the form of verbal communication, meetings trigger fewer misunderstandings than electronic messages. However, meetings need collective time of all members and a suitable place to convene them which is not convenient for those who work in different places. Also, the limitation of meeting time is suggested in two hours to ensure the quality of meetings.

Meanwhile, another two systems are to support information sharing in two important fields: customer need changes and malfunctions of the CRM system. Company A develops these two to standardize the processes of tracing customer needs and fixing malfunctions. The systems guide employees to write a form and deliver it to the next employee step by step. Employees have chances to trace the process of a form delivery and to gain feedback from next steps. Every kind of forms has a template, in which many necessary items for avoiding misunderstandings should be identified. It is to standardize the information input by employees. Table 4.1 is the template of 186 serial number sale form. The items include obligatory information like a transaction id and a serial number and additional information like minimum online time and a minimum deposit. In addition, the column by the name of “Remarks” provides employee helpful guidance.
Customer-focused culture

In Company A, the customer-focused culture emerges from the common commitment by managers and employees. CRM prompts the commitment of the culture in the company. Long before, customer relationships were understood to identify the profitable customers and to try the best to gain profits from them. However right now, the company understands customer relationships to a deeper degree. It is derived from the understanding of customer views to find real customer needs, through improving the quality of services and products, respecting customer secrets, and more importantly, caring the customers who seem to be not very profitable then and there.

In terms of a telecom Company, long-term relationship customers are more stable than short-term relationship customers. Old customers are always those who already have long-term relationships with the company. However, for Company A, new customers are as much important as old customers. In recent years, the potential benefit for new customers appears more than for old ones. With the 3G license granted, Company A also started to develop the 3G services which becomes the trend in the telecom field. But they also show their care for old customers, such as providing a discount for old customers to transform them to using new services, like network services.

On the other hand, the company separates service levels to different customer segments. Certainly, VIP customers should be concentrated on. The one-to-one service, which means that every VIP customer has a corresponding account representative, is one of the most favorable services commented by customers. Furthermore, in business halls, there is a VIP customer channel to provide quick and exclusive services.

However, when a faction of customer needs, which possibly lead to large changes in business processes or in the CRM system, are hard to meet, the company would prefer putting off to giving up them.

<table>
<thead>
<tr>
<th>Serial number(s)</th>
<th>char</th>
<th>80</th>
<th>Yes</th>
<th>National numbers separated by the blank</th>
</tr>
</thead>
<tbody>
<tr>
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<td>number</td>
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<td>No</td>
<td></td>
</tr>
<tr>
<td>Brand</td>
<td>char</td>
<td>80</td>
<td>Yes</td>
<td>Reference to the national brand list</td>
</tr>
<tr>
<td>Minimum online</td>
<td>number</td>
<td>3</td>
<td>No</td>
<td>Unit: Month</td>
</tr>
<tr>
<td>time</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum deposit</td>
<td>number</td>
<td>10</td>
<td>No</td>
<td>Unit: RMB</td>
</tr>
<tr>
<td>Minimum</td>
<td>number</td>
<td>10</td>
<td>No</td>
<td>Unit: RMB</td>
</tr>
<tr>
<td>consumption</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Table 4.1 The template of 186 serial number sale
4.3 Human Factors

Different roles in CRM
The roles related to CRM are divided into three groups depending on different periods: before selling, during selling and after selling.

- The first group consists of customer need developers, who collect customer needs and trace need changes, and product managers who make decisions and improvements of products according to market and competitor changes.
- The second group mainly includes salesmen, who work in the business hall to introduce products and services to customers.
- The last group involves data analysts, who need to get relevant customer data from the CRM system to analyze these data, and then to provide the analyzed data to top management to make decisions, and customer service providers, who work in the customer center, get feedback from customers and provide feedback information to other departments.

Adoption
After using CRM for 10 years, the extent of CRM adoption is high in the whole company. The CRM system is closely connected with daily work of employees. For a salesman, more than 50 percent of working hours are operating the CRM system to deal with customer affairs, like helping customers to change a product type or to pay a bill. Being familiar with the CRM system can directly influence employees’ performance.

During the improvement of the CRM system, the employees in Company A need to continuously accept new interfaces and functions of the system. Although technological implementation has been considered to be consistent with the former system as much as possible, changes are not easy to avoid. However, to the process of the improvement which brings out many changes, employees have a relatively clear view of different periods to adopt the new system.

1. In the beginning of the period, they always discover a large number of malfunctions and misunderstandings in the new system, and sometimes they consider the former system to be better.
2. When the malfunctions are fixed and a better understanding is reached, they can adopt the new system.
3. After the new system is regarded as a stable one, most employees appreciate it and enjoy working with it.

From an original statement of a manager, this phenomenon is called “complaint and use, then use and appreciate”. Employees in Company A have been accustomed to the adoption process when CRM system improvement comes. Because most of the improvement was finally proved as providing a more effective way to their daily work.
than before, the increase of the confidence towards the CRM system which comes from their previous difficult but successful experience towards improvement can not be denied.

The individual background of employees mainly affects the process of the adoption. Those who have relevant experience of operating information systems know better how to use the CRM system than those who has no experience for similar information systems. Furthermore, the familiar extent of business processes also determines the pace of the adoption.

Training
Training for CRM involves not only the skills on system operating and business familiarity, but also the basic knowledge, like how to treat team members and how to communicate with customers effectively.

Before, a salesman was only familiar with one or two business processes, because of the complexity and multiplicity of businesses running in the company. When many customers intended to transact some complex business, they had to wait the skillful salesman who was only familiar with this kind of business. Then, after strengthening all-business training, salesmen have been qualified in transacting most of businesses. It actually increases the degree of customer satisfaction.

From the technology perspective, when the large extensive update of the CRM system occurs, detailed training documents from the CRM project team will be given to the end users. However, a single training form of documents was proved deficient. The words in the documents always conduct misunderstandings, because the readers are not familiar with the context which is implicitly included by words. Further, it seems to be hard for the writers to perceive it, because of their technological background which makes them see the context as a common sense. Managers in Company A perceived this problem, and suggested to add necessary training lessons to users. Also, a particular representative from the project team is identified to answer follow-up questions after the lessons. Although it causes extra time and human costs, the expected effect to avoid misunderstandings is achieved through the verbal form.

On the other hand, contests in the different fields to test the consequence of training are held frequently. The contests include customer service skills, terminal operating skills, marking and sales skills for group customers, etc. The rewards draw a number of employees into the contests, which simultaneously prompt employee to aspire more knowledge. Furthermore, there is an interesting measurement called “Secret customer” for training. Secret customers who are the employees of the company pretend customers to test services, but the real goal is to assess the behaviors of target salesmen.

Commitment of the CEO
The commitment of the CEO of Company A emerges from the emphasis of the CRM
strategy. Every CRM system in the province has been investing with more than 100 million RMB in the implementation and improvement. In some provinces which have a large amount of customers, the investment is much larger.

Except for the investment, when a new core project like the popularization of 3G is under way, the CEO investigation of project implementation over several provinces takes place. One of the most important points is to investigate the status of using the CRM system.

**Teamwork**
The team cooperation in CRM emerges from collective goals, duties, and rewards. Except for the cooperation in daily work, many activities including sports and entertainments in different festivals are helpful to prompt teamwork. Simultaneously, relationship networks of employees also expand through informal teamwork. Company A encourages interpersonal relation expansion of employees, and hence, it holds about 1000-times activities in one year on average. In the sight of managers who forcefully advocate the activities, informal teamwork is likely to increase the cohesive force of the company through the expansion of each employee’s interpersonal relationships.

Interpersonal relation works as a basis in the employee daily work in Company A. When the cooperation is necessary and the worker who is asked for help is busy, the priority of his cooperation is determined by the interpersonal relationship with the worker who wants the help. There is an original word from an employee “I prefer breaking the priority rule to help him to complying it which possibly harms the interpersonal relationship with him and makes me lose the chance to ask for his help when it is necessary in future”. Hence, even if the priority breaks the rule of the company, employees see it as a worthy sacrifice. And in the management, managers always teach the employees how to build a broad network of interpersonal relationships due to their experience -- interpersonal relationships act as a more important factor for them to be promoted, comparing with employee actual capabilities.

During the process of cooperation, some problems appear such as the level of trust. Different team members from different professional backgrounds always have problems with the trust of each other. For instance, the members in the marketing department neglect the complexity of technological implementation, and similarly, technological implementing engineers consider some business needs are unreasonable.

**Customer-contact employees**
Company A as a service provider pays a large amount of attention to customer feedback. They established various ways to collect feedback. The main ways for Company A to get feedback are as follows: business halls; customer hotline services; message services; website services; customer manager visiting and so on. Company A
invests in the front office with a large number of human resources. Although the amount of customers is rather large, customer hotline services are likely to pick up customer phones in less than a half minute averagely.

There is a specific guidance for customer-contact employees in the front office who should deal with customers.

- Firstly, a positive attitude to solve problems and to predict potential customer needs is fundamental.
- Secondly, when dealing with customer complaints, employees should maintain an apologetic, conflict-solving and responsible attitude concerning the problems. Everyone in the front office complies with the rules, and this is referred to as “first person responsibility”. It requires the first employee who deals with a customer transaction to follow the whole process in relation to the customer.
- Thirdly, involves listening to customer feedback carefully and encouraging customers to express their concern and suggestion when employees are dealing with either active, or proactive, customers. One of the most useful ways to understand customer suggestion is to explain their own understanding to customers and check whether it is right.

Except for the guidance for employees, there are some strict rules to ensure the quality of services in the front office. The response time of customer complaints is limited to connect the customer in 24 hours. Then, the answer of the complaint should be given in less than 3 days. If the problem is really hard to solve, the expired time is not more than 5 days. To malfunction repairing, the problem of fixed-line should be solved in 36 hours. 48 hours is the limitation of repairing broadband malfunctions.

The salary of customer-contact employees is relatively low, because of a correspondingly low level of necessary skills. Another obvious reason is the large number of people. It indirectly makes a passive impact on the quality of customer services. High-rate turnover among customer-contact employees is a major problem in Company A. Actually, an experienced customer-contact employee need long time to cultivate. A customer service manager helplessly complained “A qualified customer-contact employee is hard to cultivate. But it is a common phenomenon that an employee brings forward his requirement to be arranged to a high-salary job when we have invested so much time to train him.”

For reducing the turnover, Company A tried to exert pressure to managers. The annual performance evaluation of customer-contact departments directly related the turnover. If it was higher than 20%, the year-end bonus would be cancelled. This measure really prompted managers to endeavor to retain their employees. However, the turnover rate declines a little bit, although managers adopted the methods like management participating.

“The core problem is that their salaries are low.” A human resource manager
explained. Recently, a new motivation pattern which divides the salary into a basic part and an additional reward is in practice. The additional reward can be gained by employees when developing a new customer or obtaining high degree of customer satisfaction. It works better than management practices. The turnover rate declines obviously and the satisfaction from both customers and employees directly increases.

4.4 Process Factors

Core processes
The core business processes in Company A include customer information processing, formulating products and services, balance summing and bill producing, etc.

- The customer information processing involves opening an account for a new customer, customer product changes and so on.
- Through analyzing customer information, analysts make statistics from different customers and products for the decision making of top management. Meanwhile, as a consequence from customer information analysis, which refers to the current products, it is more convenient for product managers to formulate new products and services for meeting potential customer needs.
- Summing a balance and producing a bill work at the end of a month. They provide customers a specific list to check detailed expenses of the whole month.

Local customer needs and standard processes
Since Company A has such a large market size, it has to meet customer needs in different regions. But customers from different regions sometimes have different needs for products and services. For instance, group customers in Guangzhou required an extra discount and services because the customer amount of the group was very large in this area, which gives them adequate bargaining power. Hence, the business process entails changes for this discount and the services. In Heilongjiang, it is not necessary, because group customers are a relatively small size.

Even though differences are hard to be avoided in different provinces, in general, products and services are formulated into a uniform standard in Company A. A particular group to standardize business processes was established in 2010. The objective of this group across all the provinces tried to integrate different customer needs into a broad solution, which based on standard processes, and simultaneously the adequate expansibility of standard processes was also mentioned. The exploration was testified successfully after many new business needs, which derived from customer need changes, were rapidly supported by the standard processes in different provinces. In one year, 148 new business needs were met simultaneously in all the provinces. 8584 new products and services were updated. Ordinary new products would be provided to customers in 7 days. The ability of rapid responses to new needs
increased a lot in the company.

Process innovation
Company A has a conservative attitude when facing process innovation. A business process manager claimed, “There is no innovation made just because of needing innovation.” When some processes need to be revised, the first requirement is to solve the problem and evaluate the risk. Managers are apt to adopt improved innovation which is based on the old one and just make few changes. To radical innovation, they always manifest a rather conservative attitude. Except for the consideration of costs, a main apprehension is risks.

With the improvement of the CRM system, accurate and systematic customer information is helpful for managers to reduce risks. The analysis of the customer information has several aspects in Company A. It includes original needs of customers, customer feedback, consuming behaviors, consuming trends, using habits, and customer credit stability and fluidity. Above all, customer feedback is more important. Company A has invested much effort to figure out feedback of different kinds of customers. An intelligent information system by the name of “Welcome and New” is established to prompt customers to clarify their feedback. It traces service condition of customers, and actively sends a questionnaire to customers when their service condition changes a lot. Every finished questionnaire will give customers free access of a new service in short time. It is helpful to collect customer feedback as well as to advertise new services.

Managers get visualized information from different kinds of figures and tables which are automatically constructed from collective feedback. Through this systematic information, they can seize actual customer needs and make necessary changes of business processes more credibly than before. In other words, more information to customer analysis supports managers to have confidence in process innovation. The use of scientific and systematic information systems has gradually changed the conservative attitude to process innovation of managers.

Process integration
In Company A, the improvements of the CRM system need process integration, but not for large scale. With the consideration of integration costs and possible risks, the company manifests a conservative attitude to process integration. The strict estimation of integration is required.

Most of the integration served for increasing efficiency and customer satisfaction. For instance, during the process of the combination between 2G and 3G business, the old processes for 2G should be integrated with a new process of 3G. One of the most actual benefits is to integrate the payment ways which need two separated voucher cards to pay the fee. Then, customers might pay their 2G and 3G services in a unified way.
Similarly, fixed-line processes have been integrated with mobile processes. A customer who simultaneously uses a fixed-line service, a broadband service and a mobile service might transact these services in one process. The integration of this blending business mostly entails the cooperation among the different departments. Through overcoming complexities and continuously optimizing, process integration brings out a higher degree of customer satisfaction.

4.5 Technological Factors

User interface
The practicability of user interfaces in the CRM system is confirmed by managers and employees in a relatively high level. For instance, the Guangdong subsidiary has three major improvement of the CRM system in 2002, 2004 and 2009, and the user interface has evolved in a high level of humanity.

A filter tool integrated with the user interfaces is used to avoid employees to type all the characters of a particular city name which is sometimes easy to induce spelling mistakes. When an employee types the first character, the filter will show related city names to be chosen. Also, it is helpful to increase the data quality.

Another example is in the process of creating a new account. Because of the complexity of this business process, much customer information should be typed into the system. Before the improvement, if employees typed the wrong information, they had to type all the information again although most of them were right. However right now, it is rather convenient since the interface may show all the information typed and highlight the possible wrong information.

The main goal of interface evolvement is to shorten the time of customer transaction. Also, the humanity interfaces increase the employee satisfaction and confidence to information systems.

Data quality
Low data quality might bring out problems for both employees and customers. A manager from a customer-contact department complained, “A large part of customer complaints is caused by wrong data. We have to say sorry about the mistakes and persuade customers to help us to modify the wrong data.” To the employees of customer-contact departments, they actually do not know the cause of wrong data. However, they have to confront customer complaints and deal with them. Low data quality not only takes extra time of customers, but also troubles customer-contact employees a lot.

Hence, Company A puts many significant measures into practice to emphasize the importance of data quality. The company spends professional roles to check the data quality through data monitors, which depends on the data-change warning and the
data history. Regular examinations from the data history cost certainly extra work, but it is perceived valuably.

Although the user interface of the CRM system has been improved to avoid many typing mistakes with the filter, some emergent data changes are also possible to produce wrong data, caused by employees’ carelessness. Hence, the access of changing data is limited strictly. When the related operator needs to change the data, he should log in with his job number and with the specific computer. To some core data, necessity of the change should be approved by related managers.

The measures actually reduce the possibility of wrong data generation. However, some misunderstandings caused by Chinese words seem to be hard to prevent. For instance, employee A working at the customer center records a problem of a customer, and recommends him to go to a business hall to solve this problem. When the customer comes to a business hall, it is a common phenomenon that he has to explain the problem again, because employee B can not totally understand the problem information recorded. An employee working at a business hall explained, “We are used to let customers explain their problems again, even if the customer service has recorded it. Because we prefer verbal communication to messages recorded.” Terse and implicit Chinese messages are likely to conduct ambiguity. Chinese messages are always treated as reference if verbal communication can be used.

**Technological renovation**

Company A recognizes that technological renovation brings out many benefits, such as increasing process efficiency and reducing costs. Meanwhile, it also contributes to shortening the cycle of customer need implementation to increase customer satisfaction.

The company is exploring the application of a new technology, by the name of “Cloud”, which unifies a large number of common functions for all the technological applications and provides flexibility for technological renovation. The benefits of this technology are regarded as being easy to maintain and having a high rating of hardware utilization. Most of hardware servers were only used with 12% of CPU before. The company intends to advance the usability of CPU to a higher rate.

**System improvement**

Company A invests a high degree of resources to improve the CRM system. The improvement concentrates on meeting new customer needs and optimizing the system. Sometimes, continuously small-scale improvement which is used to meet one or two specific needs is prepared. Then, there is a process to combine them within the main CRM system at an opportune moment.

On the other hand, the company had dependent CRM systems for different cities in some provinces. During the improvement of the CRM system, the company finished unified integration which discarded the city CRM systems, and let a unified CRM
system for serving all the cities in the provincial subsidiary. For instance, in the Guangdong subsidiary, there were three major improvements for the CRM system in 2002, 2004 and 2009. After finishing these three improvements, a new and integrated CRM system is established to serve for all the customers in the province.
5. Analysis

Most of the large size companies, like Company A, have changed their focus from product-oriented management to customer-oriented management. A trend is that large-size companies are more reliant on CRM because of their large-size customers in common. The firm size is always one of the most important factors which influence customer relationship management (Ko et al., 2008). Company A, which has more than 4,630,000 employees, puts a lot emphasis on CRM of about 270 million customers in China.

CRM is always supported by an information system. In Company A, every provincial subsidiary has an independent CRM system to manage their customer relationship. It is not just about to find a scientific way for managing long-term relationships, but also to have systematic and visualized forms to show customer information from which manager do with the management.

5.1 Business Culture

5.1.1 Information sharing

Information sharing culture leads to effective communication in CRM (Finnegan & Currie, 2010). No matter the size of the company, knowledge sharing is always one of the most important factors. In small-size companies, people are used to communicating by face to face. However, in large-size companies, it is impossible to let people talk to everyone else. So there must be some ways to help them to have effective communication with others.

Company A encourages electronic communication and uses instant message groups and assistant information systems to cultivate the information sharing culture. With instant message groups, people can communicate with people even if they have not met before. The assistant information systems which are included by the CRM system have particular functions, as tracing customer needs and fixing malfunctions. With the support from the CRM technology, a broader technological platform is utilized to share information and knowledge (Plessis & Boon, 2004). In these systems, information is not only shared with each other, but also recorded into a database which can be used and compared conveniently. According to this database, employees can get the information in the whole process, not just in their work. Meanwhile, it is more convenient to get feedback from other departments.

However, Chinese implicit words bring out an unexpected challenge to information sharing culture. A Chinese habit using implicit and conditional words always conducts ambiguity. Furthermore, mistake information diffusion is likely to take place through information sharing culture, if no one is conscious of misunderstandings. It means that
potential risks possibly hide under the cover of the benefit of information sharing culture in Chinese companies.

Although a few managers has perceived the potential risks and taken pertinent measures like the establishment of information templates in Company A, the problem caused by Chinese words seems to be hard to deal with. Certainly, meetings are another possible way to cultivate the information sharing culture. Few impacts from Chinese words emerge because of the verbal form of meeting communication. However, extra time costs have to be considered.

5.1.2 Customer-focused

Customer-focused culture is recommended in organizations by many researchers (Karakostas et al., 2005; Chang et al., 2010). It derives from learning and understanding of customers, and conducts beneficial behaviors of serving customers. In Company A’s business culture, the customer-focused culture is widely accepted by managers and employees. Based on this culture, the customer benefit perspective is also shown in the process of management (Chen & Popovich, 2003). In Company A, not only VIP customers are noticed, the importance of small group customers is also considered in the perception. Consequently, the overall acceptance level of customer-focused perception directly influences CRM.

However, all business in the company should make profits rather than just make customers satisfied. Once there are some conflicts between the company and the customers, the choice is obviously going to be the former one. If some special needs come from few customers which is difficult to achieve, these needs would be put off or given up. In general, company’s benefits and customer’s benefits are not conflict. Under the premise that there is no damage to the company, customer satisfaction will be put before the other factors.

5.2 Human Factors

5.2.1 CRM adoption

In Company A, roles related to the CRM are divided into three groups: before selling, during selling and after selling. As Finnegan and Currie (2010) say, how to let these different roles adopt a CRM system is a challenge to management. Because some of them deal with customers, some work as collection of response, and some analyze profiles and feedbacks. For difference roles, they adopt difference parts in the whole system, and different parts always require the different skills and knowledge of employees. So it is difficult to let someone adopt the whole system very well.
Chinese always have a doubtful attitude to information systems. Also, it conducts low confidence of Chinese employees. In Company A, the phenomenon by the name of “complaint and use, then use and appreciation” manifests the attitude of employees. Meanwhile, CRM adoption of employees directly influences how employees perform at their work. If employees understand the use of the CRM system totally, they can do better than those who have no idea about it. Hence, employees have intense expectation towards a really helpful and effective CRM system. Through several successful improvement of the CRM system, employees find out their expectation might be implemented. Therefore, the confidence to CRM system has been increased obviously.

Becker et al. (2009) consider the whole adoption should be concentrated on interactions between CRM implementation and employees. Technology is always used to meet user needs in the process of CRM system implementation. From several times of CRM system improvement in Company A, it indicates that the interactions between technological implementation and user needs are a major source of CRM system confidence. Also, the confidence is likely to bring out positive influence on CRM adoption.

On the other hand, individual characteristics, such as an operating experience of information systems or knowledge about business processes, also influence the employees’ adoption of a CRM system (Avlonitis & Panagopoulos, 2005). In Company A, it shows the individual background of employees mainly affects the process of learning. Those who have technology experience know better about how to use the CRM system than those who has no experience for similar information systems. The opinion indicated in the study of Ko et al. (2008) is confirmed in Company A that companies have experience in similar information system may adopt the CRM system and implement it more easily than others.

5.2.2 Training

Avlonitis and Panagopoulos’ findings (2005) show that training may help employees to understand CRM better. Training in Company A mainly includes business skills and technological ones which involve how to use the CRM system effectively. Like all-business training, the main goal of training is to increase customer satisfaction. Contests always play an examination role in the process of training. The enthusiasm of training is prompted by the reward and the competition.

However, the problems caused by Chinese words in documents bring out troubles to Company A. To overcome the disadvantages caused by document training, Company A adopts the verbal forms. Undoubtedly, lesson training will spend more time and human costs than document training. For the effect of training which directly influences the CRM adoption, Company A has to do it. Therefore, it is easy to find out that effective training might spend more costs in the Chinese context.
5.2.3 Management Commitment

The supports determined by CEOs' experience of information systems, which might derived by their background, directly influence the process of CRM implementation (Ko et al., 2008). A high extent of the investment to the CRM strategy manifests the confidence and commitment from the CEO in Company A. On the other hand, the CEO pays his attention to the CRM system through the provincial investigation when some core projects are in progress. As many things supported by CEOs may be accomplished well, the CEO commitment is likely to make the process of CRM implementation and improvement much easier to be executed.

5.2.4 Teamwork

Teamwork comes from collective goals, duties, and rewards (Finnegan & Currie, 2010). It is beneficial to the cooperation, like process integration, during the process of CRM. Formal and informal cooperation is seen as teamwork in Company A. In the Chinese culture, relationship networks play a important role in teamwork. Except for formal cooperation in daily working, Company A advocates informal teamwork to develop employees’ relationship networks. Frequent activities like sports and entertainments are helpful to enhance employees’ interpersonal relationships.

Sometimes, employees would rather sacrifice their extra costs, like private time, for sustaining a good relationship network. On the other hand, the encouragement to the development of relationship networks might increase the cohesive force of the company. It is the reason that the importance of interpersonal relationships is emphasized by managers who teach employees their own experience. Due to the characteristics of Chinese organizations which are based on relationship networks, teamwork seems to be a very important point in CRM.

However, during the teamwork, there are some problems about trust just like the teamwork between a technological team and a marketing team. The major reason is that they just realize how important their own work is, but have no idea about the knowledge in others’ work. On another side, it shows the lack of understanding with each other. How to solve this problem is also connected with how to ensure effective information and knowledge sharing.

5.2.5 Customer-contact employees

Karakostas et al. (2005) point out that integration with customers should be emphasized. Also, customer-contact employees become the main channel to communicate with customers in Company A. As the point underlined by Finnegan and Currie (2010), effective information channels provide positive impacts on process changes, which are used to meet continuous changeable customer needs. It effectively increases customer satisfaction.
The guidance for customer-contact employees is to increase customer satisfaction in the communication, especially in dealing with customer complaints. The strict rules ensure the quality of services and raise the efficiency of employees’ work. Furthermore, employee responsibility will be recorded through the “first person responsibility”. CRM embodies a continuous process to understand customer (Kim, Kim & Park, 2010). The work of customer-contact employees might influence the understanding of customer feedback.

However, the salary which supports enthusiasm and a positive working attitude of customer-contact employees in the Chinese context is low. One objective reason is that the amount of customer-contact employees takes up a large percentage in Company A. Another one is the low requirement of necessary and basic skills. They determine a relatively low salary compared to other positions. Although managers in Company A tried to retain the employees through management participating, the effect was not expected.

The desire of materialistic achievement actually conducts the high-rate turnover of customer-contact employees. What is worse, an experienced customer-contact employee is likely to drain with the high-rate turnover. It decreases the quality of customer satisfaction. A new pattern of salary construction might give a solution to this problem. In Company A, it works better than other motivation. It is also a salary innovation in CRM.

**5.3 Process Management**

**5.3.1 Process standardization**

Company A has a large size of customers located in 31 provinces in China. Since the differences in 31 provincial backgrounds are obvious, the needs of customers are different. Hence, business processes which meet various customer needs should be emphasized to bring out high levels of satisfaction from customers (Roh et al., 2005). To meet various customer needs mentioned by Ozgener and Iraz (2006), the flexibility and dynamics of business processes in Company A are highlighted.

Chen and Popovich (2003) suggest putting effort on making business process changes to meet changeable customer needs. The process standardization as a continuous effort in Company A is adopted. On the other hand, the most significant benefit of process standardization in Company A is to provide a unified management of business processes. Especially under the circumstance in Company A which has various needs in 31 provinces, rapid responses to customer needs make standardization play a crucial role.
5.3.2 Process innovation

To meet new customer needs, some products and services are revised, which required the support of process innovation (Karakostas et al., 2005). Although the importance of process innovation was recognized (Ozgener & Iraz, 2006), Company A manifested a conservative attitude to process innovation before. Even when the innovation seems necessary to provide new products and services to meet customer needs, Company A also will make adequate estimation on the costs and risks before process innovation. Obviously, a conservative attitude on process innovation in a CRM system is recommended in Company A.

From the perspective of Chinese cultural influence, the conservative attitude derives from managers’ usual practices that they are apt to resolve a similar problem with their related experience rather than to create a scientific solution to a radical new problem. However, with the development of CRM systems, a number of formal and systematic customer information is provided to managers. It gradually changes the conservative attitude of Chinese managers to process innovation because of credible supports from information analysis.

5.3.3 Process integration

When Company A improves the CRM system, some process integration occurs, such as the combination of different businesses. The company treats process integration with a conservative attitude because of the consideration of costs and risks. However some of process integration which might help to increase customer satisfaction obviously is seen as indispensable, like the process integration of a fixed-line service, a broadband service and a mobile service. With this integration, customers don’t need to deal with different services by different employees; different kinds of services can be offered at the same time. It is not only convenient for customers, but also raises the company’s efficiency. The integration between two or more old processes was expected to optimize into a more organized and beneficial way, as the finding of Osterle (2001, cited in Geib, Kolbe & Brenner, 2006) showed that the benefits of process integration include reducing manual tasks and shortening process times.

On the other hand, a large cost of process integration is one of the disadvantages, especially when involving several different departments. After recognizing this point, Company A emphasizes the cooperation in the process integration when it involves more than one department. Teamwork across several departments is very helpful for process integration. As described above, it is one of the significant ways to expand employees’ relationship networks. Therefore, in the Chinese context, process integration is likely to bring out this additional benefit.
5.4 Technology Factors

5.4.1 User interface

The interface of the CRM technology in Company A is appreciated by the employees. A humanized user interface of technological has been made through the improvement of the CRM system. It shows continuously interaction between technological implementation and application users (Karakostas et al., 2005). A friendly user interface makes the technological applications easy to use and understand, and it increases the degree of CRM adoption. Towards salesmen who need to operate the technological application with most of work, usefulness and practicability directly shows the importance during their work (Avlonitis & Panagopoulos, 2005; Ozgener & Iraz, 2006).

Some assistant tools in the interface can help employees to operate the CRM system conveniently, like the filter and the information memories. On the other hand, the low confidence caused by the Chinese culture towards information systems increases together with the satisfaction of employees.

5.4.2 Data quality

Low data quality brings out many problems to Company A, especially to customer-contact employees. They have to accept customer complaints caused by wrong data, and do extra work to modify the data. Actually, it not only troubles employees, and moreover, customer satisfaction will be decreased if the phenomenon of low data quality is common.

Company A establishes a unified customer database and employs professional workers to manage and maintain the database. Meanwhile, the data monitoring mechanism has been accepted by the employees who needed to operate the customer data directly. These measures are utilized to avoid the occurrence of the dirty data and to protect the accuracy of customer data (Beasty, 2005; Alshawi et al., 2010). As a consequence of the emphasis on the data quality, Company A can provide efficient and consistent services to the customers. The findings of Roh et al. (2005) and Mendoza et al. (2007) see this kind of benefits as an important factor to a CRM system.

However, misunderstandings caused by the characteristics of Chinese words are also a problem to increase the data quality. It seems to be hard to solve. Like the reason an employee working at a business hall explained, employees is used to trusting verbal communication because they know misunderstandings possibly deriving from Chinese messages.
5.4.3 System improvement

In Company A, there are many improvement steps for the CRM system. All of them have different focuses, but the purpose is obviously to make the CRM system more suitable for Company A. CRM system improvement is very important as technology improvement in the company (Finnegan & Currie, 2010). However, the improvement in Company A is not only about technology, but also about the business strategy. Finnegan and Currie (2010) identify that more commitment to a CRM system means more technological investment. In Company A, high commitment on the CRM system brings out high investment to the CRM technology.

According to the process of technological implementation in Company A, some independent CRM systems were integrated within a unified provincial system in the CRM system improvement. This phenomenon confirms what Sebor (2008) describes as the four processes of technological implementation.

As the results of improvement in Company A, it might identify that regular system updates are necessary and it also need much commitment of the investment. Companies who make improvements regularly may get a more efficient system than those who never do.

5.5 A New Model of Influential Factors

After the analysis, a new model (see figure 5.1) is be summarized to show the Chinese cultural impacts on the influential factors.

![Figure 5.1 A new model of influential factors](image)

Figure 5.1 A new model of influential factors
6. Conclusion and Discussion

6.1 Conclusion

CRM which means managing customer relationships has been adopted by many companies in the west world as well as in China. The differences between China and the west world bring out impacts on CRM. In our paper, we summarize the influential factors which are proved important in the business management of the west world by previous researchers, and then, concentrate on the Chinese culture to find out the differences.

After the analysis, we find out that most of influential factors to CRM in the Chinese context are similar with ones in the west world. They are divided into four parts: Business culture, Human factors, Process management and Technological factors. These four is based on the framework which consists of the findings of Finnegan and Currie (2010), Chen and Popovich (2003), and Mendoza et al. (2007).

What is more important, the Chinese culture actually influences many factors in the CRM of Chinese companies.

- Firstly, information sharing culture has to face a challenge that implicit and conditional Chinese words might conduct extra communication costs and potential risks.
- Secondly, because of low confidence to information systems, Chinese companies should give longer time to the process of CRM adoption. In addition, training as an important way to prompt CRM adoption is more suitable to use the form of verbal teaching than of documents.
- Thirdly, Chinese relationship networks bring a positive impact on teamwork.
- Fourthly, the desire of materialistic achievement in China conducts high-rate turnover which might decrease customer satisfaction.
- Fifthly, Chinese managers are used to manifesting a conservative attitude to process innovation, but formal and systematic information gradually changes it.
- Finally, data quality of CRM systems is also influenced by Chinese words, and it seems to be hard to solve.

According to our findings, it is easy to find that most of human factors are influenced by the Chinese cultural impacts. Obviously, other three parts face fewer impacts. It might be caused by a reason that the Chinese culture always plays a role on people.

6.2 Theoretical implications

For the academic area, the contribution of our paper aims not only to elucidate some
new values on the previous theories, but also identify some different factors in Chinese companies. These crucial factors in CRM are considered from four different perspectives. Compared to the previous research, we have reached similar conclusions with regard to business, human, process and technology. The new findings of our study are the Chinese cultural impacts on these factors.

Although some crucial factors in our conclusion are as the same as some theories mentioned, we also have some different opinions. For example, Osterle (2001, cited in Geib, Kolbe & Brenner, 2006) indicate the benefits of process integration as reducing manual tasks and shortening process time. However, what should be pointed out is that the integration cost always brings corresponding risks, especially when involving different departments. Consequently, process integration is important in CRM, but we cannot integrate without cost evaluation. Similarly, Ozgener & Iraz (2006) claimed the importance of process innovation, whereas a conservative attitude to the innovation is suggested by our findings. To know about western theories does not mean to use it directly, but to adapt it into the Chinese context.

Compared to the theories in China, their frameworks are mainly about customer loyalty, only a little mentioned important factor in CRM (Chen, 2006; Wang & Kou, 2002; Qi & Li, 2002). However, although some of them discussed a little about the framework, it is similar to the framework we got in the theoretical part. Also there are no detailed comments on the Chinese culture as we collected.

6.3 Practical implications

Most of the articles about CRM in Chinese just mentioned the organizational structure, and there is few articles talked about CRM practice in Chinese companies. The practical implication of our study is to help the Chinese companies which intend to implement and improve CRM. It also can help western companies know more about the CRM in the Chinese context.

In general, suggestion in the practical aspect is as follows.

- For large-size companies, a systemic way for customer management is indispensable
- Managers should be cautious of cultivate information sharing culture in the Chinese context.
- CRM adoption has closed relations with other influential factors in CRM.
- Relationship networks play a very important role in CRM in the Chinese context.
- Customer-contact employees work as a window to customers, and they are a most significant factor to influence customer satisfaction.
- A conservative attitude to process management is easy to impede innovation in
the Chinese context.

- Technological applications is a basis of CRM.
- It is necessary to organize a detailed and thoughtful plan for the regular improvement of CRM systems

### 6.4 Further research

In our paper, we chose a qualitative strategy based on one of the largest companies in China. For further research, we also recommended quantitative strategy for a large number of companies. In respect that different domains perhaps have different management process, a quantitative research for many different kinds of companies may help to get an all-around perspective to CRM. Furthermore, we already have found out these important factors. Next step should be to find out some precise measures to optimize these factors.

Although CRM is widely used, there are still some challenges such as usability, complexity, fragmentation and so on. These factors also should be concerned in further research.
Reference


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Appendix

Interview Guide

Questions about the interviewees’ background: position, working time, etc.

NOTES:

a. Definition of CRM: a managerial system based on technological applications.
b. CRM system improvement: including regular and large-scale improvement.

Overall

1. Could you describe the internal factors to influence CRM in an overall extent? How do they influence?
   Target points:
   - Size of the company
   - Commitment and background of CEO
   - Organizational structure
   - Technological capability
   - Market orientation of products and services

2. Whether does CRM get enough commitment from the whole company? Why?
   How many departments are involved in CRM?
   Whether does employees’ adoption of CRM influence their performance? How?
   Comparing with other information systems, is CRM adoption easier or not?

3. What role does CRM act as in the information strategy of your company?
   Whether does CRM strategy strengthen the competitiveness? How?
   Target points:
   - Vision of CRM
   - Number of customers
   - Intention to technology or management

4. How much has your company invested on the CRM system? Then what are the corresponding outcomes?
   Target points:
   - Degree of the technological investment
   - Financial return
   - Other forms of return

5. How many times of improvement has experienced in the CRM system?
   What factors induced the improvements? What problems were solved by the improvements? Whether the expectation has been met?
Culture
1. Do you consider that CRM puts more emphasis on customer-focused culture? How does the customer-focused culture work in your company? In the process of customer management, how to deal with the conflicts between customer’s benefits and company’s?

2. CRM is close to western management. When you using, are there any conflicts with the eastern management? What is the cause? Target points:
   - Localization
   - Culture difference

3. Are your customers all in the Chinese market? Is there any possibility to enter the international telecommunication industry? Do you have any cooperation with overseas companies?

4. Whether does information sharing work well? How does it work? Is there any effective mechanism of information sharing? How about the Chinese cultural impacts on it? Target points:
   - Reporting system bugs
   - Tracing new customer needs
   - Implicit Chinese words

People
1. How many roles are involved by CRM? What’s the function of each role? Is there any obstacle from the Chinese culture for them to adopt the CRM system? What about the individual background influence (experience of information systems, or character)? How is training in your company? Target points:
   - Salesmen
   - Customer servicers
   - Business analysts
   - Product managers
   - Chinese confidence to information systems
   - Challenges caused by Chinese words

2. What are the concrete duties of a senior manager? What is his/her function in coordinating across several departments?

3. How is teamwork of CRM in your company? How to implement and maintain teamwork?
What are the most important challenges?
Target points:
- Employees’ interpersonal relationships.
- The desire of materialistic achievement.

4. How many members construct the project team of CRM technological implementation? Is there any milestone to them?
   
   What supports are given to the project team by the company?

**Process**
1. What are the core business processes in CRM? Could you explain each of them briefly?

2. How do you deal with the process changes in CRM system?
   Is there any process integration in CRM system improvements?
   What is the factor to induce process improvements?
   How about the challenge to employees’ interpersonal relationships?

3. What do you think of process innovation? How to achieve the innovation?
   What is the factor to innovate?
   How about the Chinese cultural impacts on process innovation?

   Target points:
   - Motivation of technological renovation
   - Motivation of customer need changes
   - Chinese confidence to information systems

**Technology**
1. What about practicability of the user interface in the CRM system?
   Is there any unique function in the user interface?

2. Is there any integration with other information systems? How does the integration work?

3. How to establish unified information database?
   What is the data quality in the CRM system? How to keep a high level of the data quality?
   How to solve the problem caused by the misunderstandings from Chinese communication?

4. In the improvements of the CRM system, is there any combination from independent systems to a whole system? How to deal with it?

5. What is the impact of technological renovation on the CRM system?
   Have you used some particular technology when implementing CRM system?
Customer feedback

1. How to focus on customer communication?
   How many channels have been established? And what is the effect?
   Target points:
   ● Customer complaint
   ● Response time

2. In the process of analyzing customer needs, what kind of information is emphasized? Is there any analysis on customer behaviors?

3. How to balance the attention between old customers and new ones?
   Which is important right now?