Information Resource Management in CRM: A Case Study of Xi'an Guan Ai Cheng Zhang Study Abroad Agency

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Abstract
This research used a case study approach to investigate the management of information resources in CRM in a Chinese company that provides services to students wishing to study abroad. Interviewees from the case study company identified both benefits and problems associated with the use of a CRM system. An inductive case-study approach was used for this research and produced three important findings. Firstly, Chinese service companies can derive substantial benefits from the basic functions of a well-designed and efficient CRM system. Secondly, most Chinese SME service companies either do not use CRM systems at all or only make partial use of their CRM systems due to false perception that there will be a lack of return on investment and to a lack of understanding of CRM principles. Lastly, it is possible for service companies to transform many of the problems related to use of CRM systems into advantages.

Keywords: CRM systems; service sectors; information resources


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1. Introduction

1.1 Background of CRM Systems
In an increasingly customer-oriented market, managers realize that competitive advantages can be derived, not only from a focus on products, but also from information relating to customer habits and demands (Anderson et al., 1999). Companies can use such information to improve customer satisfaction, increasing the likelihood of a continued relationship, and therefore, the value of customers (Woodruff, 1997). Unfortunately, not all companies pay sufficient attention to customer relationship management (CRM) which leads to the loss of opportunities for repeat custom. This is especially true in China where CRM systems have the potential to significantly improve marketing, sales and customer service (Hicks, Culley, & McMahon, 2006).

Information concerning interactions with companies, including details of a customer’s background, purchase records, and communications, can be gathered, accessed and tracked using a CRM system (Hagel & Rayport, 1997). Such a system can generate valuable insights into customer behavior and improve business decisions. Bao-xian (2010), for example, showed that CRM systems can greatly benefit companies. In the Chinese service sector though, a limited number of companies use CRM systems: the main source of customer information is still from face-to-face interactions and text mining and web mining are not properly utilized (Huang & Shao, 2005).

The analytical system is the component of a CRM system which builds on the foundation of customer information (Almotairi, 2009). This information is generated from a range of interactions with the customer, such as responses to marketing, purchasing behavior, and other transactions and exchanges. A CRM system makes this information manageable and available for later use. In Chinese agencies that help
students to study abroad, analysis of CRM data can have a significant influence on study abroad marketing, consultancy, and clerical support work (Bao-xian, 2010).

1.2 Background of the Chinese Service Sector and Case Study Company

The Chinese service sector is facing the challenge of competing within a global economy, so intelligent use of the kind of information that can be derived from CRM systems is of growing importance (Davies, Leung, Luk, & Wong, 1995). Customers can choose from a growing number of service providers offering an increasing variety of services (Harney, 2001). Consequently, Chinese service companies must invest time, capital and human resources in marketing their services. The problem however, is that although it is relatively easy to attract new customers, it is much more difficult to retain existing customers – they usually leave quickly. Therefore, it is necessary to investigate ways to prevent this tendency. In contrast to the Chinese service sector, European and American service companies lay more emphasis on customer retention through use of CRM systems (Peppard, 2000). Accordingly, western service companies develop long relationships with customers, and can increase the efficiency of their marketing.

2. Research Questions, Research Aims and Research Objectives

The aim of this study was to investigate the benefits and problems associated with use of CRM systems in Chinese study abroad service sectors with respect to marketing, information consultancy and clerical support work. Furthermore, strategies for optimizing CRM systems appropriate to the needs of the Chinese service sector are proposed.

This research seeks to address the following two questions:

a) What benefits can Chinese study abroad agencies obtain from the use of a CRM system?
b) What barriers do Chinese study abroad agencies encounter to the proper utilization of a CRM system?

3. Research Methodology

3.1 Inductive Approach

In this work it is assumed that Chinese study abroad agencies could greatly benefit from the three components of CRM systems (collaborative, operational and analytical systems) but face certain barriers to their proper utilization. An inductive approach is adopted to test and explore this hypothesis because it is commonly used in quantitative data analysis guided by specific evaluation objectives (Ritchie, Spencer, Bryman, & Burgess, 1994). Such an approach applies a systematic analysis of raw data to identify patterns, themes and concepts (Thomas, 2006) and can test whether the data is consistent with prior hypotheses, concepts, and assumptions.

Its purposes are as follows:

a) To summarize key themes emerging from the raw text data;
b) To obtain research findings from the significant or dominant themes;
c) To build links between findings and research objectives.

3.2 Case-Study Description

The Xi’an Guan Ai Cheng Zhang study abroad agency was the focus for this research. A rapid increase in the number of Chinese students studying overseas has led to a recent boom in the number of agencies offering services tailored to the needs of such students. Most study abroad agencies provide related services, including training in language and academic skills, assistance with applications to academic institutions,
visa processing, and booking of transport and accommodation (Kitsantas, 2004). It is a major challenge for a study abroad agency to match different customers’ demands with service information in an effective way. Many study abroad agencies have adopted CRM systems in order to help. However, although much has been published on the application of CRM systems, little research appears to have been done on the use of CRM systems in the study abroad sector. This article will help to fill that gap.

In order to provide the proper services, study abroad agencies need to be authenticated by the Chinese Ministry of Education in collaboration with the equivalent overseas body, together with relevant colleges and universities. The increasing number of Chinese students studying abroad has resulted in ever more students applying to overseas colleges or universities through study abroad agencies. The main business and sub-business of Chinese study abroad agencies are applications to colleges and universities, and related academic or foreign language training (Wong, 2013). Processes relating to this business require considerable professional knowledge (such as relevant academic knowledge and knowledge about overseas educational establishments) and they result in large flows of information (from an initial free consultation to the final service) (Liu, 2007). To provide adequate service therefore, for customers, study abroad agencies employ highly qualified staff, such as professional clerical support workers and consultants for overseas colleges or universities. They adopt CRM systems to optimize their business flows. The typical framework of CRM system adopted in Chinese study abroad agencies contains 6 components: basic information, interaction center, process management, internal communication, report analysis and system settings (Chen, 2012).

Generally, collaborative, operational and analytical CRM systems play a considerable role in the management of customer information, interaction centers, processes, internal communication and report analysis. In practice, it is inevitable that study abroad agencies will encounter challenges and restriction in their use of CRM systems.

The Xi’an Guan Ai Cheng Zhang study abroad agency (the case study for this project) comprises two main businesses: ‘training’ and ‘applications’, as well as offering other value-added services. Training refers to language and academic skills training. The ‘applications’ business deals with helping customers to complete their applications for foreign universities and for the necessary visas. Amongst the value-added services are flight bookings and arranging of accommodation.

3.3 Data Collection
Primary data for this study was obtained from telephone interviews, which were conducted with 11 members of staff in the Xi’an Guan Ai Cheng Zhang study abroad agency. Interviews focused on the three components of a CRM system and explored the potential benefits and limitations of each one. Interview guidelines also explored the differences between departments and the ways in which a particular department might make use of CRM data. Therefore, interview scripts were adjusted, depending on whether marketing staff, information consultant staff, financial staff, training staff, clerical support workers, or department directors were being interviewed.

The research design comprises four levels. The collaborative CRM system is the basis for the use of operational and analytical systems. Therefore, the research design firstly explored the use of the collaborative and operational CRM systems. Research design levels 2 and 3 are related to the analytical CRM system, and encompass knowledge creation, knowledge sharing and decision support.
3.4 Thematic Analysis

Thematic analysis was used for data analysis. Boyatzis (1998) maintains that themes interpret an aspect of a particular phenomenon. Thematic analysis and discovery within the data can be achieved through a thematic analysis methodology which requires the researcher to read the data again and again (Fereday & Muir-Cochrane, 2008). The researcher then needs to code patterns in the data into a coding table. The coding processes should identify the important data and then summarize the key patterns (Boyatzis, 1998). Figure 1 shows specific details of the use of thematic analysis to identify themes and to assign matching codes.

The first stage of thematic analysis requires the researcher to transcribe the data. In the process of analysis, transcripts will be read and re-read many times, with the researcher making constant comparisons between the comments of different interviewees.

In the second stage of thematic analysis, the researcher produces a list of codes based on notes, observations, and interviewee’s remarks. This process may need to be repeated more than once, with codes being added, amended and merged to reflect all facets of emergent patterns (stage 3).

In stage 4, the researcher must attempt to ensure that identified themes are relevant to the research questions. If not, they should be reviewed and revised. When there is agreement between themes and hypotheses, the themes can be incorporated into descriptive models that attempt to illustrate inducted relationships (stages 5 and 6).

All the evidence from the interviews presented in this paper is anonymized and identified by a label with the following format: (Identifier Identifier, paragraph, line).

4. Findings

4.1 Introduction

Two main findings are presented in this section: 1) Benefits associated with the use of a CRM system and 2) Problems associated with use of a CRM system. They address the research questions and objectives.
4.2 Benefits Associated with the Use of CRM System

Benefits from Collaborative CRM System

The key benefit that the Xi'an Guan Ai Cheng Zhang study abroad agency gets from its CRM system is information recording. This benefit was apparent in departments dealing with marketing, consultancy, finance, and clerical support as illustrated in the concept map in Figure 2.

![Concept map of the benefits from collaborative CRM system](image)

Figure 2. Concept map of the benefits from collaborative CRM system

a) Benefits of information recording for marketing

Marketing staff can use a CRM system for recording customer background, customer requirements and customer willingness.

“The CRM system records and shows customers’ purchasing requirements and purchasing willingness” (JL, 15, 1).

“All customer-related information is in the CRM system” (HZ, 13, 1).

b) Benefits of information recording for consultancy

Consultants can use the CRM system to record customer background information.

“We record customer information through the CRM system, and also use Excel to back up customers’ background information” (JL, 19, 1).

These records are valuable for consultancy. The CRM systems record information relating to customer return visits information.

“The CRM system records customer information and middle services, such as return visit information, and the task plan in the next step, and later task forwarding” (JL, 5, 2).

c) Benefits of information recording for finance

Financial staff use the CRM system to record amounts paid, and to create collection orders. As mentioned by one of the interviewees:

“My work is to create collection orders according to the customer information recorded by consultants through the CRM system, and to record the amount of payment and the receipt date, and then forward work flow to the next staff [...] and I can record discounts in the CRM system” (YW, 13, 1).
d) Benefits of information recording for clerical support work

The CRM system enables clerical support workers to upload customers’ original documents: “all the useful documents we collect from customers are uploaded to the CRM system” (YC, 3, 1). Also, documents can be updated as new information becomes available:

“Customer related information is updated and modified through the CRM system, such as application information updates, offer uploading, visa document uploading and successful cases filing” (QH, 3, 1; 12, 3).

In addition, clerical support workers can record work experience:

“our work experiences can be recorded in the CRM system. Clerical support workers can share these experiences now or later on” (YC, 16, 2).

The system can also record customer feedback:

“clerical support workers send the translated documents to students through email, and then students send feedback back. Clerical support workers record customers’ feedback in the CRM system after they receive students’ feedback.” (YC, 9, 5)

Benefits of Operational CRM System

Five groups of people were found to benefit from the operational CRM system: marketing staff, consultants, financial staff, clerical support workers and the management team as shown in Figure 3.

Figure 3. Concept map of the benefits of an operational CRM system

a) Benefits to marketing

The CRM system helps marketing staff to develop a deeper understanding of their customers’ requirements:

“through the CRM system we can know where customers are from and what marketing channel the customer used to find our service. This knowledge can help us to focus on the main customer channels and inform our marketing strategies” (DW, 5, 6).

Marketing staff can also use the CRM system to forward work tasks, which makes their work flows clearer: “marketing staff collect customer information, then send the collected customer information to consultants” (ML, 7, 2). Another benefit is that “We sell the service through the work flows on the CRM system” (QM, 7, 1).
b) Benefits to customer consultants

Consultants can use the CRM system for the following purposes:

- To search for customer-related information: “we use CRM system to search all customer-related information” (JL, 23, 2);
- To find contract information: “we go back to the CRM system to check customers’ contract information in order to further analyze customer requirements” (JL, 15, 2);
- To search for price information: “the CRM system records the maximum and minimum service price” (JL, 17, 2);
- To track customers: “we track customers after we decide to which university we will apply for them, and clerical support workers take over customer’s information” (ML, 7, 2);
- To search the old cases “in order to persuade customers to purchase our service, we show the CRM system information to potential customers and let them know how other customers with the same background as them applied successfully to an overseas university” (JL, 25, 3).

c) Benefits financial issues

Financial staff can forward work tasks through the CRM system:

“I create a collection order when customers come and pay for money. After I finish my work, I forward the task to the clerical support workers or the clerical support worker director or the department of educational administration” (YW, 3, 2).

d) Benefit for clerical support workers

Clerical support staff can refer to old cases thorough the CRM system: “I refer to old cases that I find through the CRM system” (YC, 12, 1).

e) Benefits for the management team

Managers can search and check contract information through the CRM system: “managers need to check and then sign the contracts” (JL, 16, 1). They can also obtain financial information: “managers know the financial income and financial expenses through the CRM system” (JZ, 4, 1). Contracts can also be generated through the CRM system: “a valid contract should be one that is signed by the manager, then the manager uploads the contract into the CRM system” (JL, 16, 2). Furthermore, the system enables the Director to forward and distribute workloads: “consultants record customer details and then the customer center adds signed customer details and the clerical support work director distributes work tasks to clerical support workers” (QH, 4, 2). Managers provide rewards for customers to improve customer satisfaction according to the customer information “we use monetary incentives to improve customer satisfaction” (QM, 3, 6). Similarly, “we give discount for the loyalty customers when they purchase the visa application service again” (QH, 14, 1).

Benefits of the Analytical CRM System

The analytical CRM system provides useful data for other company systems. The main benefits of this system to the company include: customer knowledge creation, customer knowledge sharing and decision support as shown in Figure 4.
a) Benefits of customer knowledge creation

The only customer knowledge captured by the case study company relates to customer segmentation. Three views from the company staff describe how the CRM system segments customers in their company:

“The CRM system groups students according to the country that students choose to apply to, and the CRM system provides different work flows accordingly” (JL,12,4).

JZ described the customer segmentation from the CRM system as follows:

“The CRM system groups customers as either ‘signed contract’ customers or ‘no contract’ customers.” ‘No contract’ customers are further sub-divided into either ‘long term’ customers or ‘no intention’ customers” (JZ,3,7).

According to DW:

“The CRM system groups customers according to the country that they want to go. At the same time, the ‘signed contract’ customers are in the customer center, while the customers who have not signed the contract are in the potential customer group that is grouped as long term customers and short term customers and no intention customers” (DW,3,6).

b) Benefits from customer knowledge sharing

Customer knowledge sharing includes four aspects:

- Sharing of old cases amongst potential customers;
- Reference to old cases by staff;
- Customer knowledge sharing among sectors and
- Work flow forward across sectors.

The CRM system provides the following functionality for company staff:

- Access to old cases when addressing a new case: “I refer the old cases that I search from CRM system” (YC, 8,3);
- Sharing of successful cases with future customers: “One case will be done when its work flows on the CRM system are ending. The market staff will collect the successful cases” (QH,4,2);
- Sharing of customer knowledge among sectors: “customer information can be shared among staff through the CRM system” (JL,23,1);
- Forwarding of work tasks through CRM system: “Marketing staff collect customer information, and then send the collected customer information to us (consultants). Consultants track customers after
we decide which university we will apply for them, and then clerical support workers take over customers’ information” (ML,2,5).

c) Benefits of decision support
CRM data can inform a decision support system, providing details of factors such as the status and quantity of services sold, work in progress, wage bills, customer information statistics, job forwarding, adjustments to marketing strategy, and workload distribution. Individuals, managers and directors can see the number and status of sales:

“The CRM system can provide statistics of the service selling status, the whole quantity of service selling and the sales of individual staff” (JL,10,3).

The system can also “...show statistics about how many students were taught or are teaching, and how many hours teachers work for” and access to CRM data means that “...company staff and bosses can see the seasonal or annual statistic reports about study abroad cases through the CRM system” (HZ,12,8). Furthermore, all staff in the company can see the status of work that they are responsible for: “the quality, quantity and status of study abroad related cases can be known through CRM system” (QH,8,4). Similarly, “according to the work flows, the current staff will forward his work to the next staff through the CRM system once they finish the work they are responsible for. So, it is very easy for us to know the work progress status through the CRM system” (JL, 6, 7). This work progress status is controlled by particular restriction factors:

“the staff cannot continue to the next task in the CRM system until they finish the current task...the CRM system can show the work status of staff, and also can guide which job they need to do when they finish the current tasks” (YC, 13,1; 14,2).

Wage calculations can also be supported by the information from the CRM system:

“...the wages of staff are calculated according to how many tasks they finished that are recorded in the CRM system” (YC, 11, 2).

The CRM system is also provides customer information statistics which are the basis of further decision making:

“...consultants record the customer information in the CRM system, we convert this information into monthly customer statistics to know the overall details of all customers” (DW,15,1).

These results can influence company strategy:

“We know where the customers are coming from through customer information statistics which show us the main channels of customer resources, such as the official website, microblog and WeChat. Accordingly, our market strategy will focus on the main channel” (DW, 16, 1).

The job forwarding function clarifies individuals’ work responsibilities. Consultants for example, “...track customers after we decide which university we will apply to for them, and clerical support workers take over customers’ information” (ML, 7, 2). The financial staff can also benefit from job forwarding functions:

“I create a collection order when customers come and pay for money. After I finish my work, I forward the task to clerical support workers or the clerical support director or the department of educational administration” (YW,3,2).
The job forwarding function is also of value to directors:

“...consultants record customer details, and then the customer center adds signed customer details, and then the clerical support work director distributes work tasks to clerical support workers” (QM1).

4.3 Problems in Using CRM System

Lower Work Efficiency

This section will discuss the problems that lead to lower work efficiency, such as poor quality application options, too many work procedures, poor system functions, difficulty in finding required data, and operational time consumed due to use of the CRM system as shown in Figure 5.

Figure 5. Concept map of the problems associated with using a CRM system: lower efficiency.

a) Poor quality application options

The CRM system is unable to provide supplier information, such as details of training class, university, airplane tickets and overseas housing. This means that marketing staff and consultants are unable to provide informed opinions when customers require advice:

“...we need to search all information through official websites, such as overseas university information, academic class information, visa application information, cheaper airplane ticket information and overseas accommodation information” (JL,13,1).

b) Cumbersome work procedures

Financial statistics need to be supported by other financial software. This can cause additional work for financial staff:

“The CRM system cannot support financial analysis. We use financial software, such as Yong you and Su da for financial statistics, profitability analysis, and financial statement making” (JZ, 16, 2).
c) Poor system function
The CRM system is unable to support financial analysis, financial audits, debt tracking and payment notification (JZ, 17, 1). Also, basic financial information is missing such as training fees, university application fees, airplane ticket fees and visa fees: “I have to memorize all service prices, the CRM system cannot show price details” (YW, 16, 2).

d) Difficulty in finding required data
This can limit the rate at which staff can respond to customers’ requirements:

“...it will take two days to make informed university application options after the customer consultant, which makes customers lose confidence in the company service”(QM,6,2 ; JL,15,1).

e) Operational time consumed due to use of the CRM system
Interviewees commented on difficulties with the system’s functions and interface: “...the CRM system interface is not clear” (YC, 15, 2); “...this system is ergonomically designed according to clear usability guidelines. When I click one box, the other boxes may appear” (JL,15,1). This deterred some of the interviewees from using the system:

“I prefer to track students’ attendance through paper-based works instead of CRM system. It takes too much time” (HZ,19,2).

The CRM lacked some useful functions, eg: “CRM system does not support cases filling” (QH, 21, 2). This could result in time-consuming activities:

“...it takes me many hours to copy and paste data from the CRM system to Excel because the CRM system does not support data exports” (DW,3,2).

High Risk Work Flows
High risk work flows comprise two parts: 1) staff- centralized customer resources and 2) experience oriented working style. This exposes the company to risks associated with losing large customers and work knowledge when staff leave the company as illustrated in Figure 6.

![Concept map for the problems in using CRM system: High risk work flows](image)

Figure 6. Concept map for the problems in using CRM system: High risk work flows

a) Staff- centralized customer resources
Staff-centralized customer resources include customer tracking, customers’ long life time value keeping, customer recommendation and customer loyalty are ground on the social relationship of company staff in the selected case study.
Customer tracking based on staff’s social relationship resources brings risks for work flows:

“...we cannot track customers through the CRM system, while our staff track customers and know customers through QQ, WeChat, and Microblog. In this way, staff can build long relationship with customers, and then transfer this relationship to a friendship relationship. These customers [friends with company staff] could be the long life time value customers who may recommend customers to us” (JL, 7, 3).

Customers’ long term value based on staff’s social relationship resources can also leads to high risk in work flows:

“...currently, we have not managed old customers in a systematic way. Some old customers have a good relationship with our boss, and they are friends with my boss on WeChat. So, they may recommend us to customers.” (YW, 11, 1).

Customer recommendations based on staff’s social relationship resources generate potential risk for work flows:

“...we manage old customers through social relationship rather than the CRM system. From my view, it is less likely for the CRM system to manage the relationship between people, because we address things through individuals’ social relationship rather than the system. The social relationships I have with these people is different from the others” (YW,10,1).

This was confirmed by other employees:

“It fully depends on individuals’ social relationship to achieve recommendation. Most of the old customers are people who have a good social relationship with our boss or staff. The CRM system cannot keep tracking old customers” (HZ, 15, 2); “...customer loyalty is related to company staff, nothing is about CRM system” (JL, 13, 2).

b) Experience-oriented working style

Experience-oriented working style comprises six points: making and selecting service options, potential service selling, service recommendation, customer satisfaction analysis, information gathering and clerical support work. Making and selecting of service options is based on staff’s work experience and brings potential risk for work flows: “The CRM system cannot guide me to choose a university. I need to do that according to my work experience” (JL, 17, 4). Similarly:

“...to match students’ backgrounds and university requirements relies on staff’s work experience. The CRM system cannot support this automatically” (HZ, 12,5)

“...we group students and recommend relative service to them according to students’ background by using work experience” (JL, 6, 1).

Potential sales based on staff’s work experience generate too much uncertainty for work flows: “...it fully depends on consultants’ work experience to persuade customers to purchase the potential service” (HZ,15,2). Customer satisfaction analysis based on staff’s work experience also leads to inaccurate analyses: “...we know customers’ satisfaction or dissatisfaction through verbal communication” (HZ,13,2).

Furthermore, information gathering based on staff’s work experience may bring potential risk for work flows: “...searching for the required documents for customers relies on staff’s work experience. The CRM system is not useful” (JL,7,1). Clerical support staff’s work based on their experience makes the work
flow rely on too much particular staff members: “...clerical support staff work is based on staff’s work experience” (QH,18,1).

CRM System Not Adequate to Support the Training Sector of the Company

The lack of adequacy is in five areas:

a) Simple and independent work flows;
b) Paper-based information recording;
c) Poor knowledge management system;
d) Paper-based or excel-based statistical records;
e) The balance between efforts and benefits.

![Diagram showing the relationship between CRM system inadequacy and problems]

Figure 7. Concept map for the problems with use of CRM system: Lack of adaptability.

a) Simple and independent work flows

Simple data flows and independent work flows lead to a reluctance amongst training sector staff to use the CRM system:

“...in contrast to the study abroad department, the work flows of the training department are very simple, and do not have any work relationships with other sectors because our daily work is to interact with students and teachers” (WD,3,4).

Also, the training sector does not share information with other sectors:

“...if we use the CRM system, we would have to upload training related information. Therefore, we do not use this system. This is because firstly we do not have to share training information with other sectors, and also our work is paper-based” (WD, 7, 2).

b) Paper-based information recording

Staff in the training sector prefer to record all information on paper rather than using the CRM system. This information includes: tracking of teaching progress, assignment of teaching tasks, test arrangements, recording of leave, knowledge of teaching tasks, and handling teaching feedback. Tracking of teaching progress tracking is recorded on paper:
“I attend and listen to teachers’ classes to track the teaching progress and teaching performance, or refer to syllabus. And record relative information on papers” (WD, 5, 1).

Also, the contents taught in class are tracked through paper-based works:

“Teachers will write down important teaching tasks on papers [task orders] after classes, such as what they taught in class, what was the important knowledge in class, what homework they assigned for students. And then, teaching managers will supervise students according to the task order after classes. If we transfer this paper-based work onto computer, it will take me a lot of times” (WD, 11, 2).

“...teachers can know their teaching task through the paper-based syllabus or through the paper-based class schedule updated every day in the office” (WD, 16, 1).

Test arrangements, leave recording and evaluation were also paper-based: “...we know test arrangements through a paper-based syllabus and recorder leave details on paper” (WD, 17, 1; 14, 2).

c) Poor knowledge management

In training sectors this was apparent as poor management of communities of practice and poor information sharing within the department. Staff in the training sector do not adopt any solutions to record knowledge derived from community practice:

“...we do provide Renren groups or WeChat groups for teachers and students, but we always communicate and interact with each other face-to-face, such as at open courses and seminars. We do not record the communication in the CRM system” (WD, 11, 3).

Staff in training sectors prefer to share knowledge using paper-based systems rather than through a CRM system:

“...students need to attend after school programs as well as class. We use student journals, similar to students’ archives, to record students’ learning. Teachers fill in the teaching task in the student journal, and then supervisors fill the after school program details. In classes the next day, teachers get to know details of after school programs through the student journal” (PQ, 11, 1).

d) Paper-based or Excel-based statistics

Statistics relating to workloads, student test results, student segmentation, teacher segmentation, and points system are generally stored on Paper or in Excel:

“...we generate statistics about the amount of teachers’ classes monthly and seasonally, and then give out teachers’ salaries according to the statistic by using Excel and paper” (PQ, 13, 3); “If we use this system, we will have to upload all the related information. So, we make all our reports paper-based” (WD, 7, 4).

Analysis of student and teacher segmentation is also carried out on paper:

“...we know students’ strengths and weakness through the admission test, and we can get further students’ performance details through learning evaluation. Teachers record students’ strengths and weakness in student journals. Students can do more exercises that focus on the weaknesses shown in the student journal” (PQ, 23, 1); “...we know teachers’ strong points through the paper-based statistical table” (WD, 15, 1).

The point system of rewards is also paper-based:
“...students who recommend new students can get a certain amount of points that can be used for purchasing other services. This statistic is on paper” (PQ, 24, 4).

e) The balance between efforts and benefits
Training staff are not always willing to use the CRM system that is provided by the company because the efforts required to use the system sometimes outweighs the benefits, eg: “...all staff considers paper-based work more convenient and time-saving” (PQ,12,3).

The CRM system provided by the company is not suitable for the training sector:

“Currently, the CRM system in our company is for a study abroad department, which is not suitable for a training department. Our company designed the CRM system for all the works of a study abroad department, and did not consider the requirements of a training department. Therefore, this system cannot meet our daily work requirements” (PQ,27,2).

5. Conclusions
Chinese service companies may only be benefiting from the basic functions of CRM systems, such as those that allow customer information to be recorded and updated, and those that enable knowledge of customers and customer segments to be shared and searched. These functions help Chinese service companies to understand customer demands properly and to improve work efficiency. Also, CRM systems can be useful for managing work flows and for assisting with work forwarding, which makes them valuable to team managers who have to distribute work tasks and monitor work progress. Such functions enable staff to understand their work responsibilities better.

However, Chinese service companies face many problems related to the use of CRM systems. Because of the required investment in terms of capital and time, service companies reject their use, or only make limited use of them. Such limited use, drawing only partially on system functions, cannot meet all the staff’s whole work requirements. Because some of the functionality is missing (such as customer data analysis and decision support) the CRM system cannot fulfill purposes such as boosting customer satisfaction and customer loyalty. As a result, line managers and CEOs are left disappointed. In some cases, the CRM system design may not fit the work flows. Company staff therefore, are unwilling to use the CRM system because they do not immediately benefit from it. Any of these problems may cause failure in proper utilization of CRM systems.

It is possible for service companies to transfer the problems related to use of CRM systems into advantages. Firstly, line managers or CEOs should regard the benefits of CRM system as a long term investment. The current benefits that front line staff derive from using a CRM system may benefit subsequent business processes. Customers knowledge and satisfaction are significant resources. Line managers and CEOs should ensure that the CRM system they provide suit the work requirements of their staff. System design and development should fit the culture and environment of users. Therefore, CRM systems being designed for the Chinese service sector should take Guanxi into consideration. Otherwise, a CRM system will be regarded as a simple tool for storing customer data or managing work flow.

6. Bibliography


