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Creating Values for Customers
A case study of small investment service firm in China

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Abstract

Nowadays, market situation has moved from the mass marketing towards the era of customized marketing. To keep abreast of technological development, new approach should substitute for the traditional business models. The issue that CRM as a tool to create values for customers in developing countries has become much more attractive. The purpose of this dissertation is to figure out how to create values for the customers in the operating process of enterprise. This study is built on a model of CRM process and performance, which helps the company to create values for customers. The authors use case study to conduct this research, and data collection through the semi-structured interview.

Some findings are obtained: strategic goals and customer orientation are critical for a CRM project. The small firms’ success is derived from the effective customer orientation and meeting customer needs. CRM process contained firm resources, management of customer relationships, customer-company exchange process and people-related components. The tangible performance of successful CRM process is to increase company profits through enhancing customer behaviors. Managing relationships with customers is beneficial for the company. If a company focuses on trust, commitment, and communication between company and the customers, their relationship performance will be boost up. It will achieve the customer satisfaction, customer loyalty, customer retention. Furthermore, customer satisfaction has direct relationship with customer values, and is the chief purpose of any business and is associated with the business success.

Key words: create values for customers; CRM process; relationship performance; small investment service firm.
1. Introduction

1.1 Background

Marketing researchers have identified that the creation of superior value is the priority of a research and the development of value for the customers is a source of competitive advantage for the companies (Ngo & O’Cass, 2009; Payne & Frow, 2005; Woodruff, 1997).

Drucker (1954) considered that the purpose of business is to create customers. Porter (1985) stated that competitive advantage grows fundamentally out of the value a firm can create for customers. Doyle and Stern (2006) proposed that the purpose of a business is to satisfy the needs of its customers, and businesses that are good at satisfying customer needs have the best opportunities to grow and prosper. In addition, nowadays market situation has moved from the mass marketing towards the era of customized marketing, therefore to keep abreast of technological development, new CRM approach should substitute for the traditional business models (Karkostas et al., 2004).

By the same token, the foundation of the survival of enterprise is to find some sort of business model to satisfy customer needs, which will also make profits in oneself. Accordingly, many leading enterprises have made use of CRM approach to expand market shares and create loyal customers (Verma & Chaudhur, 2009). Clearly, CRM has become the new and essential model for many business firms to create long-term and profitable relationships with their customers (Kim et al., 2010).

It is obvious that customer is the central element of CRM. The satisfaction of customers is the most important measurable indicators to reflect whether the results of firm’s operating are good or not. Ultimately it is customers who determine the value created by providers’ customer-facing capabilities (Madhavaram & Hunt, 2008; Srivastava et al., 2001). Furthermore, customers have in-depth insight into their providers’ resources and capabilities (Tuli et al., 2007). Delivering superior customer services has become an ongoing and critical focus for many enterprises, because the relationship of service quality to business performance outcomes (such as lower costs, customer satisfaction, loyalty, and profitability) has been well established (Daugherty et al., 1998; Cronin & Taylor, 1992; Davis & Mentzer, 2006).

However, many researchers have shown that customer satisfaction will be hardly achieved unless such firm resources and capabilities could be integrated in terms of customer perspective (Fletcher & George, 1995; Kulp et al., 2004; Meltzer, 2001).
Customer value and value creation, which depend on the extent to which they create for customers, are the central elements of business strategy and the success of companies (Mittal & Sheth, 2001; Payne & Holt, 2001). Creating superior value for the customer is the ultimate goal of companies (Day, 1990). The existing literature suggests that competing on superior value for customers becomes an essential precondition for securing a competitive position in the marketplace (Huber et al., 2001; Day, 1990). Nevertheless, a recent study found that some Asia enterprises were adopting CRM approach to create values for customers in a slower growth rate compared to western countries (Liu, 2003). Apparently, some detailed investigation in which CRM as a tool to create value for customers in developing countries are required.

1.2 Research questions
Enterprises create customer values by providing ongoing solutions to customers’ articulated needs as well as their latent and future needs (Blocker et al., 2011). Hence, authors proposed two research questions.

- Why is it important for enterprises to create values for customers?
- How do enterprises create values for the customers?

1.3 Purpose
Authors would like to figure out how to create values for the customers in the operating process of enterprise. The dissertation also investigates the extent to which the enterprise has strategic goals, customer orientation, firm resources to implement CRM.

1.4 Delimitations
The topic in this dissertation is creating values for customers. Due to the size and complexity of this subject, along with the limited scope of the thesis, it is necessary to specify delimitations. It is essential to note that we concentrate on the small firms which focus on service market in China. China is a developing country and there are many differences which are consisted of culture, business environment and so on. But, owing to different time zone between Sweden and China, long distances, there are lots of difficulties in allowing face-to-face interview. The focuses are in particular on some aspects, such as professional services, creating values for customers, CRM process and performance. This thesis centered upon one firm which will give a deeper rather than a wider scope of a certain industry.
2. Literature Review

2.1 Former research of creating values for customers

Some researchers assert that it is customers who determine the companies’ customer-facing capabilities (Madhavaram & Hunt, 2008; Srivastava et al., 2001). By the same token, customers go deep into companies’ resources and capabilities (Tuli et al., 2007). Meanwhile, some studies have shown a positive impact of an overall market or customer orientation on new product success (Gruner & Homburg, 2000; Im & Workman, 2004; Joshi & Sharma, 2004).

Since the publication of the Kohli and Jaworski (1990) and Narver and Slater (1990) studies, the dominant research stream that has addressed the issue of the creation of customer value is found in the market/customer orientation literature (Jayachandran et al., 2004). The relationship marketing with a customer value orientation thrives on the concept that raises the length of the customer-company relationship which contributes in optimizing the profit for the firm (Reichheld & Sasser, 1990). Scholars believe that customer orientation as a guide is the central issue to lead company’s strategy and business approach. However, the contributions of long-life customers were generally declining and in a non-contractual setting short-life but high-revenue customers accounted for a sizeable amount of profits (Reinartz & Kumar, 2000).

According to the research of global market, Christopher et al. (2011) found that a number of companies show exemplary levels of proactive with customers. Weber et al. (2005) gave an example that firms such as Motorola, Mattel, Steelcase and Boeing have created innovation labs where inventors, engineers, researchers, designers, and marketers come together to observe customers, identify problems, brainstorm solutions, and test them on customers. Additionally, P&G has also developed programs where employees actually live and work with customers. These programs have led to many innovation and profitable products (Lafley & Charan, 2008).

From above concepts researchers place more emphasis on customer orientation which is as the core factor to influence business approach. However, some scholars have analyzed how to create values for customer in another way. A perspective from resource-advantage theory (Hunt & Morgan, 1995) is used to formulate expectations on the degree to which the use of information on customer value, competition, and costs contribute to the success of a price decision. These expectations are empirically tested on pricing decisions which are consisted of the description of new industrial goods.

In this dissertation, authors tend to research customer value in service relationship marketing and discuss the long term value concepts to the loyal customers. These are expectation to improve their spending and are associated with the products and
services of the company with increasing levels of satisfactions that attribute to values of customers (Reichheld & Sasser, 1990).

2.2 Previous research of CRM for creating values for customers

The companies who initiate a good Customer Relationship Management Practice will maximize the potential of existing customers, acquiring new customers that are profitable or likely to have the potential and retaining customers who are profitable and enhance the firm performance (Boulding et al., 2005). Thus, support from the study of Aleric (2007) who has proved a higher competitiveness of Information and Communication Technology service providers in Croatia who practiced CRM comparing to the other service providers who did not, the result shows the advantages of having a good CRM practice on a stronger demand from customers, increased service competitiveness, long-lasting relationship, unique and recognizable, higher client loyalty and success rate in fulfilling its mission.

The literature reveals a positive influence of CRM on consumer behaviors as evidenced by Barone et al. (2000). Some researchers claimed that CRM involves the evolution and integration of marketing ideas and newly available data, technologies, and organizational forms, and it concentrates on establishing, developing, and maintaining successful long-term relationships with well-chosen customers (Boulding et al., 2005; Morgan & Hunt, 1994; Reinartz et al., 2004). If the enterprise applied properly, CRM can yield an exceptional return in revenue and improve customer service (Nguyen et al., 2007).

The study by Kimiloglu and Zarali (2009) has shown the finding on 72 businesses in Turkey which succeed in adopting CRM approach have the significant improvement on speed, effectiveness, reliability of their business process, customer satisfaction, revenue, brand image, efficiently business process and technology utilization. And Ernst et al. (2010) did a huge work to test the model based on a cross-functional sample consisting of 115 R&D and 122 marketing managers. The research shows that CRM is widely accepted as an effective approach for collecting, analyzing, and translating valuable customer information into managerial action (Ernst et al., 2010). These evidences indicate those scholars focus on developed country and global companies, the mature market and high-level government environment provided a strong support for firms to perform.

In this dissertation, authors pay more attention on developing country and small firms to discover how CRM as a tool to influence and guide the firm’s business approach and how they manage the relationship with their customers.

In conclusion, most of researchers focus on just few of elements such as customer orientation or customer expectation to dig in how to create values for customers. It is hard to avoid the phenomenon which will make the result one-sided and uncompleted.
Moreover, most of them concerned global market and big size company to make research and test, while few of them pay attention to small firms. In addition, the existing academic literature does not provide a clear implementation of CRM processes and was indecisive on whether adopting CRM approach could result in a small company performance to creating values for customer. This dissertation will explain how to create values for customer with the help of CRM, and different factors will be analyzed. Furthermore, few of previous studies focus on developing country and small business, this dissertation will pay more attention to small business company in China.
3. Theoretical Framework

The model presented below is a construction of four elements which step-by-step contribute to creating values for customers. This model aims to be the basis for a clear theoretical framework which helps the company to create values for customers.

![Diagram showing the theoretical framework]

Figure 1: A Model of helping companies to create values for customers

This model (see Figure 1.) shows that strategic goals are the first essential part of the company to implement CRM. Customer oriented companies achieve business success, which result from meeting customer latent and potential needs and taking coordinated actions. The purpose of a whole CRM process is to satisfy customers. The relationships between the company and the customers can be measured in terms of trust, commitment, and communication. These three items affect relationship
performance. The outcome of relationships is customer satisfaction, customer loyalty, and customer retention, which will affect a company’s capabilities on creating values for customers.

3.1 Strategic goals & customer orientation

Alsmadi and Alnawas (2011) proposed CRM model and pointed that CRM strategic goal was considered critical for a CRM project and that clear vision, mission, strategy, core values, goals, and technical requirements for implementing CRM were further considerations for success (Brown & Gulycz, 2002; Mukerjee & Singh, 2009 cited in Alsmadi & Alnawas, 2011). A study showed that if a company has clear strategic goals and if CRM was implemented well, the success of implementing CRM would be improved from 15% to 17% (IBM’s Global CRM Study, 2005). Doyle and Stern (2006) addressed that a business is most likely to achieve goals when it is to meet the current and potential customer needs. Once a company have strategic goals, it should recognize the primacy of being customer led, and more effectively than competitors (Doyle & Stern, 2006).

The dominant research stream has addressed the issue of the creation of customer values in the customer orientation literature (Jayachandran et al., 2004). Doyle and Stern (2006) defined marketing management as the process of identifying target markets, researching the customer needs in these markets and then developing the product to create exchanges that satisfy the objectives of the organization’s stakeholders. They stressed that “successful organizations must put the customer first” (Doyle & Stern, 2006, p. 40). In their opinion, the organizational success is derived from the effective customer orientation and meeting customer needs is the central purpose of any business. Profit, growth, and stability all depend on the orientation of meeting the customer needs (Doyle & Stern, 2006).

Williams and Attaway (1996) pointed out that the customer oriented behaviors can maintain a well relationship between the company and the customers. Yilmaz et al. (2005) pointed that the higher the customer oriented behavior, the larger the positive financial performance is. And what’s more, the purpose of high customer oriented behaviors is to increase the long term satisfaction and to create the customer loyalty (Wang et al., 2010). Consequently, customer oriented firms meet customer latent and future needs and take coordinated action to satisfy those needs in the long process of managing customer relationships (Day, 2000), which will result in the business success.

3.2 CRM process

Wang et al. (2010) considered the CRM process is to explore the relationship between the company and customers. The tangible performance of CRM is to increase the company profits through enhancing the customer purchase behaviors in the future.
In order to improve the customer purchase behaviors, the company needs to put more efforts to manage relationships with its customers to achieve the customer satisfaction and intimacy (Sheth & Sisodia, 1995). The various steps of CRM process can present different degree of customer loyalty, and thus the customer loyalty will be improved by focusing on the CRM (Wang et al., 2010).

The investigative frames of CRM process in this study included firm resources, management of customer relationships, company-customer exchange processes, and people-related components. These factors all influence the process of a company to manage its customer relationships. Firm resources are the essential part of company to create values for customers. Only by a company possesses abundant firm resources, it can transform capabilities into values for customers. When the company has enough resources, it needs to allocate different resources for different levels of customers, and to regard for customers in the long process. The exchanges between the company and customers exist in every period of managing customer relationships. It cannot be ignored is people involve in the whole process. The values offering to customers are all created by company staff. In the next section, these four factors will be discussed in detail.

### 3.2.1 Firm resources

Ansoff (1965) categorized resources as physical, monetary and human. The major problem of business concerned the configuration of resources and the direction of that process as a means of achieving business objectives (Ansoff, 1965). Following Barney (1991), firm resources involve all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable a firm to conceive of and implement strategies and improve its efficiency and effectiveness (Daft, 1983 cited in Barney, 1991). It can be considered that the extent of companies creating superior values to the customers by providing ongoing solutions depends on their resources. The products that customers want and firm resources can be organized to meet these wants on the premise of customer orientation (Doyle & Stern, 2006).

Campbell (2003) found that the mere implementation of any projects without integrating firm’s financial and non-financial resources and sharing customer information among various departments would not yield the desired result. It can be said that companies obtain competitive advantage when they possess capabilities that can be transformed into value for customers (Slater, 1997).

### 3.2.2 Management of customer relationships

Building and managing of ongoing customer relationships is the essence of the marketing (Morgan & Hunt, 1994). Managing relationships is beneficial for the firm which can be found from this perspective. In order to improve the management of the customer relationships, firms should interact with customers and manage relationships at each stage (Srivastava et al., 1998). During the process of managing customer relationships, firms allocate different resources for different levels of customers, and
these levels depend on the economic value of that customer to the enterprise (Zeithaml et al., 2001). This is because of a common finding show that the best customers do not receive their proper attention and some enterprises overspend on marginal customers (Reinartz et al., 2004).

As Dwyer et al. (1987) mentioned, the process of relationship evolution passes through distinct stages. CRM process is a systematic process to manage customer relationships initiation, maintenance, and termination to maximize the value of the relationship at the customer-facing level (Reinartz et al., 2004). The customer relationships move from beginning (initiation) to end (termination), across the various customer-facing contact channels executively (Reinartz et al., 2004). In our points of view, the firm should have regard for customers in every period, and pay more attention to the customers who have the more economic values to the firm in the long process of managing customer relationships.

### 3.2.3 Company-customer exchange process

Exchange is viewed as “the act of obtaining a desired product from someone by offering something in return” (Doyle & Stern, 2006, pp. 34). The exchange process creates value, if the company and the customer both agree on terms of exchange (Doyle & Stern, 2006).

With regard to the company, the task of the exchange process is to seek to understand what the customers want to receive and are willing to pay. Product, service, and relationship benefits have been modeled as key value drivers within literatures (Gao et al., 2005; Lapierre, 2000; Ulaga & Eggert, 2006). Products stand for any combination of goods and services, which are the core consideration when a customer is purchasing in a company-customer exchange (Blocker et al., 2011). The quality of products offered is often considered as the dominant value driver that customers perceive products as fulfillment of their needs (Lapierre, 2000). In addition to the products, companies also create values for customers through service supports (Blocker et al., 2011). These service supports help the customers to use the products and provide information to deal with the customer’s daily issues (Lapierre, 2000; Ulaga & Eggert, 2006). Researches also display that the customers gain significant value through the social benefits which they received in their provider relationships (Gao et al., 2005; Gremler & Gwinner, 2000). Strong social bonds boost communication and ease business (Ulaga & Eggert, 2006). Therefore, personal interaction was viewed as a company’s capability to build a long term relationship that stimulate interpersonal interaction and create values (Gao et al., 2005; Ulaga & Eggert, 2006).

With regard to the customers, they determine the value created by a company’s capabilities (Madhavaram & Hunt, 2008). According to Deshpandé et al. (1993), they found that customers’ perceptions of the degree to which a company is customer-oriented differed from the management team and are more important than
the marketers’ perceptions. The company offering value to the customers represents values the company builds in a product and/or service supports and/or personal interaction, and customer value represents the assessments of the value offering through the eyes of customers. “A product is something that is made in a factory; a brand is something that is bought by a customer” (Aaker, 1991, pp. 1). As such, a company is able to gain brand awareness, reputation and trust from the customers. While assessing values built in a product, customers also develop brand knowledge in the form of perceptions, beliefs, feelings, and attitudes (Ambler et al., 2002). It is worth noting that how the customers see values offering by a company affects what they will do with respect to the brand in the marketplace.

3.2.4 People-related components
Successful CRM implementation requires more than just technology, in particular, it requires a strong people-related components (Reinartz et al., 2004). Reinartz et al. (2004) stressed that the implementation of CRM is associated with better company performance when the company develops motivation and organizational plan to support it.

Clearly, the values offering to customers are all created by employees. They are capable of creating new values that generate a revenue stream (Hsu et al., 2010). Human capital may take the form of teams (Grant, 2000), and are the communities of practice (Lave & Wenger, 1991) and that individuals and teams are likely to be more productive when they are combined with other complementary organizational assets (Hsu et al., 2010). It is in line with Penrose’s (1959, pp. 25) arguments that “it is never the resources themselves that are the inputs to the production process, only the services that the resources can render” and that people determine how a particular input will perform a “service” in a productive process (Kogut and Zander, 1992).

From what has been discussed above, we can conclude that the whole CRM process should take four factors into consideration, (1) firm resources, which is the basis of a company to create values to the customers; (2) management of customer relationships, which should be considered at each stage and long term process; (3) company-customer exchange process, which create values on both sides, in a company context, it provides products, service supports, and personal interaction to create significant values for the customers; in the customer context, he/she exchange money for products, services and social benefits; (4) people-related components, which involve in the whole process, and values offering to the customers all created by staff within a company.

The CRM’s actual operational process quality is the primary foundation for the company performance of creating values for the customers. Therefore, the evaluation of CRM process quality is necessary. It is essential to evaluate the CRM process from the quality of customer relationships (An, 2010), which will be discussed in the next
3.3 Measurement of CRM

We are able to measure the relationship between the company and customers by focusing on specific key relationship constructs. These include components of trust, commitment, conflict, social bonds, communications quality, customer satisfaction and information flow (Dorsch et al., 1998; Lages et al., 2005; Lang & Colgate, 2003; Roberts, et al., 2003; Wong & Sohal, 2002 cited in Richard et al., 2005). In this dissertation, these three items—trust, commitment, communication—were chosen to be robust and consistent measures of relationship.

3.3.1 Trust

Trust is commonly viewed as the primary and fundamental requirement for developing and improving relationships (Medlin et al., 2005; Richard et al., 2005). Trust can refer to an individual person or an entire company. Trust which between the company and customers has recently caught much attention in a management and research perspective (Kumra & Mittal, 2004).

In relational exchange of service industries, trust plays a critical role in managing the service companies (Gummesson, 1994). From a customer perspective, trust becomes crucial in many relational exchange situations and reduces the perceived risk of the service outcome (Laroche et al., 2004). In general, customers trust the companies which employ well-trained employees, and are capable of satisfying his/her needs and expectations (Kantsperger & Kunz, 2010). It can be said that a customer who has trust in his/her service provider is more likely to stay in and be committed to the relationship (Kantsperger & Kunz, 2010).

3.3.2 Commitment

Commitment is seen as the second most common variable to create, build and maintain relationships by many researchers (Geyskens et al., 1998). It implies that the party which makes commitment believes the relationship is worth keeping and guarantees to continuously protect it forever. Even if something goes wrong and credibility can be weakened in some cases, it will not harm the loyalty of the customer. In order to understand, investigate and predict ongoing relationship performance better, it should understand relationship commitment totally (Gounaris, 2005).

3.3.3 Communication

Communication is considered as the important factor in developing and maintaining relationships (Morgan & Hunt, 1994). Relationship marketing researchers view communication as important factors in relationship development and performance (Fontenot & Wilson, 1997; Selnes, 1998). Communications play an important role in fostering confidence in the relationship maintenance and reducing dysfunctional conflicts (Anderson & Narus, 1990).
We can conclude from the above discussion that the customers will develop the emotion of satisfaction when having a positive attitude toward the product and/or service and/or personal interaction experiences they have obtained, and then they tend to delight to receive these again (Boulding et al., 1993). Their loyalty will become higher, and the company will retain the customers.

In industrial and professional organizations, performance measurement helps the company to follow up, coordinate, control, and improve certain aspects of organizational activities (Kollberg et al., 2005). In our context, the effective measurement of CRM will help the company to improve relationships between customers.

3.4 Relationship performance

Relationship performance was described as the overall relationship behavior and reflected the ongoing quality of the relationship, encompassing customer satisfaction in addition to relationship outcomes (Kim et al., 2004). Trust, commitment, and communication all affect relationship performance (Richard et al., 2005).

3.4.1 Customer satisfaction

Customer satisfaction was defined as the degree to which a customer believes that the use of service or possession of a product prompts his or her positive feelings (Rust & Oliver, 2000). Customer satisfaction is the key strategy to retain customers and sustain competitive advantage, and the core platform for building CRM, because a satisfied and rational customer in general is always loyal and profitable (Chahal, 2010). Doyle and Stern (2006) stated that satisfying today’s customers who want to continue doing business with the company, the value, and tomorrow’s sales and profits will be created. They also stressed that today’s leading companies have recognized that satisfied customers are highly valued assets, in contrast, dissatisfied customers can destroy company performances (Doyle & Stern, 2006).

3.4.2 Customer loyalty

Customer loyalty is generally seen as a desired outcome of successful relationship marketing and is considered as a measure of overall relationship performance (Reichheld, 1996). Doyle and Stern (2006) considered that loyal customers are assets, and more profitable. This is because winning new customers is costly. A company’s future sales and profits depend on its ability to create long term customer relationship, which on the basis of customer loyalty. If the company’s ability to satisfy customers better than competitors, and deliver higher value, customer satisfaction will be improved, subsequently, customer loyalty will be built (Doyle & Stern, 2006).

3.4.3 Customer retention

Customer retention reflects the willingness to maintain or invest in the relationship in
relationship performance (Gounaris, 2005) and is also viewed as an outcome of affective commitment (Verhoef, 2003). The long-term customer relationship is more profitable, as “retaining customers makes gaining market entry or share gain difficult for competitors” (Doyle & Stern, 2006, pp. 49). Therefore, for the ongoing business, retaining customers is more important than creating the new customers. The sticking point to raising the retention is to create highly customer satisfaction (Doyle & Stern, 2006).

The above can be summarized as customer satisfaction is the chief purpose of any business and is associated with the business success (Doyle & Stern, 2006). If customer satisfaction is enhanced, customer loyalty will be built. The crux of boosting customer retention is the high level of customer satisfaction. When the customers dissatisfied with the quality of the company’s products or services, profitability will diminish, and it will destroy the company’s performances rapidly.

In order to explore the effects of company capabilities on creating customer values, it is important to test customer satisfaction, customer loyalty and customer retention, which are linked to company performances (Blocker et al., 2011). Studies confirm a direct relationship between customer value and customer satisfaction (Gao et al., 2005; Lam et al., 2004).

### 3.5 Creating values for customers

The company creating values for customers grounds on a succession of actions. Strategic goals, customer orientation, offering products and/or service supports and/or personal interaction, company-customer exchange process, customer satisfaction, customer loyalty, and customer retention all related to customer relationships management. CRM is a tool for the company to offer superior values for the customers.
4. Methodology

In this section, the approach of collecting of information and data will be shown. In order to understand easily and clearly, authors divided this section into five dimensions: research approach and design, case study, data collection, data analysis, as well as reliability and validity.

4.1 Research approach

In general, quantitative research and qualitative research are widely used to gather the data. Bryman and Bell (2007) mentioned that quantitative research can be construed as a research strategy that highlights quantification in the collection and analysis of data, but qualitative research is a research strategy that often emphasizes words rather than quantification in the collection and analysis of data. Patton (1990) also asserted that qualitative research reveals and explains behaviors, based on the assumption that they create reality as they interact with social environments. Different from quantitative approach, qualitative approach uses more often multiple indicator measures. Moreover, the qualitative approach was applied because it makes the researchers get closer and understand individual's beliefs and perspective in a subjective meaningful ways and generate rich information for deeper understandings of their experience (Lieber, 2009).

In this dissertation, we will use the qualitative research, because this approach can study social phenomena more deeply and to gain more understanding of a particular subject (Bryman & Bell, 2007). As the area of study is still lacks of data, theories and empirical evidence, we consider the qualitative research will be more effectively to carry our point.

As the research design, we selected a case study sample and with the help of CRM to research how the small business creates values for the customers. These will be explained detailed in the next section. The CRM elements of firm can be divided into variously aspects, so it is essential to collect data in a positively and seriously way. The authors mainly focus on analyzing how to create values. A high quality of interview guide will be used to investigate the CRM process of the firm and collect relative data. Authors hope to go deeper to find out the performance of a company and how it creates values for customers.

For the theory part in this dissertation, deductive approach and inductive approach can be discussed. Bryman and Bell (2007) stated that deductive theory represents the most common view of the nature of the relationship between theory and research, and inductive theory starts from observation and follows with generating theory or hypothesis (Hu & Xu, 2010). The approach chosen for theoretical framework part are
both deductive and inductive approach. Theoretical framework is verified with empirical results, and from analysis some connections will be drawn that support the validity of theories. We found this method is optimal for researching and analyzing the empirical data which aligns to the literature. Based on a review of the existing literature, authors proposed our own conceptual model.

4.2 Case study design

According to Yin (1994), a case study is an empirical enquiry that investigates the contemporary phenomenon within its real life context when the boundaries between phenomenon and context are clear, and in which multiple evidences are used. Furthermore, procedural characteristics in the situation include many variables of interest, multiple sources of evidence, theoretical propositions to guide the collection and analysis of data (Yin, 1994). It seems that selecting a case study approach to research is appropriate.

As to this dissertation, authors chose the finance firm as a case study to research deeply. Moreover, related to research question that why it is important for enterprises to create values for customers and how to create customer values in small business firm, the authors tend to explore the core factors which create values to the customers which the company needs to pay more attention and how these elements influence company’s performance.

4.3 Data collection

4.3.1 Case study selected

The company which authors selected in this paper is a small size processional finance investment service company in China. Moreover, the authors’ friend has the relations with the manager of this company, therefore the whole interview process was friendly and interactively. This interviewee named Mr.Hu who is a marketing manager has a store of experiences in terms of customer and relationship management. As Mr.Hu mentioned that he did not permit us to use the company name in this thesis, so we named Company A. The authors spent abundant time and made full interview preparation.

4.3.2 Data collection process

In prepare for interviews, unstructured and semi-structured interviewing methods could be used. Bryman and Bell (2007) stated that qualitative research which tends to be much less structured is quite different from the structured interview. It emphasizes on formulating initial research generally and on interviewee’s point of view. In qualitative research, loose talking or changing the topic when interviewer had a sudden inspiration is often encouraged. The conversation tends to be flexible. The rich, detailed answers are favored by researchers. The frequency of interviews is maybe
more than one time.

The approach that we adopted in this paper is semi-structured interview, which is one type of qualitative interview. The researchers have an interview guide, but they can apply it in a flexible way. Basically, all the questions on the list will be asked and similar words will be used (Bryman & Bell, 2007). We will prepare detailed questions in order to use in the process of interviewing. As Bryman and Bell (2007) mentioned, in addition to preparing questions, the interviewer also should be open for the new questions during the interview.

Furthermore, customer awareness and knowledge is increasing, they want services that satisfy their unique needs and demand reliable service delivery at competitive price (Xevelonakis, 2005). Therefore, based on theoretical framework, the authors will prepare appropriate interview guideline which covered all above elements. Furthermore, when searching for patterns and themes in the data relevant to understanding contents, the researcher, ‘sensitized’ by authors knowledge of constructs, used these to pull data together into common themes which actively searching contradictions and inconsistencies in the data (Eleanor, 2006). In this case, authors use the similar method to collect data.

Bryman and Bell (2007) highlighted that trying to get an appreciation of what the interviewee sees as significant and important in relation to each of your topic areas and in addition, questions also need to cover the areas that you need but from the perspective of your interviewees. Owing to a company located in China, authors are not allowed to interview face-to-face, so QQ (one type of chatting software) was used to perform the whole interview. Additionally, authors use online camera to communicate on the both sides to see each other. During the process of interview, one of the authors asked the questions to interviewee, and another one recording and transcribing what they are talking about. Moreover, by asking specifically worded questions in a predetermined order, the researchers ensure a certain level of consistency when conducting the interviews (Tanakorn & Pacapol, 2011).

Coding is the key process, whereby data are broken down into component parts, which are given the names, it begins soon after the collection of initial data. Moreover, coding is a somewhat different process from coding in relation to quantitative data, such as survey data. Additionally, coding in qualitative data analysis tends to be in a constant state of a potential revision and fluidity. The data are treated as potential indicators of concepts and the indicators are constantly compared to see which concepts they best fit with (Bryman & Bell, 2007). The authors record, transcribe interview data and coding the data afterwards writing down the core information which support this dissertation. And then authors analyze the findings relevant to theoretical framework.
4.4 Reliability and validity

Bryman and Bell (2007) explained the concepts of reliability and validity in detail, and reliability and validity are the appropriate criteria for qualitative research which are very relevant to our thesis. Reliability stands for the consistency of a measure of a concept (Bryman & Bell, 2007). It means if the other interested persons repeat the research under the same situation, the same results will be received.

Validity consists of internal validity and external validity. Internal validity refers to the match between researchers’ observations and the theoretical framework, and external validity refers to the extent to which findings can be applied in general social settings (Bryman & Bell, 2007). Validity concerns the extent to which the whole research process is truthful, as well as the findings are judged to have been interpreted in a correct way (Golafshani, 2003).

In our dissertation, the authors try to improve the validity and reliability of the research. Owing to the interviewee and authors all come from China, the language of whole interview is Chinese, as Bryman and Bell (2007) mentioned. After interviewing, the authors translated all of answers into English based on the record, and make sure that the translation version expresses the respondents’ meaning correctly. However, some small errors are inevitable in English translation. In addition, the secondary data, such as company website, relative journal and online resource debate are also trustable since their validity and reliability are confirmed by Mr.Hu. What is more important, if some other researchers would like to do the same research under the same situations, the outcomes they got will be the same.
5. Empirical Data

5.1 Company Background

Company A is a professional finance investment service company which provides SME’s and individual investment service, SME’s and individual loan guarantee service as well as stock investment service. They have various professional institution which includes international financing and investment channel, project and consultant team. Moreover, the company has 83 employees and 10 departments: board of directors department, committee department, finance service department, client service department, venture management department, the legal service department, international business department, bank business department and project development department. Furthermore, their team is organized by finance professor, investment consultant and local banks.

5.2 Strategic vision & Customer orientation

Marketing manager Mr.Hu mentioned that investment service market only began in China just few years ago and now investors have paid more attention in this area, but the section is still lack of deeply recognition and practice. Mr.Hu highlights that company strategic vision has a strong relations to customer orientation, and they influenced each other intensively. Refer to managing customer relationship, he also emphases that they do have clear goals and they have professional employees to research and analyze markets and customers. He also mentioned that according to research the differences of customers’ asset, invest hobby, risk capacity and expected-return, Company A established different strategies. More specifically, Mr.Hu said the primary step is that company should to choose potential customer very precisely. Moreover, the potential customer must be the ‘target unit’ which approved the market survey by the investment consultants, and the investment consultants should promise that they can do something useful for the potential customers. Mr.Hu described an example that if customers want to buy stock, the employees of company A should be work hard in technical preparation; it means that they should understand relevant knowledge about stock as much as possible and be persuasive to their customers.

5.3 CRM Process

5.3.1 Firm resources

Firm resources organized by lots of elements such as assets, capabilities, organizational processes, information and knowledge. Company A has only a history of 3 years but it is developing in quite a fast way, yet they are still lack of resources compared to some top investment firms in their district. The firm who wants to obtain
resources restricted by both internal and external conditions, the company needs to pay close attention to research the influence of strategy factor and also need to hold the trends of market situation. The interviewee also mentioned some strategies on how to get resources: (1) conduct speech consisting of stock investment or finance investment and invite widely both non-business people and businessmen involved, let them know how the investment works and the basic knowledge in their area; (2) published articles in the main newspapers with regard about investment and consultation, besides they also use television or some other medium to put advertisement, the benefit is that they can let people recognize this newly investment way, because it is new to China, and according to the measures above, they can also acquire some profession feedback from some other organizations or scholars who are interested in this area. Furthermore, company A built a professional team which includes finance and economic scholars to gather and analyze the market trends, relevant information, potential customer needs and industry developing direction. But about how to absorb and financing assets, the manager Mr.Hu did not talk too much and he asserts that it involves plenty of factors which are business secrets.

5.3.2 Management of customer relationships

Company A has some kinds of different measures to manage the relationship with their customers and they have faith that the measures do work well. Manager Mr.Hu emphases a very important topic, that is the combination of company culture and CRM. He said that even though company culture does not have the strong restriction to employees as well as the company regulations, but it is no doubt that it is important as employees’ common cognition and behavioral habits to run a company in a right way. It must be an adaptable company culture as support if you want to approach and use CRM successfully. Furthermore, Mr.Hu mentioned that the core factor of CRM is how to ensure all of employees and managers could focus on their customers from the views of their common cogitation and behavioral habits. Company A holds a strong belief that company culture is the key point to influence the company whether it can establish a favorable relationship with their customer and manage the relationship effectively or not. Besides, Mr.Hu said that before the company manages their customer, they will let their employees keep the opinions in their mind exactly that who is your real customer; what kinds of the experiences of customer preferences the company could provide; what kinds of service customer expected in the future. Above factors will lead the company A to manage their customer in a positive way.

Company A divided customers information into CRM database which includes contact number, investment preference, asset situation and previous experience. Hu said they did not distinguish who is the ‘best’ or ‘worst’ customer, but for the regular clients, they also have some special plan such as VIP discount, VIP party, or some visible encourage gifts. Then, CRM system will remember the customer’s information and send birthday message or festival congratulation sentences by email. These measures will enhance the relationship between the company and customers. Once the customers bought the product, the company will send email to customer to get some
feedback and comments to keep contact with their clients. Mr.Hu also explained that since the investment product do not like the normal goods, it need a period of time to perform, so it is frequently to interact with clients using telephone, face-to-face, email or other possible means.

5.3.3 Customer-company exchange process

As mentioned in company background part, Company A is a professional investment service company which provide SME’s and individual investment service, SME’s and individual loan guarantee service as well as stock investment service. Company A draft capital production on the basis of the feedback from their professional consultant team and following five steps are followed, which is: (1) definition of the policy of investment; (2) investment analysis; (3) establish portfolio; (4) fix establish portfolio (5) performance evaluation (Investment Henan Group, 2011). Mr.Hu said that all of their goods which depend on professional research and widely experience which have more competition to other companies. It is no doubt that the production is high quality and has feasible investment return. The largest benefit we gained from customers is no doubt profit, however, the clients’ experience and feedback are also as important as profit, because they are the original motivation to encourage the company creating more production and service to satisfy their customers and let them holds more competition.

The market manager Mr.Hu showed us a main investment production named ‘golden plan’, and explained how it works with respect to different customers and target. We made a diagram (see Table 1.) below to show the production so that readers can understand it clearly.
<table>
<thead>
<tr>
<th><strong>Product name</strong></th>
<th><strong>Product A</strong></th>
<th><strong>Product B</strong></th>
<th><strong>Product C</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Target</strong></td>
<td>Widely used with SME’s and individual who use Property and other assets as mortgage</td>
<td>Widely used with SME’s and individual who owned fixed assets and stable income as mortgage or SME’s that can provide enough assets guarantee</td>
<td>Widely used with SME’s that owned operate program and assets with enough mortgage value or entrepreneurs who can provide enough assets guarantee</td>
</tr>
<tr>
<td><strong>Products Features</strong></td>
<td>Safety and stability, low risk</td>
<td>Stable profits and high added value and middle risk</td>
<td>Huge returns and high risk</td>
</tr>
<tr>
<td><strong>Amount Range</strong></td>
<td>100,000 CNY</td>
<td>500,000 CNY</td>
<td>1,000,000 CNY</td>
</tr>
<tr>
<td><strong>Investment Horizon</strong></td>
<td>3-12 months</td>
<td>3-12 months</td>
<td>6-12 months</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>The people who has normal level savings and hope for stable interest and planning investment per months</td>
<td>Rich people who has enough idle funds and hope for high interest return and planning investment per season</td>
<td>Mature investor who has large amount of idle funds and hope for high interest return per half-year</td>
</tr>
</tbody>
</table>

*Table 1: Products sample of Company A*

**5.3.4 People-related components**

In the opinions of Company A, customers value is the source of company value, and all of firm’s manages’ performance are conducted around creating values for customer. Mr.Hu believed that customer values can guide and lead human resource management. Each employee of Company A holds the belief that the customer value is most important. Therefore, customer value is the criterion to evaluate the system of reward. The more values are created, the more rewards will be gained. It is obvious that money reward is the main measure to motivate their employees. Besides, Mr.Hu also mentioned that their company has a system of staff management which uses to examine employee behaviors and HR management.
5.4 Measurement of CRM

5.4.1 Trust
Company A believes that the trust is a very important driving factor to keep the firm obtains economic profit. Complete trust relations between employees and their clients can make them comfortable and both of them willing to keep interaction and do more businesses. In many cases, Mr. Hu mentioned that satisfied customers do not represent that they are loyal to the company. He asserts that the only reason to guarantee clients be loyal is that trust them completely. When we talked about how to build trust with their clients, Mr. Hu said that they do not have some special measures to manage and he thought building trust relations do not need long-terms cultivation and since customers are holding in different kinds of social relations, satisfaction between them such as some effective communications with respect and agreement are benefits to cultivate the trust relations. Company A enables employees to keep frequent communications with their clients which with the help of CRM and this process consolidates the trust relations greatly between employees and customers.

5.4.2 Commitment
Company A divided customers into different departments considering different time cycles. And different departments make the relationships with their own customers. No matter short-term or long-term customers, company A has treated them equally, but they have different strategies. Mr. Hu mentioned that their long-term customers are easier to keep commitment than the fresh customers. He believes that previous experiences are important factor to build and maintain a good commitment relationship. So the most important thing for the fresh customers is that try to make them become the returned customer. And Mr. Hu also highlights that a successful commitment relationship include a set of factors which involve trust, good communication, good reputation and satisfaction from customers.

As to the benefits which company A can provide to their customers, Hu said that the mainly benefit is investment return, and he asserts that investment market does not like other manufacture market and the customers cannot gain benefits right now, it needs a period to show the result. If the customers gained the expected investment return, that would be the best benefit the company provided. And of course, company A has the same values with their customers because the company earns the profit from the investment performance which they provided to their customer. Beside, return customers willing to maintain long-term promises due to their satisfaction of the production and keep the favorable commitment with company.

5.3.3 Communication
Company A offered their employees large extent to communicate and interact to their own customers. Mr. Hu emphases the smooth communication between employees and clients influence the revenue directly. Additionally, company A presented us another
way they performed named interaction. Specifically, the customers will understand and learn more knowledge related to their production according to interaction between staff and customers. And furthermore, this kind of behavior will let customers feel that they are participating in the business and they will pay more passion and focus on the company and willing to maintain the communication and relationships with the company.

5.5 Relationship performance

5.5.1 Customer satisfaction

Mr. Hu mentioned the company takes a series of acts on the basic of the analysis and the fulfillment of customer needs.

1. Listening carefully: always maintain communication with customers, make them feel your attention to them, feel you are at their side every moment. It is not the end of the collection to see your customers.
2. Taking active action: regardless of size, the customer feedbacks should be taken into consideration and take immediate action. Even if you are not able to spare any time temporarily, you should also tell your customers the time when you are going to take specific actions. Customer feedbacks must not be ignored.
3. Pooling of resources: the company resources focus on issues affecting customers. Take the position of a customer to resolve customer problems.
4. Assessing metrics: have a set of indicators evaluation system for the analysis of changes in customer transactions, transaction efficiency, transaction costs, and thereby find problems in transaction.
5. Coordination: Coordinating other’s department, so as to collaborate in real time and handle customer relationships properly and systematically.
6. Summarizing feedback: summarize gains and losses during the period of CRM in definite time, and to improve and amend customer relationships.

Once their clients have the strong satisfaction to Company A, Mr. Hu mentioned that the obvious evident is that clients will acquire more investment services and being active when connects with Company A. Furthermore, some customers will introduce their friends to attempt to do business with Company A. Mr. Hu admitted that it is the best advertisement for the company.

5.5.2 Customer loyalty

Firstly, client department was established. The starting point of all the work of this department is to expand around the customers, which differs from the statistical department, does not mix the statistics of data and the summarization of data. It is worth noting that customer relationship management is not the same as managing customers. In other words, the customers do not need your management. In addition
to the basic customer services, it also includes many aspects, for example, the formulation of strategy and objectives, the processes of sales, the optimization of relationships, the creation of value, risk and control and so on.

Secondly, the basic works of CRM have been improved. The Basic work of CRM including the establishment of customer files and sales database, which is not only the most basic work for client departments, but also fundamental for further related work. (1) Basic files: reflect the basic customer information mainly. For example, the history of customer relationships, key people’s birthday, hobbies, family background and members, and so on. (2) Sales database: reflect the sales information of company products with the customers mainly. Through long-term accumulation, the changes of customer trends will be seen, thereby, adjust sales in time and perfect sales strategies (Investment Henan Group, 2011).

Thirdly, classified different levels of customer needs and meet their needs all the time. CRM itself is not able to arouse the customer enthusiasm for the company’s products and services. In order to retain customers, their needs should be met constantly and effectively. In addition, meet customer needs should combine with customer classification, according to the contribution of value creation of the customer. The higher the level of customers, the higher level of meeting customer needs.

In conclusion, “if the customers keep total loyalty to Company A, they will reject the investment service from other companies which maybe bigger scale and stronger competition than Company A.” Mr.Hu said with self-confidence.

5.5.3 Customer retention

In the first place, integration of customer information, which will help the company capture, track and take advantage of all the customer information. The flow of resources and information in the enterprise-wide makes the company’s sales, services and customer information better and provides thoughtful services for the customers.

In the second place, the customers have a choice the way they like to communicate with the company, get better access to the information and services. Improve customer satisfaction, which can effectively help the company retain more loyal customers, and attract the new customers at the same time.

Mr. Hu believed that the customer retention has a strong interaction with satisfaction and loyalty. Once the customers are satisfied with the service and keep loyalty to Company A, it should be have a consistent customer retention system.
6. Analysis

6.1 Strategic visions & Customer orientation

Related to previous theories, Alsmadi and Alnawas (2011) proposed CRM model and pointed that a CRM strategic goals was considered critical for a CRM project and that clear vision, mission, strategy, core values, goals, and technical requirements for implementing CRM were further considerations for success. Then come to the Company A, they also believe that company strategic vision and clear goals are the important factors to manage customers relationships. And furthermore, they have professional employees to research and analyze markets and customer preferences. Therefore, Company A and Alsmadi and Alnawas (2011) reach a consensus.

Thus, Doyle and Stern (2006) streamed that a business is most likely to achieve goals when it meets the current and potential customer needs, and once a company has a strategic goals, it should recognize the primacy of being customer led, and more effectively than competitors. In this case, Company A also asserted that the primary step is that company should choose potential customer very precisely. They organized investment consultant team to find out the potential customer according to market survey and make sure all of potential customers are “target unit”. This strategy is same as the opinions of Doyle and Stern (2006) who streamed that defined marketing management as the process of identifying target markets, researching the customer needs in these markets and then developing the product to create exchanges that satisfy the objectives of the organization’s stakeholders. According to research the differences of customers’ asset, invest hobby, risk capacity and expected-return, Company A has established different strategies to satisfy their customers and these correspond to the theories which are the success of companies is derived from the effective customer orientation, and satisfying customer needs is the central purpose of any business (Doyle & Stern, 2006).

6.2 CRM Process

6.2.1 Firm resources

As mentioned, Ansoff (1965) categorized resources as physical, monetary and human. The major problems of business are the configuration of resources and the direction of that process as a means of achieving business objectives. Company A acknowledged that the firm has been established just few years and the weakness is lack of business resources. But Mr.Hu told the interviewers some ways to obtain resources which is consisted of market trends and human resources. They built a professional business team involve finance and economic scholars to gather and analyze the market tendency. As to monetary, they did not talk too much as they asserted it is business secret, but they highlighted that obviously it is a core factor to influence the company
Some researchers asserted that firm resources involve all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable a firm to conceive of and implement strategies and improve its efficiency and effectiveness (Daft, 1983 cited in Barney, 1991). Besides the research of professional team, Company A also consults publish articles, relevant speeches and some mediums to get information and useful feedbacks. But they are still lack of more deeply knowledge to acquired firm resources.

6.2.2 Management of customer relationships
Company A streamed a core factor which is the combination of company culture and CRM. They believed that it is important as employees’ common cognition and behavioral habits to run a company in a right way. Mr.Hu said before the company manages their customer, they will let their employees keep the opinions in their mind exactly that who is your real customer; what kinds of the experiences of customer preferences the company could provide; what kinds of service customer expected in the future. All above are a main part of Company A’s culture. Once their employees keep the opinions in mind, they could lead the Company A to manage their customer in a positive way. Company A uses this kind of company culture to guide employees handle the relationship with customers, which are somehow coincide the conception of Rindfleisch and Heide (1997).

Company A has built a complete CRM database, including contact number, investment preference, asset situation and previous experience. This database manages customer relationships initiation, maintenance, and termination. Managing the customer relationships move from beginning (initiation) to end (termination), which can maximize the value of the relationship, and across the various customer-facing contact channels executively (Reinartz et al., 2004). Mr.Hu also explained that since the investment products do not like the normal goods, it need a period of time to perform, so it is frequent to interact with customers by using telephone, face-to-face, email or other contact equipment.

6.2.3 Customer-company exchange process
The exchange process creates value, if the company and the customer both agree on terms of exchange (Doyle & Stern, 2006). Company A providing SME’s and individual investment service, SME’s and individual loan guarantee service as well as stock investment service to their customers. Once their businesses succeed, the company obtained profit and good reputation from customers, and customers obtained investment return.

Additionally, products stand for any combination of goods and services, which are the core consideration when a customer is purchasing in a company-customer exchange (Blocker et al., 2011). As the special property of investment company, once customers
bought goods, which means that they need a period of time to show whether the goods have high quality or not. And in this process, the company frequent to provide relevant service and keep contact with their customers. So we can explain it in this way that the production of Company A are combined of goods and services, the core consideration of customers is the production.

Of course, the quality of products offered is often considered as the dominant value driver that customers perceive products as fulfillment of their needs (Lapierre, 2000). Mr.Hu highlights that all of their goods depend on professional research and widely experiences. That maybe is the reason why their products outperform other companies. It is no doubt that the production has high quality and feasible investment return.

6.2.4 People-related components

Reinartz et al. (2004) stressed that the implementation of CRM is associated with better company performance when the company develops motivation and organizational plan to support it. Company A considers customer values are the source of company values, and all of firm’s manage performances are conducted around creating values for customer. They always keep creating values for customers in mind to support company planning better strategies.

Grant (2000) reviewed that human capital is very important in a company and the values offering to customers all created by employees. Each employee of Company A holds the belief that the customer value is most important and besides, and Company A planed a strict system of human management which is used to examine employee behaviors and HR management. Company A keeps the importance of human capital in mind. Their ways and behaviors are in line with Reinartz et al. (2004)’s opinions that successful CRM implementation requires more than just technology. Furthermore, it requires strong people-related components.

6.3 Measurement of CRM

6.3.1 Trust

In the previous review, trust is commonly viewed as the primary and fundamental requirement for developing and improving relationships (Medlin et al., 2005; Richard et al., 2005). Company A also holds the same beliefs and they think that the complete trust between company and clients is the only reason to guarantee clients loyalty and satisfaction.

In relational exchange of service industries, trust plays a critical role in managing the service companies (Gummesson, 1994). Moreover, customers have to trust the companies which employ well-trained employees, and are capable of fulfilling his/her needs and expectations (Kantsperger & Kunz, 2010). Company A also enables employees to keep frequently communications with their customers, with the help of
CRM, and these help Company A to consolidate the trust relations greatly between employees and customers. They believe that the trusty relationship is absolute benefit to maintain a better business relationship.

6.3.2 Commitment

Company A has performed some strategies to keep commitment with customers. According to Geyskens et al. (1998), commitment is seen as the second most common variable to create, build and maintain relationships. Mr.Hu acknowledged that long-term customers are easier to keep commitment than the fresh customers, because he asserted that previous experiences are important factor to build and maintain a good commitment relationship. Company A considers a successful commitment relationship include a set of factors which involved trust, good communication, good reputation and satisfaction from customers.

6.3.3 Communication

Company A requests their employees to a large extent to communicate and interact to their own customers. Mr.Hu emphases the communication between employees and customers influence the revenue directly. Communication is an important factor in developing and maintaining relationships (Morgan & Hunt, 1994).

Communications play an important role in fostering confidence in the relationship maintenance and reducing dysfunctional conflicts (Anderson & Narus, 1990). Mr.Hu mentioned that as the communication is essential to the whole process of CRM, they definitely put more attention on that such as interaction between employees and customers.

6.4 Relationship performance

6.4.1 Customer satisfaction

Company A always stays in touch with the customers, and values their response and takes immediate actions, which makes its customers feel positive about possessing products and/or getting services (Rust & Oliver, 2000). Company A recognizes customer satisfaction has high values, and it focuses on issues which influence its customers, centralizes firm resources, analyzes the changes of customers in transactions to solve customers problems on their stands, which will effectively decrease the conflicts between the company and its customers. The company’s sales and profits are created by its customers, and satisfied customers are highly valued assets (Doyle & Stern, 2006). Comparing to empirical findings, Company A showed some evidences to support the customer satisfaction in their service, such as their customers ask for more investment services and tell their friends to do business with Company A. In other sides, Coordination and collaboration in Company A, and summarize the feedback timely, these good performances result in satisfying customers better, and then lead to sustain competitive advantage (Doyle & Stern,
6.4.2 Customer loyalty

Company A’s client department was established around the customers and the basic works of CRM have been improved. It classified different levels of customer needs and meet their needs all the time. These are the foundation of successful relationship marketing, and will cause customer loyalty (Reichheld, 1996). Apart from the basic customer services, Company A also provides many “special” services. It will deliver higher value than its competitors; as a result, customer loyalty will be created (Doyle & Stern, 2006). As interviewee mentioned that once the customers keep loyalty to the company, they may reject the investment service from the other companies, even though sometimes some other companies may have bigger scale and stronger competition than Company A.

6.4.3 Customer retention

If the customers are satisfied with the company’s products and/or services, affective commitment is created easily. They can choose their favorite way to communicate with the company. According to Verhoef (2003), affective commitment leads to customer retention. Company A collects all the customer information and makes the flow of information in the enterprise-wide all contribute to provide more thoughtful services for the customers, thus to improve customer satisfaction. The higher customer satisfaction leads to higher customer retention (Doyle & Stern, 2006). Meanwhile, Company A also believed that the customer retention has a strong interaction with satisfaction and loyalty. Once the customers satisfy with the service and keep loyalty to Company A, it should be have a consistent customer retention system.
7. Conclusions and Future Research

7.1 Conclusions

As authors mentioned in the beginning, the research questions and research purposes are obvious and the whole contents are describing around these issues. Why is it important for enterprises to create values for customers and how to create values for them. The purpose is to figure out how to create values for customers with the CRM model in the operating process of firms. In this case, authors chose a business which is a small investment service company in China and according to the case study to research the CRM process. Here are the research findings and results below.

The primary consideration is the strategic vision and customer orientation. According to the empirical data, Company A has a clear goal and strategy to manage customer relationships. Furthermore, they also have a professional team to research the relevant markets and customer preference. They believe that customers guide the company’s strategy vision, and once customers are satisfied with them, they will choose and do business with them. Hence, the company and their customers will build a common beneficial relationship based on a series of behaviors. As a result, the company can obtain the profit from their customers, and also customers obtained the investment in return. It is obvious that specific strategy and customer orientation build a strong attachment and the customer orientation and choice directly gave rise to the firm’s achievements.

Firm resources, management of customer relationships, customer-company exchange process and people-related components, as well as other factors such as company culture, staff conduct and section management, employee-customer interaction and customer feedbacks, all of them support the operation of Company A and help to obtain a trustworthy relationship. The CRM process gives rise to effective measurements. And once the measurements are effective, the relationship performance which includes customer satisfaction, loyalty and retention will very strong. In the case of this small investment service firm, as mentioned in empirical findings, it mainly relies on the relationships with their customers to perform businesses. Based on the excellent firm resource and measurements, the relationship performance is for now very successful. The CRM process as a major tool to create values for customers is essential to their performance. Hence, firms which create values to their customers also create values to themselves. That is a win-win situation.

The customers are important strategic resource for small investment firms; they are the sources of gaining continuing profit and the basis for sustainable company development. Meeting customers’ needs; satisfying their goals and give them the rights to choose products freely have become the key to getting the upper hand of markets. The example to indicate the successful relationships between Company A
and customers that customers willing to put more money into the investment services and introducing their friends to do business with Company A showed a clear result that they are totally satisfied with the company.

Customer satisfaction is the sense of pleasure when their needs are fulfilled. It can directly reflect the satisfaction level of the company’s products and/or services in the eyes of the customers. Loyalty is built on customer relationships and value. The evidence that the clients of Company A rejecting the investment service from other companies is a good example of showing their loyalty. Only if the company keeps improving the customer satisfaction, will they continue to use the company’s products and/or services, and become a friendly relationship.

**7.2 Future Research**

As the time and resource are limited, there is only one small investment company chosen to research and authors only focus on qualitative method. For the future research, it will be better to choose some similar firms to research with both the quantitative and qualitative method. Then we will find out more deeply and widely on how to create values for customer in small companies.

Plus, the authors only focus on Chinese business market, and the relations in China may be more or less different from other developing countries. Therefore, it is an interesting topic if the future research compares the different influencing factors among different countries in the case of how to create values for customer.
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Appendix: Semi-structured interview guide

Topic: The main factors which influence Chinese small business firm to create value for the customers.

Purpose of the interview: The main purpose of the interview is to find out the factors which affect small business firm to create value for the customers, based on the experience of case company.

Frame conditions: The following questions will be used only for intended study. The confidentiality is guaranteed which means that no company names or any other personal data will appear in the analysis.

Basic information

The basic information here will be just known by the interviewers (authors of the thesis), will not appear in the article.
1. Can you write down the name and website of your company?
2. What is your role/title on the company?
3. Do you wish you and/or your company is treated confidentially in this study?

A. Strategic goals & customer orientation

1). Do you have clear goals of managing customer relationship? What are they?
2). How do you identify target markets?
3). How do you research customer needs in these target markets?

B. CRM process

Firm resources
1). Do you have abundant firm resources, such as assets, capabilities, organizational processes, information and knowledge?
2). How do you organize resources to meet customer needs?

Management of customer relationships
1). Which kinds of efforts do you put in managing customer relationships?
2). Do you have customer data base? How do you manage it?
3). Do you have customer contact point?
4). How do you interact with your customers?
5). How do you manage relationships with your customers?
6). You have different levels of customers. Do you take any actions to distinguish some “best” customers? How to do it?
**Customer-company exchange process**
1). Which kinds of products and/or services do you offer to your customers?
2). How do you assess the quality of your offering products and/or services?
3). Do you have any special services provide for your customers to outperform other companies?
4). In your opinion, what kinds of value offering through the customers can you gain?

**People-related components**
1). How do you motivate your employees?
2). How make your staff to involve in creating values for customers?

**C. Measurement of CRM**

**Trust**
1). How do you measure your relationships with your customers? Do you have some consistent measures?
2). Are there any disagreement between you and your customers?
3). How much time do you spend in reaching agreement with your customers, a long time or less time?

**Commitment**
1). Do you willing to make short-term sacrifices to maintain a relationship with your customers?
2). Do your customers have the same values with you in behaviors, goals?
3). Which kinds of superior benefits can you provide for your customers?
4). In general, do your customers have long-term promises with you?

**Communication**
1). How do you solve conflicts with your customers?
2). How do you communicate with your customers?

**D. Relationship Performance**

**Customer satisfaction**
1). How do you improve customer satisfaction?
2). If the customer dissatisfied with your products and/or services, which kinds of actions do you take to appease?

**Customer loyalty**
1). How do you create loyalty customers?

**Customer retention**
1). How do you retain your customers?