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A Study on CRM Practices and Customer Satisfaction in Services Sector in India

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ABSTRACT

Customer relationship and Customer Relationship Management are in forefront of recent business arena gaining prominence in management profession. Since long businessmen and academicians relied on relationships for their success. However modern markets started taking a fashion recently. Along with developments in business to business and services marketing, the emphasis on the need to develop long term relationships with customers to retain, resell and attract new customers from them through these relationships are given importance. With this approach many organizations started paying attention and spent lot of money on CRM and customer relationship programs. However the results were not as expected. Rather many of them failed. Many studies were conducted on this and various reasons were found & solutions suggested. This created a need to look back on expected advantages from CRM and customer relationships by organizations. In this context, the real advantages of customer relationships and their management i.e., CRM practices and their expected advantages like customer satisfaction, customer loyalty, repurchases and positive references are required to be studied further. Studies are needed to be made not only from organizations (strategic and functional) point of view but also from customer's point of view, as they are the ones who make the organization's expectations fulfilled. The present research study makes an attempt to explore these areas.

1. INTRODUCTION

In the business environment CRM is a known concept and every entrepreneur and executive of any organization cannot afford to ignore this aspect for business sustenance and growth. The influence of aspects like increasing demands of sophisticated customers, shortened product life cycles and improvements in production/processing capacities elevated more aggressive environment that companies operate. This has become more important to service sectors where companies must address intangible products. Determining these tremendous challenges, service organizations seek to provide valuable services to their customers. As companies' business strategies become more customer oriented with evolution of mass customization and personalized services, information technologies are also used to serve customers. Rapid advances in information and communication technologies provide greater opportunities for the companies to establish nurture and sustain long term relationships with their customers than before. Their main objective is to convert these relationships into profitability by reducing acquisition costs and increase repeat purchases. Olef Walberg et.al (2009) researched that CRM received increased attention amongst practitioners and academia during the last two decades and it is common that any new management or marketing philosophy receives its own share of confusion, misunderstanding and myths. CRM is no exception. Even then it is considered as a powerful strategy to increase

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profitability of organizations and a lot of investments are made on it by several organizations. Companies knew that they need to invest in CRM for the better understanding of customers and respond quickly to their demand. Therefore the ultimate aim of CRM is to transform relationships into increased profitability by reducing cost of customer acquisition and increase repeat purchases.

2. STATEMENT OF THE PROBLEM

CRM received a great attention in recent business scenario. However it is considered as a tool or software solution to a great extent and implemented. This resulted in high failure rates against its expectations. This made companies to have a look back on CRM as concept and as a software solution. Studies are required to clarify the importance of CRM as a concept and as a necessary factor which adds to service quality from customers' point of view along with organizations point of view.

3. NEED FOR THE STUDY

As stated in the introduction CRM is a concept rather than a software solution. This should be first understood buy users and also the makers of CRM software solutions. The reason is considering it in such a way created a lot of unnecessary hype and criticism in spite of being a powerful and useful concept. In this journey the actual purpose of CRM to be used by organizations and the solutions it has been really providing should be looked upon. Even then, the need to have a clear understanding of the role CRM practices can play in the organizations to support and improve the businesses still exists. As many studies revealed, it is neither completely outdated nor is too important that it is the only one which can make companies survive in business environment. Studies also reveal that organizations considered CRM as an effective tool/concept from their view and thought on requirements of customers but actual customer's perceptions on CRM and its practices were not properly made. The basis for such gaps were identified from the literatures studied. A study regarding this analysis or point of view would enhance a clear role of CRM and its practices in the present business scenario and future as well.

Not only this but as the growth of telecom sector is highly rising with faster pace, a study of this sector is made with a view that this sector can almost represent all other service sector's perceptions. It was also expressed by the experts in review meetings that a study in a single sector is better than broad study of all service sectors. Now days it can be confidently said and understood that no service sector is independent barring a touch of telecommunications service usage.

4. OBJECTIVES OF THE STUDY

- To identify the scope of CRM practices as core competency in relation to customer preferences & purchase decisions.
- To identify whether CRM is one of the key factors affecting the purchase decision process.
- To understand the impact of CRM practices as competitive advantage on market share and volume of sales.

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5. PERIOD OF THE STUDY

A time period of about four and half months from middle of February to June 2017 was spent to collect the data.

DATA COLLECTION

Both primary and secondary data was collected for this study. The major source of data collection is Primary data for this study. Primary has been collected from relevant questionnaire and the secondary data has been collected for newspapers, journals and published articles and relevant books which is appropriated to the topic.

DATA ANALYSIS TOOLS

The collected data was analyzed using chi-square analysis. Hypotheses were framed for overall analysis and sub analysis for demographics are made for all the three categories of questionnaires. Using chi-square analysis acceptance and rejection of hypotheses were shown.

6. LIMITATIONS OF THE STUDY

The study is confined only to the study of effectiveness of CRM practices on customer satisfaction leading to loyalty, their intensions to retain, repurchase and reference to others & perceptions of their frequent contact people i.e., employees of telecom companies and dealer's opinions on customers responses.

The study is also confined to the limited area of two districts of Chennai and Kanchipuram only. The generalizations of findings are confined to these limitations as it was felt that people behaviors and responses are generally similar irrespective of geographical arena in a country.

PEARSON CHI-SQUARE TEST OF DEMOGRAPHIC ANALYSIS OF RELATIONS WITH NETWORK PROVIDER AND REASONABLE PRICE

DEMOGRAPHIC VARIABLE	VALUE	DF	ASYMP.SIG (2-SIDED)
Gender	5.164	4	0.271
Age	23.014	20	0.288
Marital Status	9.176	4	0.057
Education	17.050	24	0.847
Profession	44.930	36	0.146

TABLE NO 1

H_o1: There is no significant association between gender, age, marital status, education & profession and reasonable price - **Accepted.**

Since the significance values 0.271, 0.288, 0.057 0.847, 0.146 all are greater than 0.05, hypotheses $H_o2.1$ is accepted. The results implied that there is no significant association between gender, age, education, and profession and reasonable price.

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PEARSON CHI-SQUARE TEST OF DEMOGRAPHIC ANALYSIS OF RELATIONS WITH NETWORK PROVIDER AND AVAILABILITY AT CONVENIENCE

DEMOGRAPHIC VARIABLE	VALUE	DF	ASYMP.G(2-SIDED)
Gender	0.880	4	0.927
Age	14.638	20	0.797
Marital Status	1.023	4	0.906
Education	26.212	24	0.342
Profession	34.836	36	0.342

TABLE NO 2

H_o2: There is no significant association between gender, age, marital status, education, profession and availability at convenience- **Accepted.**

Since the significance values 0.927, 0.797, 0.906, 0.342 & 0.342 are greater than 0.05 the hypothesis H_o2 for all the demographic factors is accepted. The results implied that there is no significant association between gender, age, marital status, education & profession and availability at convenience.

PEARSON CHI-SQUARE TEST OF DEMOGRAPHIC ANALYSIS OF RELATIONS WITH NETWORK PROVIDER AND GOOD CUSTOMER RELATIONS

DEMOGRAPHIC VARIABLE	VALUE	DF	ASYMP.G (2-SIDED)
Gender	2.319	4	0.710
Age	17.232	20	0.638
Marital Status	10.031	4	0.040
Education	44.089	24	0.007
Profession	40.146	36	0.292

TABLE NO 3

$H_o3.1$: There is no significant association between gender, age, profession and good customer relations - **Accepted.**

$H_o3.2$: There is no significant association between marital status, education and good customer relations - **Rejected.**

Since the significance values 0.710, 0.638 & 0.292>0.05 the hypothesis $H_o3.1$ is accepted and as the significance values 0.040, 0.007<0 hypothesis $H_o3.2$ is rejected. The results implied that there is no significant association between good customer relations and gender, age, and profession whereas there is significant association between marital status, education and good customer relations.

7. CONCLUSIONS AND RECOMMENDATIONS

CRM received increased attention amongst practitioners and academia during the last decades. Research on Customer relationships and Customer relationship managements are gaining prominence in recent years. Many organizations paid attention and spent lots of money

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in CRM and customer relationship programs but however the results were not satisfactory. Rather many of them failed to meet their expectations. As a result the real value of CRM and customer relationships and their expected advantages like customer satisfaction, loyalty, repurchases and positive references are required to be studied once more. Many articles and research papers were reviewed before proceeding to the present research study (around 43 were shown in final thesis) and some gaps were identified. Almost all the studies included organizations, experts and strategists point of view on how to attain good results from CRM practices and attaining customer satisfaction. Studies also reveal that organizations considered CRM as an effective tool/concept from their view and thought on requirements of customers but actual customer's perceptions on CRM and its practices were not effectively made. This created the need for present study which preferred to pay more attention on customers' perception and feedback and their real behaviors (with reference to relationships) and also by seeking opinions from people who have direct contact with customers. Majority of Executive's also perceived and strongly agreed that maintenance of CRM is advantageous to their company. If the company does not maintain good relationships it can't have same level of demand. Their perception's analysis also indicated that CRM is effective but not to the extent of retaining customers, their repurchases and positive references.

In the present study it was found and concluded that customers care for relationships but only to certain extent and to that extent they expect relations compulsorily which affect their businesses in terms of satisfaction and repurchases. Therefore CRM practitioners of the telecom sector must understand this extent of this compulsory relationships expected by their customers maintain accordingly. Too much or too less relations may harm the customers retaining extent. Care must be taken accordingly.

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