Chapter 6
CHAPTER- 6
FINDINGS AND RECOMMENDATIONS

In this chapter, the major findings of the study are given in first instance. In the next part of the chapter, some recommendations are made on the basis of the study. At the end, the limitations of the study and scope for further analysis in this area are given.

6.1 Major Findings

1) India’s CRM market, which includes on-premise and cloud based offerings, currently stands strong with revenues worth over USD 111 million (R.S 6,431,140,000) in 2011 and is likely to grow to USD 179 million (R.S 10,370,900,000) by 2014, demonstrating a compounded annual growth rate of 17.4 per cent, according to a recent report from Gartner, a leading business intelligence and research firm.

2) For the survey, Total 106 valid responses were received. Out of these 106 companies, the companies belonging to Tourism Industry were 18 (17%), the Banking Industry were 10 (9.4%), the Pharmaceuticals Industry were 5 (4.7 %), the Engineering Industry were 6 (5.7 %), the Insurance Industry were 10 (9.4 %), the Telecommunication Industry were 5 (4.7 %), the Airlines Industry were 5 (4.7 %), the Financial services Industry were 13 (12.3 %), the Information Technology Industry were 14 (13.2 %), the Others Industries were 20 (18.9 %).
3) For the reason of implementing the CRM Software, the reason ‘To improve the satisfaction and loyalty level of the consumer’ was given the first priority by the respondents. Also ‘To improve the relationship between the consumer and the organization’ and ‘To improve the services to the customers’ were given the second and third priority respectively. However, industry-wise analysis suggested that ‘To improve the satisfaction and loyalty level of the consumer’ was given the first priority by the Tourism, Banking, Pharmaceutical, Engineering, Insurance, Telecommunication, Airlines, Information Technology, but the Financial Services considered ‘To improve the relationship between the consumer and the organization’ as the first ranking reason for implementing the CRM Software.

4) Factor Analysis was carried out to understand the common perceptions of the organizations towards the CRM Software, total eight factors were obtained, they are:

   a) The companies appear to associate the CRM software with ‘Marketing Efficiency’.

   b) The companies appear to associate the CRM software with ‘Increased customer knowledge’ and ‘Benefits to the customers’.

   c) The companies appear to associate the CRM software with ‘Helping in Goal Achievement’.
d) The companies appear to associate the CRM software with ‘Customer Satisfaction’.

e) The companies appear to associate the CRM software with ‘Time Effectiveness’ and ‘Decision Making’.

f) The companies appear to associate the CRM software with ‘Myth among CRM users’.

g) The companies appear to associate the CRM software with ‘Guidelines for better CRM software usage’.

h) The companies DO NOT appear to associate ‘CRM software has improved your company efficiency of communication with the clients’ with the CRM software very emphatically.

5) Least Significant Difference (LSD) multiple comparison tests was carried out to make the pair-wise comparison between the means of five different industries which have the highest number of response viz. Tourism, Banking, Insurance, Financial Service and Information Technology.

6) Average value of the responses of all organizations to the Statement ‘The CRM software has helped to increase customer satisfaction’ was 4.19 on a 5 point Likert Scale with standard deviation of 0.754. Thus, the response was very positive. No significant difference was found to reject the null hypothesis at 95 percent confidence level for the pair-wise comparisons between the means of all types of industries. This showed that all the five types of industries viz. Tourism, Financial Services, Banking, Insurance and
Information Technology equally believed that ‘The CRM software has helped to increase customer satisfaction’.

7) Average value of the responses of all organizations to the Statement ‘The CRM software provides customer information for all employees for better service to the customers’ was 3.92 on a 5 point Likert Scale with standard deviation of 0.885. Thus, the response was positive. No significant difference was found to reject the null hypothesis at 95 percent confidence level for the pair-wise comparisons between the means of Tourism and Financial Services industries, Tourism and Banking industries, Tourism and Insurance industries, but there were a significant difference between the means of Information Technology and the other four industries (Tourism, Financial Services, Banking, and Insurance). This showed that Tourism, Financial Services, Banking and Insurance industries believed that ‘The CRM software has helped to increase customer satisfaction’. However, it was not the case between Information Technology and the other four industries.

8) Average value of the responses of all organizations to the Statement ‘CRM software has helped your company to improve its marketing efficiency’ was 3.83 on a 5 point Likert Scale with standard deviation of 0.798. Thus, the response was positive. No significant difference was found to reject the null hypothesis at 95 percent confidence level for the pair-wise comparisons between the means of all
types of industries. This showed that all the five types of industries viz. Tourism, Financial Services, Banking, Insurance and Information Technology equally believed that ‘CRM software has helped your company to improve its marketing efficiency’

9) Average value of the responses of all organizations to the Statement ‘CRM software has reduced the search time for customer information’ was 4.08 on a 5 point Likert Scale with standard deviation of 0.841. Thus, the response was positive. No significant difference was found to reject the null hypothesis at 95 percent confidence level for the pair-wise comparisons between the means of all types of industries. This showed that all the five types of industries viz. Tourism, Financial Services, Banking, Insurance and Information Technology equally believed that ‘CRM software has reduced the search time for customer information’

10) Average value of the responses of all organizations to the Statement ‘The cost of CRM implementing was high’ was 3.24 on a 5 point Likert Scale with standard deviation of 1.184. Thus, the response was positive. No significant difference was found to reject the null hypothesis at 95 percent confidence level for the pair-wise comparisons between the means of all types of industries. This showed that all the five types of industries viz. Tourism, Financial Services, Banking, Insurance and Information Technology
equally believed that ‘CRM software has reduced the search time for customer information’.

11) Average value of the responses of all organizations to the Statement ‘The CRM software had led to reduction in customer complaints’ was 3.63 on a 5 point Likert Scale with standard deviation of 0.989. Thus, the response was positive. No significant difference was found to reject the null hypothesis at 95 percent confidence level for the pair-wise comparisons between the means of Tourism and Financial Services industries, Tourism and Banking industries, Tourism and Insurance industries, Tourism and Information Technology, Banking and Insurance, Banking and Financial Services, Banking and Information Technology, Insurance and Information Technology industries, but there were a significant difference between the means of Financial Services and Information Technology industries and Financial and Insurance industries. This showed that Tourism, and Banking industries equally believed that ‘The CRM software had led to reduction in customer complaints’. However, it was not the case between Information Technology, Insurance and Financial Services industries.

12) Average value of the responses of all organizations to the Statement ‘The cost of CRM implementing was high’ was 3.24 on a 5 point Likert Scale with standard deviation of 1.184. Thus, the response was positive. No significant difference was found to reject the null hypothesis at 95 percent confidence level for the pair-wise comparisons
between the means of all types of industries. This showed that all the five types of industries viz. Tourism, Financial Services, Banking, Insurance and Information Technology equally believed that ‘The cost of CRM implementing was high’.

13) Average value of the responses of all organizations to the Statement ‘The CRM software helps in information distribution between the company departments’ was 3.98 on a 5 point Likert Scale with standard deviation of 0.730. Thus, the response was positive. No significant difference was found to reject the null hypothesis at 95 percent confidence level for the pair-wise comparisons between the means of Tourism and Financial Services industries, Tourism and Insurance industries, Tourism and Information Technology, Banking and Insurance, Banking and Financial Services, Banking and Information Technology, Insurance and Information Technology industries, Insurance and banking industries, Insurance and Financial Services industries, Insurance and Information Technology industries, but there were a significant difference between the means of Tourism and Banking industries.. This showed that Financial Services, Insurance and Information technology industries believed that ‘The CRM software helps in information distribution between the company departments’. However, it was not the case between Tourism and banking the other four industries.
14) Average value of the responses of all organizations to the statement ‘The CRM software gain visibility into staff and business performance to make timely decisions’ was 3.84 on a 5 point Likert Scale with standard deviation of 0.958. Thus, the response was positive. No significant difference was found to reject the null hypothesis at 95 percent confidence level for the pair-wise comparisons between the means of all types of industries. This showed that all the five types of industries viz. Tourism, Financial Services, Banking, Insurance and Information Technology equally believed that ‘The cost of CRM implementing was high’.

15) Average value of the responses of all organizations to the statement ‘CRM software has improved increased your company efficiency of communication with the clients’ was 3.99 on a 5 point Likert Scale with standard deviation of .762. Thus, the response was positive. No significant difference was found to reject the null hypothesis at 95 percent confidence level for the pair-wise comparisons between the means of all types of industries. This showed that all the five types of industries viz. Tourism, Financial Services, Banking, Insurance and Information Technology equally believed that ‘CRM software has improved increased your company efficiency of communication with the clients’.

16) Cluster Analysis was carried out to segment the industries towards the CRM Software. Two clusters had emerged from this analysis:
• **Cluster 1**: This group doesn’t agree that the CRM software improved the services to their customers; also they don’t agree the software speedup the process between the departments and will not lead to achieve the company goals. They didn’t seem to hold any view (undecided or indifferent) on a number of topics as well.

• **Cluster 2**: This group is optimistic because they believe CRM software had improved their business in different aspects as in service to customers and in distribution the customer information among different departments and enhance their marketing strategy.

17) Oracle database is used by the most of CRM Software users.

18) Personal meeting have been considered as the best method to collect the customer data by the CRM Software users.

19) The higher requirement for the CRM Software users for their database is to have the Customer Contact.

20) Telephone calls are considered to be the most acceptable method to communicate with the customers by the CRM Software users.

21) More than 70 % companies share their CRM Software between their departments.

22) In general, the companies had agreed that the CRM Software reports enhance their services to their customers.
23) Almost all companies agreed that the CRM Software reports speedup the process for all their departments which in turn improved the services to the customers.

24) In general, the companies didn’t consider the CRM Software as a costly affair.

25) The companies opined that the CRM Software cost was the highest cost component of the software which was followed by the training cost.

26) Companies are considering the Customer Service as the most important aspect which they feel it improves while using the CRM Software.

6.2 Recommendations

1) Customer Relationship Management (CRM) is a new technology which enables large companies to be more customers oriented, because they have faster access to the data of their clients it’s not a tool to generate profit and probably it makes the customers loyal to the company, hence companies should understand the purpose of implementing CRM software, because if they want it to generate profit then they will fail after implementing it, but if they want it to enhance the services to the customers then it will be the best tool to use it.

2) Customer Relationship Management (CRM) literature shows different success factors like customer, financial and others. For this purpose, companies should implement the CRM software first then they can identify the success factors for it,
because all CRM success definitions can only measured when working CRM software is in place.

3) Implementation of CRM software in any business includes many risk factors and a great potential for failure. Many businesses follow the strategy to solve problems instead of avoiding them. Therefore the companies should be aware of the issues that have to be handled before a CRM implementation can begin.

4) Some personal discussion in very few organization revealed that the implementation of the CRM software, because of trying to improve the relationship between the consumer and the organization and to improve the satisfaction and loyalty level of the consumers. Therefore the companies should have a clear vision of the purpose of implementing the software.

5) To ensure successful adoption and use of the CRM software it’s important to understand the true need for the software, assess the requirement and have a shared company vision that permeates the whole company.

6) Goals of the company strategy have the ability to serve as guidelines in CRM software use and when they are perceived as important to fulfill, they will enhance motivation. For this purpose a clear goals setting for the users of the software will help them to know what achievements to strive for and what is expected from them.

7) At the moment when the decision is made to implement CRM software the top managers of the company have to commit themselves to it and support it all the times. This is
important when the daily business takes up a lot of their time or difficult situations appear. Everybody in the company has to be aware that CRM is not just another project, but that it is a very central one to the company requires a strong management attention. This commitment has to penetrate the complete company, especially to align lower management. There should be no doubt that CRM is important and that it has first priority for everybody who gets involved. In addition, they have to show this commitment by being a member of the steering committee to supervise the CRM progress and intervene whenever necessary. This way they stay informed and do not lose control.

8) It is important to adopt CRM that is appropriate to a company’s strategy and organization. According to the business consultants Michael Treacy and Fred Wiersema\textsuperscript{149}, there are “three value disciplines, [which refer] to the desirable ways in which companies can combine operating models and value propositions to be the best in their market.”

The first is “Operational Excellence,” which means “providing customers with reliable products or services at competitive prices, delivered with minimal difficulty or inconvenience.” The second is “Product Leadership,” which means “providing products that continually redefine the state of the art.” And the third is “Customer Intimacy,” which means not delivering “what the market wants, but what a specific customer wants.” Companies with these qualities should cultivate relationships with their customers, and they will be optimal candidates for

\textsuperscript{149} Michael Treacy and Fred Wiersema, \textit{The Discipline of Market Leaders} (Cambridge, MA: Perseus, 1995)
implementing CRM. Even if a company chooses “Operational Excellence” or “Product Leadership,” it should maintain threshold standards on other dimensions of value. That is to say, these companies can also take advantage of CRM.

6.3 Limitations of the study:
Because of the security for the marketing strategy, almost all companies were not willing to give details about their CRM software, because they were afraid that their competitors will know about it. However after convincing them that it will be used in the academic purpose and their companies name will not be mentioned, however then they agreed with a condition to receive a copy of the final report.

6.4 Suggestion for further Research:

Further research work can be carried out on the following topics:-
1) The impact of CRM on service companies especially banks.

2) The measurement of the impact of CRM on service companies.

3) The performance of CRM.


5) Study the effect price has versus loyalty in B2B.

6) Researching how loyalty can be evaluated in a way which makes it a more reliable measurement.

7) Study how company culture can influence customer relations.