CHAPTER-3

REVIEW OF LITERATURE

A number of studies have been undertaken in India and abroad in the domain of CRM. This chapter contains a brief review of some studies covering various sectors of economy, particularly the service sector, bearing direct or indirect relevance to the present study. Besides the studies conducted in telecom sector, studies related to CRM in the context of other service sectors such as banking, retailing, insurance and hospitality have also been reviewed.

Sujan et al (1986) have suggested that prior expectations about salespeople affect how consumers process information in a selling situation. Thought listing and recall data provide additional support for the notion that analytical processing of information occurs only when the salesperson is discrepant from expectations. This principle of a typical salesperson has been tested empirically by manipulating two factors, degree of match (match/mismatch) to the typical salesperson in a product category and strength (strong/weak) of the product arguments. The findings show that prior notions of consumers about typical salespeople may be crucial for comprehending the process of selling encounters. The study as a whole suggests that subjects engage in more systematic or analytical processing when the salesperson encountered is discrepant from the salesperson schema in memory.

Reingen and Kernan (1986) have suggested that many marketers – particularly those in the service sector – depend on word of mouth (WOM) for referrals. The traditional sample survey methodology used in previous WOM research does not explicate the interpersonal nature of informal communication. The authors have proposed network analysis as an alternative method for research on referral behavior. Sampling, data-gathering, and analytic aspects of referral network analysis have been described in general terms. A case study has been illustrated which, in addition to yielding interesting descriptive information about a service marketer’s referral network, presents a test of the strength-of-ties hypothesis in influencing referral flows. The study concludes that network study is difficult and time consuming, but the patience and cost invested in it can yield remarkable insights.
The confirmation/disconfirmation paradigm is widely accepted as a view of the process by which consumers develop feelings of satisfaction or dissatisfaction. Cadotte et al (1987) have compared disconfirmation models of consumer satisfaction employing three alternative standards of performance. Causal modeling techniques have been employed for the comparison. Pre- and post-measures have been obtained from subjects in three different use situations. The disconfirmation paradigm has been supported. The analysis has suggested that best brand norm and product norm are additional standards used for evaluating focal brand performance.

Crosby and Stephens (1987) have suggested that complex, highly intangible services such as life insurance consist largely of credence properties. Insurance providers engage in relationship-building activities that emphasize buyer-seller interaction and communication. Economists contend consumers are prone to make quality generalizations based on the strength of these relationships. The authors have reported contrary results suggesting that, though relationship marketing adds value to the service package, it is not a substitute for having a strong, up-to-date core service. Household heads, aged 25 through 44, have been chosen from a nationally representative consumer panel. Satisfaction has been measured for the three dimensions in the model, namely, contact person, core service, and institution. The study has concluded that simplified interpretations of relationship effects should be abandoned in favor of better models of relationship development and value determination.

Fornell and Wernerfelt (1987) have developed an economic model of defensive marketing strategy for complaint management on the basis of Hirschman’s exit-voice theory. Though many firms strive to reduce the number of customer complaints about their products, this objective is found to be questionable. Instead, analysis suggests complaints from unsatisfied customers should be maximized subject to certain cost restrictions. The authors have shown that defensive marketing (e.g., complaint management) can lower the total marketing expenditure by substantially reducing the cost of offensive marketing (e.g. advertising). The savings in offensive marketing are often high enough to offset the additional costs associated with compensating complaining customers, even if compensation exceeds the product’s profit margin. In conclusion, empirical evidence suggests that an unsatisfied customer, once persuaded to stay, is more loyal and thus more valuable than before. Generous complaint management is likely to generate
positive consumer word-of-mouth communications, and consumer complaints can be useful sources of design ideas and quality control.

Parasuraman et al (1988) have described the development of a 22-item instrument, called SERVQUAL, for assessing customer perceptions of service quality in service and retailing organizations. The paper includes conceptualization of the service quality construct, and the procedures used in constructing and refining a multiple-item scale to measure the construct. Evidence of the scale's reliability, factor structure, and validity on the basis of analyzing data from four independent samples has also been presented. The paper concludes with a discussion of potential applications of the scale. Intensifying competition and rapid deregulation have led many service and retail businesses to seek profitable ways to differentiate themselves. Delivering superior service quality appears to be a prerequisite for success, if not survival, of such businesses in the 1980s and beyond. In the absence of objective measures, an appropriate approach for assessing the quality of a firm's service is to measure the consumers' perceptions of quality. The paper has been divided into five sections. The first section of the paper delimits the domain of the service quality construct and describes the generation of scale items. The second section presents the data-collection and scale-purification procedures, while the third section provides an evaluation of the scale's reliability and factor structure. The next section deals with assessment of the scale's validity. The final section discusses potential applications of the scale.

Tse and Wilton (1988) have extended customer satisfaction literature by theoretically and empirically examining the effect of perceived performance. They have investigated how alternative conceptualizations of comparison standards and disconfirmation capture the satisfaction formation process. The authors have explored possible multiple comparison processes in satisfaction formation. The propositions have been tested with the help of a 2-expectation by 2-product factorial experiment, that explicitly allowed for measurement and estimation of alternative model specifications. The study provides strong theoretical and empirical support for extending the expectation and disconfirmation model of consumer satisfaction/dissatisfaction, namely, CS/D.
Bhattacharyay (1990) has investigated the customer service in Indian Banks using data from two field surveys conducted by the National Institute of Bank Management in the years 1974 and 1984. The test of hypothesis in this study involved the comparison of the 1974 data with the 1984 data. The study has confined itself to data on Bombay city based on a sample of 603 customers. The services rendered by commercial banks have been divided into two categories, the traditional and non-traditional services. The 1974 survey was confined to Mumbai where 90 branches were selected from 22 commercial banks out of 700 scheduled commercial banks. The 1984 survey was conducted in 12 cities and 8 state capitals using a combination of mailed questionnaires and interview schedules. The study has concluded, that an unqualified assertion that customer services have deteriorated in the banking industry in the post nationalization phase, is empirically untenable. Another conclusion is that the banking industry has become increasingly aware of its own limitations and has taken several measures to become more customer-oriented.

Hartline and Ferrell (1996) have developed and tested a model of service employee management that examines constructs simultaneously across three interfaces of the service delivery process: manager-employee, employee-role, and employee-customer. The authors have examined the attitudinal and behavioral responses of customer-contact employees that can influence customers’ perceptions of service quality, the relationships among these responses, and three formal managerial control mechanisms (empowerment, behavior-based employee evaluation, and management commitment to service quality). The findings have indicated that managers who are committed to service quality are more likely to empower their employees and use behavior-based evaluation. However, the use of empowerment has both positive and negative consequences in the management of contact employees. The authors have observed that some of the negative consequences are mitigated by the positive effects of behavior-based employee evaluation. To increase customers’ perceptions of service quality, managers must improve employees’ self-efficacy and job satisfaction, and reduce employees’ role conflict and ambiguity.

Basant and Chandra (1997) have attempted to develop a methodology for assessing the technological capabilities and needs of the telecom sector in India. Their study has made a case for strategic policy interventions to build adequate domestic capabilities in this crucial sector with significant externalities. The authors have developed a model for mapping technological
capabilities. They have argued that policy initiatives need to be based on these considerations. In conclusion, the authors have raised several technology-related issues that will affect the development of telecom infrastructure in the country and the ability of the nation to take advantage of such technologies in becoming globally competitive.

Sinha (1997) has reviewed the emerging competitive structure of the Indian telecom sector and identifies the constraints within which the private sector is expected to operate. The paper has discussed issues related to interconnection cost and quantity. It has also looked at regulation of tariffs in the context of cross-subsidies in the existing tariff structure. The paper has concluded that the future structure of Department of Telecommunications (DOT) will have implications for its modernization of technologies, response time in decision-making, capacity to raise resources from financial markets, service quality improvement, degree of commercial orientation, attitude of employees, ability to retain skilled personnel and the extent of revenue leakage.

Saxena (1997) has given an overall perspective of the telecom sector in India – the existing situation, growth in urban and rural areas, development strategies, and the future growth – indicating that the deployment of resources in this sector has been abysmally low. The author has discussed various instruments for financing this sector and has suggested a mix of equity participation and debt for future growth. It has been concluded that the emerging market investors are quite bullish about the telecom sector and that the domestic debt market is also quite favorable for being tapped for future growth of this sector.

Manikutty (1997) has identified issues regarding estimation of demand for telephone connections and services and has drawn implications for the government including the role of TRAI. The study was carried out in two cities of Gujarat, namely, Ahmedabad and Mehsana. The study was addressed to three customer segments – individual consumers, small businessmen and self-employed professionals, and corporate houses. A total of 302 individuals were interviewed through a structured questionnaire. The three corporate houses selected were all from Ahmedabad, namely Mudra Communications Ltd., Arvind Mills Ltd., and Core Healthcare Ltd. In each of the corporate house, about 25 executives were interviewed. This study was not designed to provide any clear-cut answers to any of the questions involving policy but it does point to certain issues which need to be addressed through a series of further studies. The study
has identified issues regarding estimation of demand for telephone connections and services. The study has identified provision related, usage related, and service related issues in its conclusion. The provision related issues, which have been identified, are dependence of booking patterns on tariffs and waiting periods, demand estimation, encouragement of private exchanges, and rules for release of OYT (Own Your Telephone) and Non-OYT lines. The usage related issues, identified in the study, are charging for local calls based on the duration of call, and sensitivity of demand to tariffs. The service related issues which have been brought out are satisfaction levels, replacement of voice by Fax and E-mail, policy of releasing and charging for special lines, and role of TRAI (Telecom Regulatory Authority of India) in setting standards of services.

Jain (1997) has focused on the proposed structure, scope and functions of TRAI in the context of some of the critical issues facing the Indian telecom sector and has analyzed its role in addressing these issues. The study has concluded that there is an urgent need for TRAI to initiate studies and debates on mechanisms to handle contentious issues such as technology choices, mechanisms for private participation, and decision-making processes.

Aurora and Malhotra (1997) have carried out a comparative analysis of the satisfaction level of public and private sector bank customers. The objective of their study was to help the bank managements to formulate marketing strategies to lure customers towards them and hence increase customer base. In the study, factor analysis technique has been used to determine factors representing satisfaction/dissatisfaction of bank customers. The study has summarized that the six factors determining satisfaction of public sector bank customers are Routine operations factor, Price factor, Situational factor, Environmental factor, Technology factor and Interactive factor. Similarly, for private sector bank customers, the seven factors identified were Staff factor, Routine Operations factor, Service factor, Environmental factor, Interactive factor, Promotional factor and Situational factor.

Tax et al (1998) have observed that a majority of complaining customers surveyed by them were dissatisfied with recent complaint handling experiences. Employees from local or national office of four medium-to-large sized firms constituted the sampling frame. The firms included a telecom company, a health care insurer, a bank, and a provider of emergency services. Using justice theory, the authors have also demonstrated that customers evaluate complaint incidents in
terms of the outcome they receive, the procedures used to arrive at the outcomes, and the nature of the interpersonal treatment during the process. The authors have developed and tested competing hypotheses regarding the interplay between satisfaction with complaint handling and prior experience in shaping customer trust and commitment. A cross-sectional survey design was used to access respondents’ evaluations of their most recent service-related complaint, with the stipulation that it was lodged within the last six months. The results have shown that satisfaction with complaint handling has a direct impact on trust and commitment. Prior positive experiences mitigate, to a limited extent, the effects of poor complaint handling.

Gruen et al (2000) have conceptualized and empirically examined professional associations’ relationship-building efforts (core services performance, rewards for contributions, dissemination of organizational knowledge, member interdependence enhancement activities, and reliance on external membership requirements) that are theorized to enhance their membership’s commitment to the relationship as well as the membership’s relationship behaviors. Three components of commitment – affective, continuance, and normative – have been theorized to mediate differentially the correlation between the associations’ relationship-building efforts and their members. Confirmatory factor analysis validated the commitment measures. Structural equations analysis indicated that normative and affective commitment partially mediate the effects of selected relationship-building efforts on co production and member participation. Core services performance was found to be the only construct in the model affecting member retention.

Prahalad and Ramaswamy (2000) have reiterated that companies must incorporate customer experience into their business models – in ways hitherto untapped. In this paper, they look at the challenges and the customers as a source of competence. They have concluded that readying the organization for customer competence in the new economy will require a major overhaul of the traditional governance systems and organizational structures of the company. They have suggested that the new frontier for managers is to create the future by harnessing competence in an enhanced network that includes customers.

Banwet and Datta (2000) have investigated the quality of services offered to students in an institutional computer centre and have measured tangible and intangible aspects of service
quality, consumer satisfaction, and post-visit intentions. The effect of service quality on post-visit intentions has been examined in a causal-path framework. Their study has indicated that service performance generally lags behind user’s expectations. Tangible aspects of service performance have a stronger direct effect on post-visit intentions than intangible aspects. Satisfied users intended to revisit the computer centre and also advised others to visit it.

Shainesh and Mathur (2000) have identified the attributes which customers use to evaluate the quality of railway freight services and develop a comprehensive instrument, RAILQUAL that can be used by the railways for collecting feedback from customers. This research, though exploratory in nature, has helped identify 50 broad dimensions which may be used by customer in evaluating the quality of freight service. As a conclusion, the maxim that ‘customer knows the best’ has been reinforced.

Rengarajan (2000) has surveyed the global telecom industry which is seeing rapid changes with the advent of privatization and consolidation pressures worldwide. The researcher has observed that the telecom market is undergoing a paradigm shift and agile players that can capture and retain customer base would dominate the market. The market dynamics have changed with shift in potential from developed economies to developing economies. The study has concluded that decreasing growth rates and margins in the mature markets are likely to encourage existing global players to diversify further into newly de-regulated markets such as India. Another conclusion of the study is that tariffs are expected to fall and tend towards the cost of providing services, with the entry of global players into hitherto closed markets further accelerating the fall in tariffs.

Customer acquisition and retention are not independent processes. However, because of data limitations, customer management decisions are frequently based only on an analysis of acquired customers. Thomas (2001), in an analysis, has shown that these decisions can be biased and misleading. The basic premise of this research was that the customer acquisition process affects the customer retention process. The author has presented a modeling approach that estimates the length of a customer’s lifetime and adjusts for this bias. Using the model, the author has shown the financial impact of not accounting for the effect of acquisition on customer retention.
Ofir and Simonson (2001) have demonstrated that expecting to evaluate leads to less favorable quality and satisfaction evaluations and reduces customers’ willingness to purchase and recommend the evaluated services. The negative bias of expected evaluations was observed when actual quality was either low or high. It persisted even when buyers were told explicitly to consider both the positive and negative aspects. The authors have examined three possible explanations for this systematic bias, which are referred to as negativity enhancement, role expectation, and vigilant processing. Their findings are most consistent with the negativity enhancement account, indicating that unless buyers begin the evaluation task with low expectations, they tend to focus during consumption primarily on negative aspects of product/service quality.

Wulf et al (2001) have empirically cross-validated the underlying conceptual model in consumer relationships by studying six consumer samples in a three-country, transatlantic, comparative survey that has investigated two industries. This research study has investigated retailer-consumer relationships and has concluded that there are distinct intended contributions. (i) It has shown that different relationship marketing tactics have a differential impact on consumer perceptions of a retailer’s relationship investment; (ii) It has demonstrated that perceived relationship investment affects relationship quality, ultimately leading to behavioral loyalty; and (iii) It has revealed that the effect of a perceived relationship investment on relationship quality is contingent on a consumer’s product category involvement and proneness to engage in retail relationships. Relationship marketing tactics have been found to play a differential yet consistently positive role in affecting perceived relationship investment. An implication is that interpersonal communication proves to be a dominant determinant of perceived relationship investment, an observation that is sensible given that relationships are inherently social. Another implication for retailers is that they should not only invest more in consumer relationships but also pay equal attention to finding consumers who are most receptive to such investments.

Kharbanda and Dasgupta (2001) have analyzed the different areas in Customer Relationship Management where Data Mining can be applied to create value for both the customer and the organization. Their study has broken down data analysis into main broad categories – Definitive Analysis and Explorative Analysis. Three main Data Mining Activities, namely, Discovery,
Predictive Modeling and Forensic Analysis are brought out in the study. The authors have concluded that this study is an attempt to discuss some of the key areas of CRM where Data Mining can be used with great satisfaction.

Chatterjee and Prasad (2002) have outlined that it is imperative for engineering consultancy organizations to consider a comprehensive and innovative approach for doing business, with focus on customer orientation. Their paper addresses the salient items and issues of developing and implementing the concept of customer orientation in the context of engineering consultancy industry. The study, predominantly exploratory in nature, is based on primary as well as secondary data. Elements and characteristics of an effective customer orientation system have been reviewed through a literature survey, and these have been examined in a case study. Primary data has been collected from front-line customer contact employees, namely, construction engineers. They have concluded in their paper that customer orientation is a concept which should not be viewed in isolation and should be a key issue in formulation of business strategies. They have suggested that the selected organizations should make sure that their front-line employees are well motivated, trained, and customer-oriented.

Lemon et al (2002) have examined the influence of customer future-focused considerations, over and above the effects of satisfaction, on the customer’s decision to discontinue a service relationship. The empirical analysis was conducted on data collected from consumers of an interactive television entertainment service. The authors have concluded that expected future use and anticipated regret, influence the decision. Understanding and managing these future-focused considerations is critical to successful dynamic customer relationship management.

Wright and Stone (2002) have examined various issues raised by the idea of Customer Relationship Management (CRM) and how it has affected traditional views on marketing. It uses three case studies from European telecom companies to illustrate the points made, focusing on how information technology in the form of the Internet and business intelligence solutions have enabled large businesses to focus on the customer as well as on their products and sales levels. CRM is an attitude that needs to pervade the company, but it needs a solid foundation of knowledge of customers. This knowledge comes not only from customer-facing employees but also from the vast amounts of data collected by companies today. It is the technological
infrastructure that allows this knowledge to be distilled from data about customers and their interactions with the company. It facilitates better business decisions and encourages customer loyalty and retention. The study has concluded that companies that are having trouble with their CRM implementation should look carefully at why it failed, and what they can do to reduce the chances of failure next time. The researchers have suggested that it is important to consider where the company might have failed to address the factors most closely associated with CRM success, namely, people, processes and day-to-day customer management activity.

Verhoef (2003) has investigated the differential effects of customer relationship perceptions and relationship marketing instruments on customer retention and customer share development over time. Customer relationship perceptions are considered evaluations of relationship strength and a supplier’s offerings, and customer share development is the change in customer share between two periods. The results have shown that affective commitment and loyalty programs that provide economic incentives positively affect both customer retention and customer share development, whereas direct mailings influence customer share development. However, the effect of these variables is rather small, according to the study. The results have also indicated that firms can use the same strategies to affect both customer retention and customer share development.

Gustafsson et al (2004) have studied companies in the telecom industry which have introduced customer or loyalty clubs over a number of years. Customer clubs have been used as a loyalty-building measure following the deregulation of telecom markets in Europe. They were introduced as a strategic instrument intended to foster customer retention and to contribute to increased sales and profitability. These clubs are the most recognizable part of many CRM strategies. However, their short and long-term effects on loyalty are not obvious. The study has explored the effects of the customer club on customer relationships in telecom by presenting results from two qualitative studies, which are quantified and reported in terms of responses to the club. The results of this empirical study in a Swedish telecom company reveal that the majority of customer-club members do not perceive their membership as adding value or contributing to higher commitment and improved loyalty. Nevertheless, there are differences between non-members and members regarding their perceptions of the service provider. The target group of club members has significantly higher satisfaction with the company than the
The study focuses on how customers view a customer club and the effect this club has on the relationship with the service provider. The study has analyzed how customers in a Swedish telecom company perceive their customer-club membership, and has assessed the effect of membership on value, satisfaction and, ultimately, on loyalty.

Jain and Gupta (2004) have pointed out that SERVQUAL and SERVPERF are the two most widely advocated and applied service quality scales. As a gap or difference between customer expectations and perceptions, service quality is viewed as lying along a continuum ranging from ‘ideal quality’ to ‘totally unacceptable quality’. The SERVPERF scale discards the expectation component of service quality and instead focuses on service performance. The researchers have found in their study that the SERVPERF scale provides a more convergent explanation of service quality construct than the SERVQUAL scale. However, the SERVQUAL scale outperforms the SERVPERF scale by virtue of possessing higher diagnostic power to pinpoint areas for managerial interventions in the event of service quality shortfalls. The study uses the research methodology of data collection through a survey of customers of fast food restaurants in Delhi. Notwithstanding a number of researches undertaken in the field, it is not yet clear as to which one of the two scales is a better measure of service quality

Bowman and Narayandas (2004) has adapted the service-profit chain (SPC) framework to accommodate characteristics of business markets, specifically the complex decision-making unit, strategic supplier selection, and resource allocation at the individual customer level. They analyze, to some degree, why similar levels of customer management effort and/or performance can yield quite different customer profitability outcomes. The authors have presented an application that demonstrates how adaptation and extension of the SPC to business markets can provide vendors with (i) insights into the processes that culminates in individual customer profitability and (ii) useful guidelines for adapting their customer management efforts at the individual account level with an aim to improve account profitability. The results have shown the importance of accounting for decreasing returns to customer management effort at a given account, and they have reinforced the notion of customer delight.

Gupta et al (2004) have focused on the most critical aspect of a firm: its customers. Specifically, they demonstrate how valuing customers makes it feasible to value firms, including high-growth
firms with negative earnings. The authors have defined the value of a customer as the expected sum of discounted future earnings. They have demonstrated their valuation method by using publicly available data for five firms. They have found that a 1% improvement in retention, margin, or acquisition cost improves firm value by 5%, 1% and 0.1% respectively. They have concluded that a 1% improvement in retention has almost five times greater impact on firm value than a 1% change in discount rate or cost of capital. The results have shown that the linking of marketing concepts to shareholder value is both possible and insightful.

Hui et al (2004) have examined the interactive effect of process quality and outcome quality on service evaluation. In one experiment, respondents were asked to role-play a consumer whose experience in making a purchase of computers for his company was described in a written scenario. In the second experiment, respondents were asked to role-play the experience of a consumer in patronizing a computer repair service. The first experiment has shown that the interaction between the two types of quality follows a pattern predicted by two-factor theory. In contrast, the second experiment has demonstrated that when consumers feel uncertain about the service outcome prior to consumption, they will use process quality as a heuristic substitute in their assessment of the trustworthiness of the service provider. The study has concluded that the resulting interaction between the types of quality then follows a pattern predicted by fairness heuristic theory.

For both academics and practitioners, the dominant focus of customer relationship management has been customer retention. Thomas et al (2004) have observed that customer win-back should also be an important part of a customer relationship management strategy. Customer win-back focuses on the reinitiating and management of relationships with customers who have lapsed or defected from a firm. In some cases, firms engage in extensive efforts to reacquire lapsed customers or defectors. A common tactic is lowering the price to reacquire a customer. The study has gone beyond the reacquisition pricing strategy and has also examined the optimal pricing strategy when the customer has decided to reinitiate the relationship. By simultaneously modeling reacquisition and duration of the second tenure with the firm, the authors have determined that the optimal pricing strategy for their application involves a low reacquisition price and higher prices when customers have been reacquired. In addition to pricing strategy,
they have also discussed the implications of their findings for targeting lapsed customers for reacquisition.

Reinartz et al (2004) in a study have (i) conceptualized a construct of the CRM process and its dimensions, (ii) operationalized and validated the construct and (iii) empirically investigated the organizational performance consequences of implementing CRM processes. The research questions have been addressed in two cross-sectional studies across four different industries and three countries. The first key outcome is a theoretically sound CRM process measure that outlines three key stages: initiation, maintenance, and termination. The second key result is that the implementation of the CRM processes has a moderately positive association with both perceptual and objective company performance. The findings of this study have indicated that the implementation of the CRM processes is associated with better company performance in two of the three stages. The strongest effect is for relationship maintenance, followed by relationship initiation. The effects for relationship termination were either low or not significant. Another notable finding is that their data is partially consistent with existing evidence that a large proportion of CRM technology deployments do not perform to expectations. A conclusion is that successful implementation of a CRM program requires more than just technology; it requires a strong people-related component.

Venkatesan and Kumar (2004) have evaluated the usefulness of Customer Lifetime Value (CLV) as a metric for customer selection and marketing resources allocation. They have developed a dynamic framework that enables managers to maintain or improve customer relationships proactively through marketing contacts across various channels and to maximize CLV simultaneously. The authors have shown that marketing contacts across various channels influence CLV nonlinearly. Customers who are selected on the basis of their lifetime value provide higher profits in future periods than do customers selected on the basis of several other customer-based metrics. The analyses have suggested that there is potential for improved profits when managers design resource allocation rules that maximize CLV. The study has concluded that managers can use the authors’ framework to allocate marketing resources efficiently across customers and channels of communication.

Agustin and Singh (2005) have conceptualized and empirically examined the differential curvilinear effects of multiple determinants of loyalty intentions, including transactional
satisfaction, trust, and value for relational exchanges. The authors have conceptualized trust as a ‘motivator’, satisfaction as a ‘hygiene’ and value as a ‘bivalent’ factor in consumer loyalty mechanisms. Using consumer data on relational exchanges in two different service contexts – retail clothing and non-business airline travel – and accounting for different sources of error, namely, measurement, common method, and response style – the authors have empirically investigated the hypothesized mechanisms. The data supports the motivator, or the enhancing role of the trust, and the hygiene, or the maintaining role of satisfaction, on loyalty intentions in both contexts. Although the authors have also obtained consistent results for the influence of value, its role is assigned with a hygiene mechanism, not a bivalent mechanism. The authors have contributed to the study of loyalty antecedents by (i) theoretically proposing the nature and shape of the influence of different loyalty determinants, (ii) considering the simultaneous and differential effects of multiple determinants, and (iii) drawing implications from the results for theory and managerial practice.

Cao and Gruca (2005) have shown how to target prospects that are likely to respond to a marketing offer and also be approved for that offer. The authors have used data from a firm’s customer relationship management system. This approach increases the number of customers who are approved and reduces the number of applicants who may defect after being turned down. The authors have concluded that this method can be extended to new customer acquisition and more effective targeting of costly promotions to migrate customers to higher levels of lifetime value.

Fader et al (2005) have presented a new model that links the well-known RFM (Recency, Frequency and Monetary value) paradigm with Customer Lifetime Value (CLV). Key to this analysis is the notion of ‘Iso-value’ curves, which enable the grouping of individual customers who have different purchasing histories but similar future valuations. Iso-value curves make it easy to visualize the interactions and trade-offs among the RFM measures and CLV. The stochastic model is based on the Pareto/NBD framework to capture the flow of transactions over time and a gamma-gamma sub model for spend per transaction. The authors have conducted several holdout tests to demonstrate the validity of the model’s underlying components and have then used it to estimate the total CLV for a cohort of new customers of the online music site CDNOW.
Gulati and Oldroyd (2005) have identified four stages of customer focus and mapped the organizational changes necessary to navigate from one stage to the next. The four stages mentioned are communal coordination, serial coordination, symbiotic coordination, and integral coordination. The paper has concluded that getting closer to customers is not only about building an information technology system. It is a learning journey, over four stages, which requires people and units to coordinate in ever more sophisticated ways. Companies that recognize this will see their customer-focusing efforts pay off on the bottom line.

Gustafsson et al (2005) have examined in a study of telecom services, the effects of customer satisfaction, affective commitment, and calculative commitment, on retention. The study has examined the potential for situational and reactional trigger conditions to moderate the satisfaction-retention relationship. The authors have conducted the research using customers of a large Swedish telecom company that provides fixed-line phone service, mobile phone service, modem-based internet service, and broadband internet service. 83 customers were contacted for the study. The results have supported consistent effects of customer satisfaction, calculative commitment, and prior churn on retention. It was found that prior churn also moderates the satisfaction-retention relationship. The results have implications for both customer relationship managers and researchers who use satisfaction surveys to predict behavior. The study has concluded that customer satisfaction is negatively associated with observed customer churn, thus providing strong evidence that customer satisfaction is a useful precursor of downstream outcomes.

Jayachandran et al (2005) have conceptualized and measured relational information processes, or organizational routines that are critical for customer relationship management (CRM). The authors have examined the key drivers and outcome of relational information processes and the role of technology in implementing CRM using data collected from a diverse sample of firms. The results have shown that relational information processes play a vital role in enhancing an organization’s customer relationship performance. By moderating the influence of relational information processes on customer relationship performance, technology used for CRM performs an important and supportive role. The study has provided insights into why the use of CRM technology might not always deliver the expected customer relationship performance outcome.
Lewis (2005) has developed a structural dynamic programming model of consumer demand that includes marketing variables and consumer expectations of promotions. The primary contribution of the research is to the customer valuation literature. The author has used the estimated parameters to conduct policy experiments that yield more accurate forecasts of customer value. The impact of alternative marketing policies has been studied. The results have shown how customer asset values are a function of marketing tactics. They have highlighted the consequences of strategic decision making by customers. Another conclusion is that CRM systems frequently provide the means to customize marketing policies to increasingly fine segments.

Li et al (2005) have presented a structural multivariate probit model to investigate how customer demand for multiple products evolves over time and have given its implications for the sequential acquisition patterns of naturally-ordered products. The authors have investigated customer purchase patterns for products that are marketed by a large Midwestern bank. The authors have found that women and older customers are more sensitive to their overall satisfaction with the bank than are men and younger customers when determining whether to purchase additional financial services. Another finding is that households whose head has a greater level of education or is a male move more quickly along the financial maturity continuum than do households whose head has lower education level or is a female.

Using a multi-firm database, Mithas et al (2005) have shown that the use of CRM applications is associated with increased customer knowledge, which in turn is associated with greater satisfaction. The authors have shown that CRM activity returns are enhanced when firms share information with their supply chain members. The study has evaluated the effect of CRM on customer knowledge and customer satisfaction. The authors have collected this data by surveying the top IT managers at more than 300 large U.S. firms during 2001-2002. The research has shown that the use of CRM applications is positively associated with improved customer knowledge and improved customer satisfaction. It has also revealed that gains in customer knowledge are enhanced when firms share their customer-related information with their supply chain partners.
Payne and Frow (2005) have developed a conceptual framework for customer relationship management (CRM) that helps broaden its understanding and role in enhancing customer value and, as a result, shareholder value. The authors have presented definitional aspects of CRM and have identified its three alternative perspectives. They have emphasized the need for a cross-functional and process-oriented approach that positions CRM at a strategic level. They have identified five key cross-functional CRM processes: a strategy development process, a value creation process, a multichannel integration process, an information management process, and a performance assessment process. They have developed a new conceptual framework based on these processes and have explored the role and function of each element in the framework. They have concluded that the synthesis of the diverse concepts within the literature on CRM and relationship marketing into a single, process-based framework should provide deeper insight into achieving success with CRM strategy and implementation.

Plakoyiannakii (2005) have explored, through case study of a firm in the U.K. automotive services sector, how organizational members perceive CRM as this process unfolds in the firm. The findings have illustrated the formation of collective perceptions of CRM, which involves information seeking, meaning ascription and action based on the perceptions shaped at different phases of the CRM process: adoption, development and use. Specifically, in each of the three phases, organizational members in the investigated firm approach CRM as a strategic decision; view it with concern; and consider it as a customer value driver. The results of this case study have implications for both theory and practice. First, this study has provided insight into the evolution of CRM practice, from the stage of deciding to invest in CRM to that of experiencing CRM practice in the organization. The evolution of CRM practice in the firm has suggested that it takes significant time to develop employee skills, structures, and processes to facilitate customer learning and relationship building. Second, this research has put forward key concerns relevant to CRM practice linked to the phases of the process. Managerial support can be crucial for the success of CRM initiatives as management can shape perceptions that, in turn, influence the behavior of actors in the CRM process. Specifically, the case study findings have suggested that the role of top management may vary across different phases of the CRM process. Third, the findings have also provided insights to skills advancement throughout the CRM process. The study has illustrated that the development of a customer-relating capability based on strategic
orientation, information sharing and integration of processes may focus the mindset and behavior of organizational members towards acquiring knowledge and using it for servicing valuable customers better. The fourth finding of the study is with respect to the organizational performance consequences of CRM practice. The findings have demonstrated that CRM implementation required business changes and most importantly development of relevant performance measures that capture the impact of CRM investments on corporate performance. The researchers have recommended practitioners to capture consumer's perceptions regarding CRM initiatives since, though customers are at the heart of any CRM practice, many companies do not know who their best customers are, and how customers perceive the firm's communication efforts.

Ryals (2005) has demonstrated that the implementation of CRM activities delivers greater profits. Two participating firms from the financial services industry were selected on the basis of activity, size, availability of data, willingness to commit necessary resources to the research, and lack of previous information about the value of their customers. Using calculations of the lifetime value of customers in these two longitudinal case studies, the research has found that customer management strategies change as more is discovered about the value of the customer. These changes lead to better firm performance. It has been seen that CRM works and that a relatively straightforward analysis of the value of the customer can make a real difference. The study has shown that firms reduce their attention to customers/customer groups after they determine that they are not able to garner enough value from these groups. The study has directly measured both the costs and the revenues associated with the CRM activities to assess overall profits. The study has concluded that to reduce the chances of acquiring an unprofitable customer, companies may screen prospects who respond to a marketing offer. Prospects, who respond, are often not approved, and at the same time, prospects that are likely to be approved are unlikely to respond to a given marketing offer.

Sîn et al (2005) have developed a reliable and valid measuring scale for customer relationship management. A series of studies were conducted for the development and validation of multiple measures for the dimensions of CRM. Business executives attending a part-time MBA program were used to select items based on factor analysis. Then, a confirmatory factor analysis was used on data obtained from a mail survey of Hong Kong financial firms in second part of the study.
This was done to examine factor structure, as well as to provide evidence of dimensionality, scale reliability and validity. Finally, in third part of the study, data from 276 business executives attending a seminar on CRM were used to test the scale generalizability of CRM measures in various industries. Through this study, a reliable and valid scale has been developed to measure the four dimensions of CRM: key customer focus, CRM organization, knowledge management, and technology-based CRM. The findings have validated the long-held belief that CRM is a critical success factor for business performance. Firms wishing to improve their relationships with customers constantly need to monitor their behavioral and internal processes. The authors have concluded that the proposed scale in this study could be used as a diagnostic tool to identity areas where specific improvements are needed, and to pinpoint aspects of the firm’s CRM that require work. This was the first study to provide a comprehensive, psychometrically sound, and operationally valid measure of a firm’s CRM.

Using the context of online retailing, Srinivasan and Moorman (2005) have considered the effects of two key strategic commitments of online retailers on the performance effect of CRM: their bricks-and-mortar experience and online entry timing. They have tested the proposed model with a multi-method approach that uses manager ratings of firm CRM and strategic commitments and third-party customers’ ratings of satisfaction from 106 online retailers. The findings have indicated that firms with moderate bricks-and-mortar experience are better able to leverage CRM for superior customer satisfaction outcomes than firms with either low or high bricks-and-mortar experience. Likewise firms with moderate online experience are better able to leverage CRM into superior customer satisfaction outcomes than firms with either low or high online experience. These findings have helped resolve disparate results about the value of CRM, and they have established the importance of examining CRM within the strategic context of the firm. The study has provided important insights into CRM activities in online retailing, for which the complex intersection of firm and customer forces shapes firm performance. The study has also offered guidance to practitioners on the contingent nature or rewards for their CRM investments, which should be useful in managing their firms’ investments and monitoring their competitors’ CRM investments.

Thomas and Sullivan (2005) have presented a marketing communication process that uses customer relationship management ideas for multichannel retailers. The authors have described
and then demonstrated the process with enterprise-level data from a major U.S. retailer with multiple channels. On the basis of the results, the authors have developed an initial marketing communications strategy for the retailer. The study has shown that an enterprise CRM system that coordinates and integrates data from different channel sources enables the firm to gain new knowledge about each customer and thus enhances firm performance.

Desai et al (2007) have compared CRM practices of emerging countries of Asia with those of the west. They have concluded that the difference is not only about the level of technology adoption and infrastructure, but also the way decisions are made and technology is used to form relations. These contextual peculiarities of CRM have got important implications for the sources of competitive performance in the process of CRM. It has been well accepted that CRM is a strategic initiative. Surprisingly, the CRM literature is largely silent on the issue of competitive reaction in dynamic markets of emerging Asian economies. In such markets, the domain of CRM is characterized by lots of changes. Drawing from the theoretical argument in strategic management or the dynamic capability approach, the study has identified sources of competitive performance for the process of CRM in dynamic capability. It is an organization’s ability to continuously improve, innovate, and reconfigure resources to match the evolving environmental needs. Information technology (IT) competence has been considered as an important moderator of the relationship between dynamic capability and competitive performance. The study has articulated the drivers of dynamic capability for CRM. Further, the study has investigated the main effects, as well as the interaction effects of IT and dynamic capability on competitive performance of the CRM process. A questionnaire survey has been conducted, and data collected from a sample of 334 cross-functional executives of 29 organizations from Indian banking, telecom and retail industry. Some of the important findings of the study were: (i) In the emerging markets of Asia, dynamic capability played a crucial role in gaining competitive CRM performance across all three industries. (ii) In the highly dynamic and competitive Indian telecom industry, the dynamic capability played the most important role. (ii) Important drivers of dynamic capability also included social networking capability with the other capabilities related to integration and market orientation. (iv) CRM technology not only had positive effects on competitive CRM performance; it also enhanced the dynamic capability-competitive CRM
performance relationships. (v) In the absence of appropriate dynamic capabilities in the CRM process, the use of CRM technology might do more harm than good.

Jackson (2007) has presented his analysis and findings on the importance of personalization in the CRM approach. According to the researcher, personalization has been utilized by various companies in the electronic marketplace. Personalization is becoming more of an increasing segment of the internet economy. CRM has been an accepted strategy of companies in order to improve their performance. The concept of personalization and CRM has expanded in scope to emphasize a much broader notion of benefits to a company. The focus of the paper is to determine whether companies can increase the return generated by their electronic commerce strategy by utilizing ‘personalization’ in executing CRM in the electronic marketplace. A case-study approach has been utilized to identify personalization strategies and its benefits. Lessons learned from the cases examined have revealed that companies should approach personalization from an inter-functional as opposed to a ‘silo’ implementation to reap maximal benefits. The study has found that competitive pressures and cost savings helped to spur the use of personalization. Personalization requires ‘anticipating relevant intent’ of customers in order to increase benefits. Other key findings identified that companies, both business to business (B2B) and business to consumers (B2C), employing personalization get more benefits from CRM.

Jahanzeb and Jabeen (2007) have studied churn management which is a perennial issue in the telecom industry of Pakistan. The two service providers selected for this study were Telenor and Ufone. The aim of the research was to provide an insight into the rapidly emerging issue of churn, describe the relevant aspects of churn management strategies and gauge their effectiveness in customer retention. Purposive sampling was adopted such that 100 subscribers, with 50 each of Ufone and Telenor, constituted the sample. The sample profile comprised of 100 male post-paid subscribers, between 30 to 45 years of age, employed in the middle management level of the corporate sector and users of either Telenor or Ufone. The survey method was adopted, and a comparison was drawn between the churn rates of the two service providers through the application of T-test. Analysis has revealed that dissatisfaction with the dimensions of price, voice quality or network coverage were the main reasons for customer churn at both Ufone and Telenor. Ufone has, however, adopted comparatively better churn management strategies than Telenor to retain its customers. The study has recommended that customer
retention must be a part of the planning phase along with customer acquisition, in all telecom organizations. It has been observed that organizations tend to focus upon churn management only when the customer base has deteriorated. There seems to be a lack of contingency planning in this particular aspect of the growing industry. The authors have recommended that the management of Telenor should specifically focus on customer retention and not just on acquisition phase. It should establish a separate retention/churn management department to deal with this emergent issue in Pakistan’s telecom industry. Ufone and Telenor should also be prepared for the forthcoming ‘Mobile Number Portability (MNP)’ as this facility is expected to result in greater churn rates. MNP is a system that enables a mobile phone subscriber to retain his/her number while changing the cellular service provider. The study has concluded that the facility is further expected to act as a pressure on cellular service providers to improve the quality of their services in order to retain their customers.

Jain et al (2007) have developed and standardized a scale for measurement of CRM effectiveness. The researchers have developed the scale with an objective to supplement the existing metrics by appropriate non-financial measurements. The existing metrics to evaluate performance of CRM efforts comprise of traditional financial measures such as sales volume and revenue, ROI, ROA, profitability, market share, transaction cost, expected contribution margin and cash flows. These techniques have certain limitations in terms of evaluating only quantitative parameters and often fail to give an insight into the overall performance of the organization. The scale has incorporated reported variables governing CRM activities in business organizations covering all possible dimensions of relational exchange. It has been empirically tested for its reliability and validity on 492 customers belonging to five different service industries. Eight factors governing CRM effectiveness have been identified. The scale can be used in service sector to assess the extent to which the customers feel themselves related to the service firm. It also provides an insight into the dimensions or organizational practices where service professionals fail to perform as per customers’ expectations. Gaps in performance can be identified by carefully administering the scale on regular intervals. Service Organizations can reorient, restructure and redesign their customer centric efforts, focusing on relational exchanges, for getting customers to love them forever.
Tuli et al (2007) have conducted in-depth interviews with 49 managers in customer firms and 55 managers in supplier firms and discussions with 21 managers in two focus groups to propose a new way of thinking about customer solutions. Suppliers interviewed for this study view a solution as a customized and integrated combination of goods and services for meeting a customer’s business needs. In contrast, customers view a solution as a set of customer-supplier relational processes comprising (i) customers’ requirements definition, (ii) customization and integration of goods and/or services, (iii) their deployment, and (iv) post-deployment customer support, all of which are aimed at meeting customers’ business needs. The authors have concluded that the relational processes view can help deliver more effective solutions at profitable prices. Field research also suggests that the effectiveness of a solution depends not only on supplier variables but also on several customer variables. Customer variables include adaptiveness to supplier offerings and counseling that a customer provides to a supplier.

Taneja and Kaushik (2007) have deduced the factors that customers perceive to be the most important while utilizing the services of a mobile services provider. The study was conducted at Bhiwani and Hissar districts (including some villages) in Haryana during February-March, 2007 by use of judgmental sampling method on 186 respondents. The mobile users group the various features into four factors – customer care (interaction), service features, call rates, promotion and availability in the same order of importance. A list of 20 statements was used and factor analysis method was employed to finally extract these four factors. Hypothesis testing revealed that customers perceive these factors in a similar order of importance, irrespective of sex, qualification, profession and marital status. The researchers have concluded that better customer care services and service features, especially strong network range, are most important for retaining the customers in mobile services. They have also concluded that the private service providers perform better than BSNL on some factors like customer care and service features. However, BSNL performs well on call rates, its promotional schemes are not disturbing, SIM cards are readily available, and customers are less inclined to switch to other service providers.

Chen et al (2008) have investigated the relationships among service quality expectations, actual experiences, and its gap toward satisfaction. The authors have built on previous service quality research conducted by both consumer behavior and recreation researchers in an attempt to better understand customer satisfaction. In congruence with previous research on satisfaction, many of
the constructs associated with quality in an outdoor recreation environment are services, facilities, information, and recreation experience. The objectives of their research were to examine: (i) the relationships among customers’ quality expectations, quality perceptions of actual experiences, and satisfaction, (ii) the gap between the expectation and actual experience toward customer satisfaction, (iii) the impact of stating expectations before a consumption experience. A private theme park, located at the middle of Taiwan, was selected as the research object. High school students were recruited as research subjects through convenience sampling when they visited the theme park. Two studies were conducted. The first study focused on customers’ quality expectations, actual experience and satisfaction. The second study contained consumers’ perception of actual experience and their satisfaction only. 392 and 444 usable questionnaires were collected for both the two studies respectively. The results have shown that the overall customer expectation and actual experience perception have a significant positive relationship with customer satisfaction. Moreover, the authors have found the mediating role of customers’ perceptions of actual experiences on the relationship between expectation and satisfaction. The study has concluded that a bigger gap between customer expectation and actual experience perception led to lower customer satisfaction.

Ganguli (2008) has attempted to find out the underpinnings, using factor analysis, of the service variables for Indian cellular users. The same variables or factors were then used as discriminating variables for satisfied and unsatisfied customers. In a second analysis, demographic variables like age, education and cellular-usage variables like usage-type and type of connection have been used as discriminating variables for satisfied and unsatisfied customers. The sample size was 220 cellular users which consisted of customers of 15 banks in the city of Kota Kinabalu, Malaysia. The five dimensions that came out through factor analysis were trust, competence, commitment, communication and conflict handling. The study has considered two constructs – relationship quality and customer satisfaction. Discriminant analysis was used to discriminate between high and low level of perceived relationship quality and customer satisfaction with respect to the five dimensions of relationship marketing. The study has concluded that cellular users perceive process quality, service competitiveness, service reliability, market reputation, supporting services, network performance and customer convenience as the important dimensions of service quality. Out of these seven dimensions, all
dimensions except market reputation and customer convenience differentiate the two groups of satisfied and unsatisfied customers. The study has concluded that the satisfaction level increases with increase in age, the female customers are more satisfied than the male ones, customers become more satisfied with more amount of time spent on a particular network, the pre-paid customers are more satisfied than the post-paid ones, and the chances of customer dissatisfaction increase with an increase in the amount of cellular phone usage.

Khurana (2008) has examined the differences between consumers’ expectations and perceptions of service quality during the shopping experiences at retail stores in Haryana. Judgmental and convenience sampling method was used for the study. Data was collected from customers of different kinds of retail outlets like provisional stores, departmental stores, supermarkets and small vendors with 225 respondents filling the questionnaire. The paper has utilized Retail Service Quality Scale (RSQS), developed by Dabholkar et al (1996), to calculate gap scores by subtracting the expectation scores from the perception scores. Five dimensions of service quality, namely, ‘Physical Aspects’, ‘Reliability’, ‘Personal-Interaction’, ‘Problem-Solving’, and ‘Policy’ emerged from the study. The study has concluded that greater disparity between expectations and perceptions existed for the ‘Personal-Interaction’ and ‘Policy’ dimensions.

Krishnan and Kothari (2008) have, in their research paper, analyzed the ‘antecedents’ of customer relationships in the telecom sector. The prerequisites of a customer to enter into a relationship mode are what have been termed as the ‘antecedents’ by the researchers. A preliminary survey was conducted to identify the independent variables and naming them as Seven Desired Value Added Services (7DVAS). The dependent variable chosen was the preferred telecom brand. The independent variables (7DVAS) identified were variety of service, price, advertisements, employee behavior, customer-service, accuracy in billing and timely information. The respondents indicated the recommended brand and their rating for the 7DVAS for each mobile operator. The sample size chosen was 100 mobile subscribers from both genders and various age and income groups. The location of the study was Rajasthan. The study has concluded that the best indicators for brand recommendation are variety of service (value added services) and customer-service.
Attracting new customers alone is insufficient, as the management must concentrate on preventing “customers-exit” since the cost of attracting new customers is higher than the cost of retaining existing customers, according to Vijayadurai (2008), in a study conducted on hotel industry in India. The key to customers’ retention is customer satisfaction and loyalty which is largely dependent upon the service quality offered by the hotels. The study has made an attempt to fulfill three objectives which are: (i) To identify the service quality factors in the hotel industry (ii) To analyze the customers satisfaction and their behavioral intention and iii) To examine the impact of service quality on the customers satisfaction and their behavioral intention. In total, 30 hotels were purposively selected. From each hotel, 10 guests were selected on the basis of convenience sampling. The resulting service quality factors (SQFs) were Service delivery, Tangibles, Reliability, Assurance, Responsiveness, Empathy, Service product and Social responsibility. It was found that the highly perceived SQFs in hotel industry among the guests were service delivery and tangibles. The study has revealed that the guests’ perceptions are moderate in service delivery and tangibles whereas it is very poor on empathy and responsiveness factors. The significantly influencing SQFs in the behavioral intention among the customers are service delivery, reliability, assurance and responsiveness. The study has concluded that service quality is an important driver of customer satisfaction and behavioral intention. It is important for service providers to understand the relevant service quality factors in their industry which could reinforce customers’ satisfaction.

Agarwal et al (2009) have put forth a view in their study that global trade in services is growing faster than other areas and accounts for one fifth of world trade and almost two-thirds of the world’s total output. The purpose of their study is to develop a theoretically and empirically supported conceptualization of perceived service quality (SQ) that can be used to develop strategies for the global marketing of services. Although the five-component framework of Parasuraman et al (1988) has been the dominant perspective on SQ, there is a lack of consensus on whether the consumers across nationalities and cultures attribute similar salience to the five-components in their perception of service quality. The study has developed and estimated a second-order model of SQ and evaluated its model performance versus alternative model conceptualizations. The model is based on the five-component framework of Parasuraman et al (1988), namely, Tangibility, Reliability, Responsiveness, Assurance and Empathy. Further, the
study has evaluated its model performance versus alternative model conceptualizations. Based on cross-cultural theories, the authors have developed hypotheses regarding how consumer perceptions of the first-order dimensions of SQ differ between the USA and India. They have also developed hypotheses regarding the effects of perceived SQ on attitude, satisfaction and behavioral intentions in these two countries. They have chosen banking services as the study context because they are widely available in both countries and the banking sector is an important part of the service economy in each country. A structured survey questionnaire was prepared and administered in English in the USA and India. They have used a hierarchy of models for factor structure comparisons specifically when testing for a second-order factor model. In addition, they have compared the structural model fit of the proposed model to assess its predictive performance. In relation to the best factor structure, the study has confirmed the superiority of the proposed second-order SQ model against the competing models. Further, the study has reaffirmed that cross national differences in service quality perceptions exist between USA and India.

Das and Dasgupta (2009) have studied the deployment of CRM Best Practices in the context of Indian retail banking, with specific reference to Bank of Baroda, a prominent public sector bank of the country. A protocol comprising the CRM Best Practices was developed on the basis of an extensive review of both academic and practitioners’ literature that enabled the researchers to develop 140 statements, each representing a CRM practice. A panel of five experts (two academicians, who specialized in CRM and services marketing, averaging approximately 18 years of experience across teaching and research; and three marketing practitioners having an average of 13 years of experience in customer relationship management and belonging to the banking industry) was formed to validate, trim and refine the initial items. The experts were apprised of the key definitions of CRM with an explanation of the meaning of “best practice”. They were then asked to study the 140 CRM statements and indicate whether each of them is (i) a relevant CRM practice and (ii) a CRM best practice. Further, they were also told that many of the statements in the list provided to them may be repetitive and differ from each other only marginally and that in such cases, they could select the most superior/comprehensive statement/practice from amongst the similar statements/practices and reject the others. It was decided that only statements/practices on which there is a complete consensus amongst the
judges will be retained. Based on this guideline, a total of 111 statements were rejected and only 29 were retained. The study thus identified 29 CRM Best Practices after an extensive literature review. It has also examined in detail how effectively the practices have been deployed in the selected bank. The case study has revealed that the deployment with regard to most of the practices needs significant improvement. The authors have concluded that the findings will help organizations to identify areas of improvement with regard to the deployment of CRM best practices aimed at enhancing their marketing performance.

Dutta and Dutta (2009) have studied the expectations and perceptions of consumers across the banking sector in India. The study has delineated the factors affecting the quality perception of the customers in the banking sector and has tried to corroborate this perception with the financial performance of the banks. Primary data of 263 respondents across the banking sector has been studied. Factor analysis has been done to explore the customers’ perception of service quality. Factors affecting the Indian consumers have been highlighted. A study of the financial performance of the banks has also been done to see if the perception of service quality has a consequence on the banks bottom line. The sampling method used can be described as ‘quota sampling’, as care was taken to complete designed number of questionnaires from both sexes, age groups, income levels and employment status and representing each banking sector, namely, the Public, Private and Foreign banks. The respondents were asked to name the bank they used most and assess the performance criteria’s on the basis of their expectations. They were then asked to assess their banks performance on each of the criteria of service quality on a seven-point Likert scale (ranging from 1 – indicating strongly disagree to 7 – indicating strongly agree). The methodology included secondary research through which instruments used to measure service quality of banks in different countries were collected. Secondary data was collected from published information at Reserve Bank of India website to measure the profitability of the different banks. The study has concluded that in the banking sector, the foreign banks are perceived to be offering better quality of services followed by the private and then public banks. It was also found that these perceptions are reflected in the financial performance of the banks. It was an eye-opener for the banks to see a gap between customer expectations and perceptions regarding the quality of services rendered.
Mengi (2009) has compared customers’ perceptions of service quality of public and private banks of Jammu. The study was conducted with the premise that customer service is an integral part of any facet of banking and it defines the future of any banking organization. In India, this realm has undergone vast changes induced by regulatory and competitive forces and the banking industry has undergone revolutionary changes since 1991. The study has identified key success factors in the banking industry, in terms of customer satisfaction, keeping in view the increasing market size and intense competition. The service quality of both public and private banks of Jammu has been measured using SERVQUAL (service quality) scale. SERVQUAL scale has been used to determine different dimensions of service quality and chi-square analysis has been used to understand the impact of its dimensions (tangibility, reliability, responsiveness, assurance and empathy) on customer satisfaction. It has been found that customers of public sector banks were more satisfied with the service quality, than those of private sector banks.

Nath et al (2009) have attempted to present a systematic view of CRM in three industries, namely, Insurance, Banking and Telecommunication. The study has the objective of providing organizations adequate insight into the use of CRM as a tool for winning trust and confidence of customers. The researchers have brought to the fore a set of questions relating to the status of the phenomenon of CRM and its different elements with the purpose of explaining and improving its implementation in the selected industries. They have opined that customers expect organizations to be highly responsive and increasingly dependable and to provide more facilities for their convenience. Organizations have also realized the need to get closer to the customers to be able to increase their market share and beat the competition, particularly in the present-day fast moving, turbulent and competitive scenario. CRM is vital to retain customers, up-sell and cross-sell, and ultimately customize products and services in order to survive in today’s fiercely competitive market. The researchers are of the opinion that the study is of considerable importance to organizations, which are in the nascent or planning stage, and need to incorporate activities related to enriching relationship with their customers. The paper has provided a simple framework to plan and implement an optimized set of strategies for the development of firm customer centricity and help organizations overcome the emerging challenges. It has brought out the importance of implementing CRM in a bid to maximize customer satisfaction and enhance
overall profitability of the company. Organizations can use these favorable relationships to win the loyalty of a customer and consequently reap the benefit of profitability.

Quinn et al (2009) have focused on identifying and evaluating techniques used to take on the challenges of quality improvement in higher education. The paper has also examined two primary difficulties: first, definition of the customer; and second, measuring customer quality perceptions. An examination of representative historical applications of quality techniques was conducted. Differences and similarities surrounding quality improvement efforts in each of three service areas typically found in higher education: academic, administrative, and auxiliary functions were identified. While recognizing these higher education areas differ from the typical business environment, positive research findings on the application of quality techniques for these areas were discovered.

Santouridisa et al (2009) have investigated internet service quality and its impact on customer satisfaction in the banking context. Internet service quality was found to have six dimensions, namely, assurance, quality of information, responsiveness, web assistance, empathy and reliability. The field research, which resulted in 184 valid questionnaires, was conducted among internet banking customers in Greece, a country with relatively low internet penetration rate. The findings confirm, to a great extent, the validity of the instrument and highlight the above average performance of service quality delivered by Greek banks via the internet. All quality dimensions were proved to be antecedents of overall customer satisfaction, with reliability having the most significant impact. The study has also confirmed that the quality of information is a crucial dimension driving the customer intentions for internet banking future usage. It was also concluded that dimensions related to familiarization, such as empathy and web assistance, play a very important role in customers' willingness to recommend the service to other people.

Ahmed et al (2010) have opined that the long term success of organizations depends on many factors. The service sector organizations need to focus on service quality and try to satisfy customers by providing the best quality services. The study has examined the service quality of the mobile service providers and the consequent satisfaction of the customers. The study focuses only the SMS service provided by the telecom organizations. The service quality has been measured using the five dimensions suggested in the SERVQUAL scale, namely, Tangibles,
Reliability, Responsiveness, Assurance and Empathy. The relationship of service quality has been determined with respect to customer satisfaction. The data has been collected from 331 youngsters, in Pakistan, who use the SMS service of any company. Majority of the mobile users comprise youth. This research has been based on the data collected from the university students. The university youth have been included in the sample because they represent majority of the youth and the mobile users. They are also more vigilant and have a great penchant for change. Retaining these customers is also very difficult. The youth pay more attention towards promotional advertisements of telecom companies. 400 students have been selected from different universities and surveys questionnaire have been personally administered. 331 questionnaires have been received back, having a response rate of 82.75%. Correlation and regression analysis have been used to analyze the data. The scores have indicated that the customers are slightly satisfied from the service quality of SMS service providers. Tangibles and Assurance score more than other dimensions and Empathy has the lowest score. The correlations show that dimension empathy is negatively related with satisfaction while other four dimensions, namely, Tangibles, Assurance, Responsiveness and Reliability are positively related with the satisfaction. All the dimensions have a significant relationship with the satisfaction of customers. The regression results have indicated that the service quality predicts 28% change in satisfaction.

Bedi (2010) has attempted to investigate the relationship between service quality, overall customer satisfaction and behavioral intentions across public and private banks in India. The findings indicated that service quality is a significant determinant of customer satisfaction in Indian banking industry, irrespective of public and private sector banks. However, different dimensions of service quality were found to be statistically significant across public and private banks. Customer satisfaction was found to be strongly associated with propensity to recommend. The study was expected to help banks to redefine their corporate image to one that is customer-focused and driven by service quality. On an issue about the empirical assessment of the service quality dimensions, the research results have confirmed prior research on the issue and indicated that the service quality dimensions are not only industry specific, but also country specific. In this respect, the study has revealed the existence of seven-quality dimensions that influence customer satisfaction. With regard to the findings of the study and the model investigated concerning the influences of perceived service quality, the research work has
provided a comprehensive model which can be used to understand and explain what influences the overall customer satisfaction and quality in the banking sector. The results with respect to customer perception have suggested that the service offered by private sector banks has a more favorable influence on actual perceptions of service quality received than in the case with the service from banks in the public sector. The evidence has suggested that banks in the public sector do not manage the factors influencing quality perception as well as banks in the private sector, and hence the lower level of perceived service quality received. The findings of this study have suggested that banks should be looking carefully at each one of the dimensions where customers perceive receiving a different service than expected and consider the extent to which they should work on influencing expectations or both. The results have also suggested that the dimensions corresponding to the product convenience, responsiveness, reliability, empathy, assurance are significant in determining the overall customer satisfaction and inducing positive behavioral outcomes by reducing negative ones across public sector and private sector banks. Responsiveness has been shown to be an important factor. The study has concluded that giving prompt services to the customers; telling the customers exactly when the service will be performed; if there is a problem, the willingness of the bank to discuss with the customer; and readiness of the employees to help and respond to the requests are likely to have an important and positive effect on customer satisfaction.

Bugel et al (2010) have examined the customer commitment to companies using a social psychological model: the investment model. According to this model, commitment is determined by satisfaction level, quality of alternatives, and investment size (both factual and psychological). The study has presented an overview of the literature and compares commitment in five different sectors: the banking industry, health insurance, supermarkets, mobile telecom providers, and the automotive industry. The authors have concluded that the model in its entirety is applicable to all of these sectors. The applicability of the investment model is highest in the banking sector and lowest in the automotive and supermarket sectors. Satisfaction is a particularly important determinant of commitment in the banking and health insurance sectors, whereas alternatives are a relevant determinant in all industries, particularly in the automotive sector. There are major differences in the effect of investments on commitment. This factor is
particularly important in the automotive sector and generally appears to be more important in highly competitive sectors.

Jun and Cai (2010) have expressed in their study that although it has been widely accepted that internal customer service quality leads to internal customer satisfaction and in turn external customer satisfaction, relatively little research has focused on the dimensions of internal customer service quality and their differing impacts on internal customer satisfaction. Their empirical study has identified six key internal service quality dimensions as perceived by the purchasing department’s internal customers: customer intimacy, team-based continuous improvement, communication, reliability/competence, requisition process and tangibles. In addition, this study has revealed various factors. First, customer intimacy is the most influential dimension to achieve both high internal customer service quality and satisfaction. Second, team-based continuous improvement and requisition process are the second and third most important dimensions of service quality but not significantly associated with internal customer satisfaction. Third, conversely, communication is the second most influential dimension for internal customer satisfaction but not with internal customer service quality. Finally, there is a significantly positive association between internal customer service quality and satisfaction.

Khare (2010) has conducted a study on technology which is fast altering the business scenario. The paper has affirmed the role of technology in improving customer service levels and that it is being used strategically and increasingly by service organizations. The author has asserted that the service attributes and quality can be enhanced by deployment of technology. According to the author, the internet has facilitated convenience in customer interactions and transactions with the banks, and online banking is currently emerging as a new approach in India for providing improved accessibility and expediency to customers. Most banks have their own websites for improving the customer interface and offering online services. The paper has studied the applicability of online banking in India and its role in fostering relationships with customers and giving them more value. The research was conducted on customers familiar with online banking in India. The perceptions of customers about online banking were studied. The findings have revealed that customers are using the services but are skeptical about the financial transactions and service quality dimensions.
Nagadevara (2010) has emphasized in his paper that it is more expensive to acquire new customers than to retain existing ones. Consequently, churn prediction is one of the critical requirements of customer relationship management and customer retention. There have been a number of attempts to predict customer churn, especially in the telecom industry. The variables which have been used in churn prediction are both nominal as well as metric in nature. Data was obtained from a telecom company in the United States. The data was time stamped and the database contained the list of customers who churned in the subsequent 60-day period. This database was used to predict the churn based on various demographic as well as the behavioral data. The researcher has reiterated that it is well known that certain prediction techniques work well with nominal or ordinal variables where as others work well with metric variables. The paper has proposed a hybrid model using classification trees and discriminate analysis to improve the predictions of customer churn in telecom industry.

Ranjith and Nair (2010) have attempted to find out whether retail outlets like D’Mart and Apna Bazaar differ in terms of service quality. The authors have opined that existing research indicates that consumers are satisfied with the store’s service quality. Service quality is perceived as a tool to increase value for the consumer; as a means of positioning in a competitive environment to ensure consumer satisfaction, retention and patronage. Despite its strategic importance, the Indian retailers do not have an appropriate instrument to measure service quality. The study has examined the Retail Service Quality Scale (RSQS) developed in the US for applicability to the Indian retail market. The data collected from 140 adult shoppers in large supermarkets, namely, D’Mart and Apna Bazaar in Vashi and Nerul of Navi Mumbai indicated that RSQS can be used to assess overall service quality levels and for tracking overall improvements over a period of time. It was observed from the factor analysis that there are five factors which define service quality in the retail outlets: personal interaction, appearance, reliability, problem-solving and policy. The study has also found the reliability of all the factors and the mean service quality levels of D’Mart and Apna Bazaar. However, the different dimensions of service quality were not clearly identifiable. This limited the diagnostic application of RSQS.

Khan and Manthiri (2011) have studied the aspects related to switching tendencies of consumers of mobile phone services. 520 mobile phone consumers, 260 urban and 260 rural, belonging to Madurai district have been studied through interview method based on purposive sampling.
Differences between urban and rural consumers regarding loyalty and consumer behavior were tested. It was found that greater competition, increasing expectations and dissatisfaction amongst consumers lead to switching tendencies in the consumers. Another finding was that the important reasons, for switching over from one service provider to another, among the urban customers are coverage, value added service and multi-usage. Among the rural customers, free incoming, friends/relatives and tariff were found as the reasons for switching. The study has also concluded that dissatisfaction in consumers has increased due to excessive billing, call drop, cross talk, high cost of handsets and high operating cost.

Khodakarami and Chan (2011) have explored in a qualitative study the success factors for CRM system. A case research approach was applied to examine CRM applications in three Canadian organizations in electronics, health and education sectors. Through these case studies, five factors of CRM success were explored, namely: system quality, customer information quality, system use, user satisfaction, and system impacts. With regard to system quality, a main determinant of success was the system’s primary characteristics. CRM systems can be categorized as operational, analytical and collaborative, based on their characteristics. The study has shown how system’s characteristics directly affect the purpose of system use. Operational CRM systems are mostly used for providing customer services. Analytical systems are primarily used for decision support. Collaborative systems are used both for work integration and providing service for internal and external customers. The study has shown that if systems properly address users’ expectations and employees have the required skills to work with systems, employees are more willing to utilize the capabilities of systems to support CRM processes and, in turn, are more satisfied with the outcomes. The study has found that customer information quality relates to system quality; integrated CRM systems that are based on standard platforms are more capable of generating high quality customer information in a timely manner. Individual productivity, improved decision making and planning, learning and awareness have been shown to be important individual benefits that CRM systems provide for employees. At the organizational level, the study has concluded that CRM systems help organizations to acquire and share more knowledge about their customers, and improve business processes, products and services.
Malhotra et al (2011) have studied the different purposes of the use of a mobile phone and the criteria of selection of a service provider in the Delhi and NCR region. The objective of their research is to make the existing mobile service providers, marketers, new entrants in mobile communication sectors, market analysts, policy makers and customers understand the prevalent consumer perception and factors for future growth. The researchers have focused on specific factors pertinent to a service provider, which are fueling the transition from one service provider to another through Mobile Number Portability (MNP), and also on the impact of MNP on the behavior of consumers. 250 students and employed youth, below the age of 35 years, from Delhi and other parts of NCR have been surveyed. The satisfaction levels of the consumers have been measured. The study has found that customer satisfaction levels vary across mobile subscribers and has suggested that the existing players should focus on certain service aspects, to allure new customers and retain existing ones.

Schweidel et al (2011) have proposed that multiservice providers, such as telecom and financial service companies, can benefit from understanding how customers’ service portfolios evolve over the course of their relationships. This can provide guidance for managerial issues such as customer valuation and predicting customers’ future behavior, whether it is acquiring additional services, selectively dropping current services, or ending the relationship entirely. Data was provided by a major telecom firm in United States. Monthly subscription information was provided from one geographic region for January, 2002 through May, 2004, indicating the services to which customers subscribed each month. The researchers have developed a dynamic model to identify latent states that govern customers’ affinity for the available services through which customers evolve. In addition, they have also incorporated and demonstrated the importance of separating two other sources of dynamics: portfolio inertia and service stickiness. They have thus examined the relationship between state membership and managerially relevant metrics, including customers’ propensities for acquiring additional services or terminating the relationship, and customer lifetime value. They have shown that customers who have discarded a particular service may have an increased risk of canceling all services in the near future but also may be more prone to acquiring more services, a provocative finding of interest to service providers. The findings have also emphasized the need to look beyond the previous period and
consider how customers have evolved over their entire relationship in order to predict future actions.

Agariya and Singh (2012) have developed a reliable and valid CRM scale specifically catering to the Indian banking sector. A fair amount of literature on the Indian banking sector has dealt with identifying factors explaining the constructs of quality, value or satisfaction. The study is an attempt to bridge this gap in the existing literature since there is a paucity of research pertaining to industry-specific CRM scale development and validation. The researchers have used a combination of depth interview and questionnaire survey. Exploratory factor analysis was followed by confirmatory factor analysis, which was presented in three forms; the single factor model, covariance model and the structural model. The covariance model has shown CRM in the Indian banking sector as a multidimensional construct comprising of factors, namely, organizational structure and customer support, service quality, trust, technology, personalization and market orientation. The structural model has validated the previously extracted factors along with their indicators. The findings of the study have validated the long-held belief that CRM is a multidimensional construct and serves as a critical success factor for business performance. It provides a conceptually validated CRM scale catering to Indian banking sector, which can help the managers in implementing the CRM in an effective manner and also can be used as a tool to identify the major areas requiring attention.

In another study in the context of the Indian insurance sector, Agariya and Singh (2012) have also developed and validated a CRM scale. The researchers have attempted to bridge a gap in the existing CRM literature pertaining to the Insurance industry. They have stated that though some research studies have been done in the Indian insurance sector, no study had proposed a comprehensive measure of CRM effectiveness. They have developed 63 scale items for identifying CRM constructs from relevant literature review, followed by depth interviews with the customers of different insurance providers all across India. A total of 27 customers have been interviewed for major issues that exist while availing insurance services resulting in pruning and fine tuning the items. In the second part of the survey, 414 responses to questionnaires have been received and analyzed. Exploratory factor analysis has been performed to identify the major CRM dimensions, based on which, the researchers have proposed a construct, which is confirmed through confirmatory factor analysis and validated through structural equation
modeling. The six-factor CRM scale developed by them comprises of claim payment security, product knowledge, personalization, transparency in product selling and service quality. According to the researchers, the proposed scale is expected to serve as a strategic tool for effective and efficient pre and post CRM implementation outcomes, and also can be used to identify opportunities and bottleneck areas requiring attention.

Amulya and Anand (2012) have underlined, in their secondary study on the Indian telecom industry, that it is the world’s fastest growing industry with 851.70 million mobile phone subscribers, as of June 2011. The researchers have reinforced that it is the second largest telecommunication network in the world, in terms of number of wireless connections after China. According to them, it is projected that India will have 1.159 billion mobile subscribers by 2013 end, and that global consultancies have indicated that the total number of subscribers in India will exceed the total subscriber count in China by that time. The industry is expected to generate employment opportunities for about 10 million people during the same period. The paper is based on data collected through various reports of RBI, TRAI and DOT reports for the last 10 years. The analysis has indicated a strong positive correlation (0.913) between revenue and subscriber base. As the subscriber base has grown over the years, total revenue has been increasing proportionately, but at average revenue per user is declining due to reduction in tariff rates. The analysis has also indicated a strong positive correlation (0.915) between the population and subscriber base. The growth in national population and the subscriber base has shown a linear growth trend over the years. The paper has analyzed the impact of privatization and competition on a comprehensive set of indicators of performance in the telecommunications sector in India during the past one decade. The results have revealed that the privatization and competition have improved both performance and service quality. At the same time, a clear shift has been taking place from a state owned monopoly to more number of players. The paper thus points to the eclipse of the public sector with the advent of the private sector.

Baksi and Parida (2012) have opined that the operational aspects of service sector have been transformed to a digital format by the Information technology induced communications (ICTs) and have triggered a perceptual shift in service quality as disintermediation has changed the mode of access of services on part of the consumers. ICT-enabled services have further stimulated the perception of automated service quality with renewed dimensions and their
 subsequent significance to influence the behavioral outcomes of the consumers. CRM has emerged as an offshoot to technological breakthrough as it ensured service-encapsulation by integrating people, process and technology. The researchers have attempted to explore the significance of automated service quality as an antecedent to the behavioral consequences of the customers in a CRM environment. The study has been conducted, in two phases, on the largest public sector bank of India – State Bank of India (SBI) at Kolkata which has successfully completed its decade-long operational automation in the year 2008. The bank has been selected primarily because of its intensive branch network (availability of services), its up-gradation to digitized platform towards service delivery and its adoption of CRM philosophy. The study has used structural equation modeling (SEM) to justify the proposed model construct and causal loop diagramming (CLD) to depict the negative and positive linkages between the variables. 712 SBI bank-customers at Kolkata have been included in the sample. The study has revealed that the automated service quality dimensions which proved to be significant in perceiving quality are efficiency, web-system, commitment, security, responsiveness and contact. The study has also confirmed that the customers of SBI had gradually become habituated with automated banking services and are satisfied with the same as it established a strong and positive behavioral intention depicting intentions for loyalty, willing to pay more for services and addressing problems to internal customers only. The Customer Relationship Management (CRM) practice initiated by SBI seemed to have properly integrated with their automated operational procedures as the CRM components were found to influence the perceived automated service quality of customers in a positive way. The proposed research model also came through as the model constructs fit the data thereby establishing a cause and effect relationship between the variables and the causal loop diagram effectively exhibited the positive and negative causal relationships between the variables. The study was indicative of the shift and subsequent adoption of automated banking services in a semi-urban/rural set up.

Hsieh et al (2012) have studied the impact of CRM on the quality of service provided by employees, which they have referred to as employee service quality (ESQ). In the opinion of the researchers, an increasing number of organizations are now implementing CRM systems to support front-line employees’ service tasks. With the belief that CRM can enhance employees’ service quality, management often mandates employees to use the implemented CRM. However,
challenges emerge if/when employees are dissatisfied with using the system. To understand the role of front-line employee users’ satisfaction with their mandated use of CRM in determining their service quality, the researchers have conducted a field study in one of the largest telecommunications service organizations in China and gathered time-lagged data from self-reported employee surveys, as well as from the firm’s archival data sources. The results of the study have suggested that employees’ overall user satisfaction (UserSat) with their mandated use of CRM has a positive impact on employee service quality (ESQ) above and beyond the expected positive impacts that job dedication (JD) and embodied service knowledge (ESK) have on ESQ. Interestingly, the positive effect of UserSat on ESQ is comparable to the positive effects of JD and ESK, respectively, on ESQ. The results of the study have emphasized the importance of user satisfaction in determining employees’ task outcomes when use of an information system is mandated.

Khaligh et al (2012) have appraised the impact of electronic customer relationship management in creating loyalty and retention of customers in Iran mobile telecom sector. The objective of the study was to enable the managers of the telecom sector to implement the e-CRM in the best shape and match it with Iranian culture to create more loyalty and retention. 200 customers who use Iranian mobile telecom operators' services (Hamrah-e Awal, Irancell, and Taliya) have been taken as respondents in this research. The respondents were asked to indicate their level of agreement on a five-point scale. The study was conducted in the main cities of Iran. The objective of this study was to find out the relationship between e-CRM effective factors and loyalty as well as retention factors in order to make Iranian mobile telecom operators more successful in enhancing loyalty and retention of their customers in this field. The results of this research have shown the factors which are effective and factors which are not in the Iranian mobile telecom sector. Tangibility, scalability and flexibility were found to be factors influencing customer loyalty where as personal compatibility, professional competence, frontline employees, quality of services and pricing policy attractions were found to be factors influencing customer retention.

Lalitha and Prasad (2012) have opined that the telecom sector is very important in India because no other country in the world, other than China, has shown such high rates of growth in the number of telephone subscribers. Customer Relationship Management (CRM) has its own level
of importance not only from the organization’s point of view but also from the customer’s point of view. Retaining the customer in today’s competitive atmosphere is a challenge for the firm. Companies have found that they need to invest in CRM for better understanding of the customers so that they can respond quickly to customer demands. Customers need to be satisfied in terms of service quality which includes functional quality along with technical quality. This is possible through CRM. The objectives of the study were to understand how CRM practices as a part of service process would provide satisfaction to customers and to identify CRM as one of the key factors affecting the service quality. The sample size of respondents chosen was 100 mobile consumers from the twin cities of Hyderabad and Secunderabad. The study has concluded that that no major differences in customer perceptions have been observed regarding contacts, availability and good relations as factors affecting customer satisfaction.

Solomon (2012) has examined, using a quantitative methodology, the consumer choice of multiple mobile phone services in Ghana. The study provides empirical evidence on multiple choices of mobile phones by the students. The researcher has surveyed 500 university and polytechnic students and has found that the major reasons for changing phone services are reliability and cost savings. The researchers have conducted the survey on students because they have been found to adopt mobile phones as a means of personal expression. Three target groups of students from the Polytechnics, the Public Universities, and the Private Universities have been included in the study. Purposive sampling technique has been used to select 50 respondents from each of the four Polytechnics, three Public Universities and three Private Universities, leading to a total sample of 500 respondents. The study has concluded that reference groups and reputation influenced the selection and change of service provider. The study has also found that increased mobile phone expenditure, the pain of looking for other sources of funding of mobile services, and missing important calls while receiving other calls as major prices to be paid for the use of single mobile phone services. It has also been found that the main source of financing multiple choices of mobile phones was ‘self-financing’; that is, from consumers’ own income.

Nguyen and Simkin (2013) have researched on the core assumption of CRM that firms should tailor their offerings to meet the needs of individual consumers. According to the researchers, the aim of companies is to identify those customers they believe will prove to be most profitable and worthy of establishing long-term relationships with. As a result, marketers are inclined to direct
much of their activities towards this segment. Adoption of this method of selection also means that other consumers who do not meet the targeting criteria are afforded minimal marketing attention. The researchers have subdivided the targeted group of customers and have respectively labeled them as “advantaged” and “disadvantaged”. This is based on the offerings generated by a CRM strategy. Evidence suggests that it is common for many organizations to offer different deals to different customers even for the same product or service. More specifically, some people will be charged more than others or will pay the same yet receive less in return. Context for the study was the retail sector, chosen for reasons, namely, its familiarity with CRM and embracing of customized marketing practices. Following a pre-test stage, student consumers and retail managers were recruited for the main study. A total of 143 consumers completed a self-administered questionnaire and their responses were used to classify subjects as advantaged or disadvantaged. Their indications of guilt, satisfaction and anger were used for this categorization. It is suggested that advantage and disadvantage in the context of CRM offerings can be explained using equity theory. The authors believe that this notion could be applied in a CRM context to indicate advantaged and disadvantaged customers accordingly. Analysis of the data showed that the assumptions relating to communication, service quality and price were supported in this study. Customization appears to influence more the favored customer, although the findings were statistically insignificant. The same applies to the impact of reputation on disadvantaged personnel. The study enables marketers to develop profiles of typical advantaged and disadvantaged customers. Focus groups and customer surveys can help ascertain the customer emotions that indicate their category. Managers might also become more aware of key issues and be equipped to deliver CRM more fairly. The authors claim that results here facilitate better market segmentation that will allow managers to focus more accurately on the needs of each group. Where favored customers are concerned, the emphasis should be on maintaining the current relationship and is best achieved by addressing service and communication. Targeting disadvantaged customers with price is the recommended approach to achieving the goal of improving relations with this group. Such actions can help to minimize damage and build long-term, mutually-beneficial relationships with different customer segments.

The foregoing review of literature has revealed that a fair number of studies have been conducted in the domain of CRM, covering a wide spectrum of service sectors like the banking, insurance
and retail sector. However, studies in the telecom sector are relatively less in number. Also, applied CRM is a relatively new concept in India and not many studies have been published in this area. Studies related to CRM, in the context of the Indian telecom sector, are still fewer. There is hardly any comprehensive study of CRM practices of the telecom service providers, operating out of north India in general and Punjab in particular. The present study is meant to address this gap and provide consumers, practitioners, managers and academicians an insight into applications of CRM in the telecom sector.