CHAPTER-1
INTRODUCTION

The importance of a customer to any business entity cannot be overstated. Marketing gurus have rightly called the customer a king. The customer may also be likened to the ‘Sun’ of the business universe, the centre-point of all marketing activity, around which all other stakeholders revolve. All strategies and tactics originate from the customer as an epicenter and spread outwards. This concept is mostly referred to as ‘customer-centricity’ or ‘customer-centric approach’.

Till recent times, most of the marketing practitioners have focused on attracting customers using the concepts and practices developed for mass marketing in the industrial age. In the present information age, due to hyper-competitive nature of markets, more effective tools are required. Slowing growth rates, particularly in the context of the present global slowdown, have made organizations look for better ways to reduce costs and increase revenues. Customer Relationship Management (CRM) is one such tool which has evolved in the last four decades. CRM has been used with increasingly greater thrust, especially since the early nineties.

Managing relationships with customers is an activity which cannot be executed by the top management or the marketing department on their own. Rather, it is an attitude and a mindset which needs to be adopted by the organization as a whole. Though CRM is initiated by the top management, it normally encompasses all levels of management over a period of time. CRM is, therefore, the responsibility of not just the sales and marketing department but of every employee in the organization. However, success of any CRM effort depends to a great extent on the focus and push given by the top management.

The nomenclature of the term ‘Relationship Marketing’ conveys that it focuses on building relationships through specific marketing practices. The term ‘Customer Relationship Management’ suggests that it relates to the working of the whole organization with the objective of management of relationships with its customers, and that it is a broader concept as compared to ‘Relationship Marketing’. However, both the terms have been often used interchangeably by practitioners as well as academicians. For the purpose of present study also, these terms are being used in a synonymous sense.
1.1 MEANING OF CRM AND ITS EVOLUTION

The concept of customer-centricity, as associated with the present understanding of CRM, was first mentioned in the 1960s. The concept has been evolving since then and developments related to it have been traced below.

Levitt (1969) has introduced the concept of augmented product, emphasizing that consumers are interested in the total buying experience, and not just the core product. The concepts of needs of customers and the total buying experience kept on evolving over a period of time, finally pointing to the benefits of management of relationships with customers in the marketing domain.

Berry (1983) is generally credited with introduction of the term ‘Relationship Marketing’, in the context of services marketing. He has defined relationship marketing as attracting, maintaining, and enhancing customer relationships. According to him, five strategies for practicing relationship marketing are developing a core service around which to build a customer relationship; customizing the relationship to the individual customer; augmenting the core service with extra benefits; pricing the services to encourage customer loyalty; and marketing to employees so that they will perform well for customers.

Shani and Chalasani (1992) have defined ‘Relationship Marketing’ as “an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value-added contacts over a long period of time”.

According to Gruen (1997), ‘Relationship Marketing’ has been emerging as the core marketing activity for businesses operating in fiercely competitive environments. On an average, businesses spend six times more to acquire customers than they do to keep them. Therefore, many firms are now paying more attention to their relationships with existing customers to retain them and increase their share of customer’s purchases.

The concept of CRM has also been defined in ways similar to ‘Relationship Marketing’. Peppers and Rogers (1993) have viewed CRM as a tool of one-to-one marketing that integrates database knowledge with a long term customer retention strategy.
Peppers et al (1999) have suggested a four-stage framework of CRM represented by Identification, Differentiation, Interaction and Customization (IDIC) activities for implementing one-to-one relationships with customers. The framework suggests that a good CRM approach involves identification of high profit strategic customers, differentiation of offerings to them, continuous and meaningful interaction with them and use of tailor-made solutions, wherever necessary, to maximize the returns from identified customers.

From the marketing perspective, Couldwell (1999) has described CRM as a combination of business process and technology that seeks to understand a company’s customers from the perspective of who they are, what they do, and what they are like.

According to Parvatiyar and Sheth (2001), the emergence of new channels and technologies is significantly altering how companies interface with their customers, a development bringing about a greater degree of integration between marketing, sales, and customer service functions in organizations. For practitioners, CRM represents an enterprise approach to developing full knowledge about customer behavior and preferences and to developing programs and strategies that encourage customers to continually enhance their business relationship with the company.

According to Payne and Frow (2005), the term CRM has been used to refer to the collection of data and activities surrounding the management of customer-firm interface. Using these data and analyses, firms began to focus on acquiring new customers; retaining their current customers; and enhancing these relationships through such activities as customized communications, cross-selling, and segmentation of customers. CRM requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology and applications.

Baran et al (2008) have emphasized that while the term ‘relationship’ is important, the term ‘management’ is also important when defining CRM. The latter pertains to the organization’s ability to develop strategies that attract and retain customers. Management can be defined as identification of prospects, selection and acquisition of relevant prospects, and development of relationship.
Shainesh and Sheth (2008) have given the concept of ladder of loyalty to denote the evolution of relationship with a prospective customer. Ladder of loyalty shows the different stages through which a prospect becomes a customer, a client, a supporter, an advocate and finally a partner. A prospect is an individual in a retail market or an organization in the business market, which fulfils the requirements of the marketer’s definition of a target. The prospect becomes a customer on getting attracted by the offering of the marketer and buying the product or service. A customer becomes a client on purchasing the product or service more than once. A client becomes a supporter on being satisfied with the offering and recommending it to his friends, relatives and acquaintances. An advocate is a supporter who, in addition to the referrals that give increased sales, proactively works with the company to improve its products and services. An advocate becomes a partner on becoming actively involved in the decisions of the company. The ladder of loyalty has been depicted in Figure 1.1.

**Figure 1.1**

**Ladder of Loyalty**

1.1.1 Approaches of CRM

Pedron and Saccol (2009) have compiled a conceptual analysis based on a literature review, revisiting and examining the different definitions and concepts of CRM. As consulting IT firms play a relevant role in the dissemination of CRM ideas, they have found it relevant to consider the way vendors define CRM as well. By analyzing the different CRM definitions, they have found it possible to conclude that they can be split into three main CRM approaches. The three different perspectives on CRM have been mentioned below and compiled in Table 1.1.

- **CRM as a philosophy** of doing businesses which has to be considered above any kind of strategy or tool. A CRM philosophy is related to a customer-oriented culture keen on building and cultivating long-term relationships with customers;
- **CRM as a strategy** that drives functional plans and actions toward building relationships with customers;
- **CRM as a tool** focused on the role of IT being used to gather, analyze and apply data to build and manage relationships with customers.
## Table 1.1
### Three Different CRM Approaches

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<thead>
<tr>
<th>Approach</th>
<th>Definition</th>
<th>Source</th>
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<tr>
<td>CRM as Philosophy</td>
<td>CRM refers to the idea that the most effective way to achieve loyalty is by proactively seeking to build and maintain long-term relationships with customers.</td>
<td>Zablah et al (2004)</td>
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<td>A philosophy of doing business that will affect the entire enterprise.</td>
<td>Newell (2003)</td>
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<tr>
<td>CRM as Strategy</td>
<td>Resources destined for relationship building and maintenance efforts should be allocated based on customers’ lifetime value to the firm.</td>
<td>Zikmund et al (2003)</td>
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<td></td>
<td>CRM is the strategic use of information, processes, technology, and people to manage the customer’s relationship with a company across the whole customer life cycle.</td>
<td>Kincaid (2003, p.41)</td>
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<td>CRM is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer.</td>
<td>Parvatiyar and Sheth (2001, p. 5)</td>
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Table 1.1 (Continued)

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<th>Approach</th>
<th>Definition</th>
<th>Source</th>
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<tr>
<td>CRM as Technological Tool</td>
<td>Software, tools and systems can be viewed as technology-based applications to support the CRM process. They include database capabilities to collect and analyze customer information using statistical techniques such as data mining.</td>
<td>Ngai (2005, p. 588)</td>
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<td>Leveraging technology to engage individual customers in a meaningful dialogue so that firms can customize their products and services to attract, develop, and retain customers.</td>
<td>Campbell (2003, p. 375)</td>
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<td>CRM is a macro level process that subsumes numerous sub-processes, such as prospect identification and customer knowledge creation.</td>
<td>Srevastava et al (1999)</td>
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<td>Technology does play a substantial role in CRM efforts by, among other things, seamlessly linking front and back office functions to provide for the efficient and defective management of interactions across different customer touch-points. (...) thus, it seems that both over and underestimating the role that technology plays in CRM initiatives can have detrimental effects on firms’ relationship management efforts.</td>
<td>Zablah et al (2004, p. 479)</td>
</tr>
<tr>
<td></td>
<td>To some executives, CRM is a technology or software solution that helps track data and information about customers to enable better customer service.</td>
<td>Peppers and Rogers (2004, p. 5)</td>
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1.2 OBJECTIVES OF CRM AND ITS BENEFITS

According to Baran et al (2008), the objectives of CRM systems include identification of potential customers; understanding of current and latent customer needs; differentiating profitable from unprofitable customers and segments; decreasing attrition by increasing value and satisfaction; increasing usage of current products and services; increasing usage of a greater number of company’s products and services; increasing usage of more prestigious items produced by the company; increasing customer service and satisfaction; improving campaign management; increasing referrals; winning back lost customers; moving customers up the relationship hierarchy; and integrating marketing efforts throughout the various channels used by the company.

CRM is a very significant marketing tool available with organizations through which they can differentiate themselves from the clutter and occupy a unique position in the mind of their customers. Knowing the customers well, keeping them satisfied and retaining them are considered more important activities in marketing now than winning new customers. The ability of employees of an organization to make use of important data like customers’ names, birthdays and history of past transactions with the organization can ultimately pay rich dividends.

CRM helps in building a long-term relationship with customers. The objective of any CRM effort is not just to keep customers on board but also to manage higher revenues during the period of association. Organizations look at lifetime revenue from customers instead of just a one-time transaction profit. CRM initiatives help in getting more referrals from customers, thus increasing revenue and profit streams.

Sheth and Parvatiyar (1995) have observed that when customers enter into a relationship with a firm, they are willingly foregoing other options and limiting their choice. Some of the personal motivations to do so result from greater efficiency in decision-making, reduction in information processing, achieving more cognitive consistency in decisions and reduction of perceived risks with future decisions. CRM has the potential to improve marketing productivity through greater marketing efficiencies and effectiveness. It has a capability to reduce costs and increase productivity through better relationship management with the customers.
Sheth et al (2000) have highlighted that marketing efficiency is achieved because cooperative and collaborative processes in CRM help in reducing transaction costs and overall development costs for the company.

Stevens (2007) has mentioned that CRM can bring enormous benefits to service corporations, but only if users adopt it. Therefore, winning over the organizations and obtaining buy-in at all levels are crucial to the success of any CRM initiative. The study provides a brief overview of documented CRM successes to indicate why it is so important, discusses CRM adoption problems in general, and then presents a detailed description of the features that directly benefit individual members of the sales force. It also offers some tips to help foster high adoption rates.

Mohamed and Sagadevan (2008) have stated that CRM has a great significance from the organizations’ point of view due to reduction in customer recruitment cost, generation of more and more loyal customers, expansion of customer base, reduction in advertisement expenses, increase in number of profitable customers and increase in customer partnering.

According to Shainesh and Sheth (2008), programs have to be developed to build stronger bonds with the top customers so that they do not get poached by competitors. Secondly, Activity-Based Costing analysis has to be done with the middle group of customers so that the cost of serving them is reduced. Thirdly, an analysis of the bottom group has to be done to identify those customers who can be shifted to the middle and top group of customers. CRM leads to marketing as well as service benefits. Marketing benefits of CRM are that focused customized promotions substantially reduce the wasteful expenditure of mass communications, provide a greater chance of conversion of effort to sales and also gradually reduce organization’s dependence on periodic surveys to gather data. Service benefits of CRM are that the firms get motivated to engage in relationship marketing due to superior economics of customer retention, understanding happens on factors which motivate consumers to engage in relationship patronage and finally the willingness and ability of both consumers and marketers to engage in relational marketing generally leads to greater marketing productivity.

According to Godson (2009), CRM leads to long-term sustainable relationships and everyone wins as a result.
1.3 CRM IN THE SERVICE SECTOR

The last two decades have seen an exponential growth in the service sector. Worldwide, companies in the service sector have been pioneers in applying the concepts of CRM and implementing differentiated customer retention strategies. CRM has become an area of interest to various service industries like banking, telecom, financial services, insurance, consultancy, and retailing. Banks have been hiring relationship managers for select customers and airlines have been offering frequent flyer programs to reward loyal customers. Hotels have been offering personalized services for their regular guests and telecom service operators have been providing customized services to their heavy users.

Ryals and Knox (2001) have identified three main issues that can enable the development of Customer Relationship Management in the service sector; the organizational issues of culture and communication, management metrics and cross-functional integration especially between marketing and information technology.

Akhtar (2004) has stated that the 80-20 rule is applicable and relevant to CRM as well. In the context of banking sector, he has analyzed the revenue and profit contribution of customer base of banks in the US, Europe and Australia. The conclusion drawn is that the top 20% of a typical bank’s customers produce as much as 150% of overall profit, the bottom 20% of customers drain about 50% from the bank's bottom line, while the revenues from the rest of customers are just enough to meet their expenses.

CRM, as an IT-enabled approach, has been implemented across the service sector in the last two decades. Reactions of the top management of global organizations with respect to the use of CRM have been mentioned below.

Kumar (2004), Research director for Enterprise Application Software at Gartner Asia-Pacific, has observed that “The insurance firms are taking baby steps, starting with operational CRM to increase sales force automation. Once they have a sufficiently large customer database, they use Business Intelligence tools to mine data from various sources (such as contact centers and from banks with which they align) pushing the need for analytical CRM solutions” (www.expresscomputeronline.com).
According to Shah (2004), Managing Director, Talisma Corporation, “Customer-focused strategies require Customer Relationship Management systems to help acquire customers through various touch points and translate operational data into actionable insights for proactively serving customers. CRM with Business Intelligence (BI) tools can help insurance firms monitor the ebb and flow of customer behavior, giving them a holistic 360-degree view of their customers” (www.expresscomputeronline.com).

Globally, the service sector has been playing an increasingly dominant role in employment generation as well as percentage contribution to GDP. The same applies to the Indian context as well. According to the Economic Surveys published by the Government of India in the last few years, the service sector contributes to well over 50% of the Indian GDP. However, the CRM market in the service sector in India is still nascent as compared to the global market though some players in the banking, insurance, retail and telecom sectors have been investing resources in this field. Organizations in the insurance sector have been adopting CRM in a big way. Reactions of the management of two Indian insurance organizations are mentioned below.

Tikoo (2004), Head-IT, ICICI Prudential Life Insurance Company, has stated that “As a forward looking company, we see CRM playing a significant role in acquiring new customers. CRM has helped ICICI Prudential Life capture lakhs of customers through effective event-based marketing and lead tracking to cross-sell and up-sell products. CRM lets us obtain granular details about our customers, helping us to design better products, improve service levels and reduce operational costs. Insurance companies with huge customer databases, servicing their customers through numerous branches and call centers will invest between 15 to 20 percent of their total IT budget on CRM applications”. (www.expresscomputeronline.com)

Pandey (2004), Application Manager, Aviva Life Insurance Company, has made an observation that “CRM helps us categorize and segment customers and align our products that best suit them. CRM is helping us expand into rural areas”. (www.expresscomputeronline.com). Aviva caters to close to 100,000 customers with its CRM solution.

Success in CRM comes by following a long-term approach through understanding customers and proactively meeting their requirements, with or without the use of technology, and with the help
of a set of empowered employees. However, the timing and manner of contact with the customers has to be chosen suitably so as to take maximum care of customer convenience.

It is not that the CRM solutions cannot fail. Some academicians and practitioners have expressed doubts about the effectiveness of CRM solutions to generate meaningful insights into the minds of consumers. Bolton (2004) has stated that many of the early CRM implementations seem to have failed. Most of the implemented CRM systems have been used to improve customer-facing operations, rather than making a transformational impact.

1.4 CRM IN THE TELECOM SECTOR

CRM has begun to find many applications in the telecom sector too, across the globe as well as in India. Since the present study is specifically focused on the telecom sector, evolution and impact of CRM on this sector are sketched below.

The landline, also called basic or wire-line or fixed-line, services have existed in India since the last century through the Department of Telecommunications (DOT). In the present study, the term ‘fixed-line services’ shall be used hereafter to refer to these services. The other alternative, the cellular services provided by the telecom service providers, shall be referred to as the ‘mobile phone services’ or the ‘wireless’ services, as in TRAI reports.

Developments in information technology, data warehousing and data mining have made it possible for firms in the service sector in general, and in the telecom sector in particular, to maintain a one-to-one relationship with their customers. The telecom service providers can now manage every single contact with the customer through various touch-points like account management personnel, call centers, interactive voice response systems, online dial-up applications, and websites to build lasting relationships. Thus, in the current environment, the dynamics of managing customers in the telecom sector have undergone a sea change. The number of service providers and number of subscribers with each service provider has grown exponentially since the mid-nineties, thus leading to an enhanced importance of CRM as a focus area for these businesses.

An understanding of consumer perceptions and behavior is necessary to prevent them from becoming dissatisfied to such an extent that they decide to sever ties with the service provider. In
this context, the term ‘churn’ has been used in the present study. The telecom industry uses the term ‘churn’ for those customers who give up their service subscription.

CRM has become the mantra of the day for the telecom service providers. Customer care departments have been renamed as CRM departments, or in some cases, a separate CRM cell has been formed. Differentiation through a relationship approach can make these service providers survive and thrive amidst an increasing trend towards globalization. Comprehensive information relating to telecom service providers in India has been given in Chapter 2.

1.5 CONCEPT OF SERVICE QUALITY

The quality of service offered to consumers is a major differentiator from other services. A service which is perceived to be superior in quality is likely to be demanded again and is also likely to be recommended further by consumers. Therefore, good service quality appears to be a pre-requisite not just for survival but also for continued success of service organizations.

An insight into the quality, as perceived by the consumer, leads to an understanding of the service quality of an organization. According to Parasuraman et al (1985), service quality is an abstract construct because of three unique characteristics of services: intangibility, heterogeneity, and inseparability of production and consumption. The researchers have revealed that the criteria used by consumers in assessing service quality fit ten dimensions, namely, ‘tangibles’, ‘reliability’, ‘responsiveness’, ‘communication’, ‘credibility’, ‘security’, ‘competence’, ‘courtesy’, ‘understanding the customer’, and ‘access’.

According to Parasuraman et al (1988), the construct of quality, as measured by the SERVQUAL scale, relates to perceived quality, which represents the difference between consumer’s expectations and perceptions. The researchers have conceptualized a five-dimensional model, as a contraction of the original ten dimensions. The five dimensions are ‘Tangibles’ ‘Reliability’, ‘Responsiveness’, ‘Assurance’ and ‘Empathy’. The measurement instrument SERVQUAL is based on this five-dimensional model.

Gronroos (1982) has named technical quality and functional quality, as the two dimensions of service quality. According to him, technical quality represents what is delivered to the consumer
where as functional quality is related to how the service is delivered. The five dimensional SERVQUAL model of Parasuraman et al (1988) mainly captures the functional quality.

1.6 SERVICE QUALITY AND CRM IN INDIAN TELECOM SECTOR CONTEXT

The competition in the Indian telecom sector has been getting more intense with each passing year. The industry has been witnessing decreasing tariffs, falling revenues and dropping profitability. It seems to be heading towards consolidation. A focus on service quality and CRM has become increasingly important in this scenario. It has become crucial for telecom service providers to understand customer expectations well. According to Parasuraman et al (1985), it is very important to work with customers to understand their expectations, as research has consistently indicated that one of the major reasons for poor service quality is the gap between perceptions of managers about customer expectations and actual customer expectations.

Though both the functional and technical dimensions of service quality affect the perceptions of the consumer of telecom services, yet it seems that there is little differentiation that organizations can offer in the technical dimension of service quality. Therefore, the functional dimension of service quality, as reflected in the five dimensional model of Parasuraman et al (1988), assumes all the more importance in the context of Indian telecom sector, more so with the launch of Mobile Number Portability (MNP).

To improve the functional dimension of service quality, the telecom service providers collect specific customer requirements and information through interactions with them. The service providers then develop knowledge based on collected data to be able to meet customer expectations as far as possible. These customer interactions are used to process information and insights about their needs and buying behavior to design and develop services, which can help create value for customers as well as organizations.

Although customized as well as off-the-shelf technological solutions are available in the marketplace, the telecom service providers need to do a lot more than just adopt these solutions to implement Customer Relationship Management practices. They need to understand motivations of their customers as well as know the gaps between their expectations and perceptions. Studies like the present one also attempt to provide inputs in that direction.
1.7 SIGNIFICANCE OF THE STUDY

Due to amplification in competitive pressures and because of increased globalization, organizations around the world have been continuously looking for newer and more sustainable competitive advantages. CRM is one such tool which many organizations have identified and successfully implemented in their businesses to gain an extra edge over their competitors. It is particularly true of services where an extra delight, in the manner of delivery, compensates for lesser tangibility as compared to that of products. This delight can become possible through superior understanding of customers and better relationship management with them.

CRM is an important area of study for academicians and practitioners. A deep understanding of customers and their usage patterns can go a long way in providing them with right set of services and getting maximum revenue from them. Acquiring a new customer can be several times costlier than retaining an existing one. CRM not only helps in getting new as well as repeat customers but it also saves enormous costs for the organizations through retention of important customers.

As a result of implementation of reforms and policies in the telecom sector, the scenario has undergone a big change. In order to win over competition, it has become increasingly necessary for telecom service providers to provide relevant value-added services to each segment they cater to. Therefore, it is clearly evident that CRM has become an important tool which the telecom service providers can use to increase customer value and loyalty.

Applied CRM is a relatively new concept in India. Some studies, based on CRM, have been conducted in India in the banking sector and some other sectors too. However, the telecom sector remains relatively less explored. There is hardly any study on CRM practices of telecom service providers based in the northern part of India. The present study is meant to address this gap.

The present study investigates the CRM practices of mobile telecom service providers of Punjab. The focus of this study is on the expectations and perceptions of retail consumers with respect to the CRM practices of telecom service providers. While the service provider always looks for ways to strengthen relationship with the consumer, the latter might perceive the attempts differently due to a different viewpoint or an earlier dissatisfaction. This study aims to develop
an insight into the mind of the customer about what really he or she perceives as a relationship building measure.

Effort has been made to make this study meaningful for the telecom service providers in Punjab and also useful for the consumers. An objective of the study is that the marketing departments of the service providers are able to understand the effects of their CRM efforts on consumers through the gap between their expectations and perceptions with respect to the service quality. The study has attempted to develop insights into various CRM practices in the Indian telecom sector, particularly the Punjab Telecom Circle. It aims to provide a deeper insight to the academicians and research students of this field and makes an effort to add some theoretical inputs to the body of knowledge in the field of CRM.

1.8 SCOPE OF THE STUDY

In order to study the CRM practices, it is important to identify an appropriate universe where the study can be conducted. The Indian telecom sector offers one of the lowest tariffs across the world and is also one of the fastest growing ones. This sector has been an important contributor to the economy, especially since the mid-nineties. This makes the sector extremely competitive and hence offers a fit context for studying CRM practices.

The telecom sector includes hardware firms which are called the equipment-providers as well as services-delivery organizations which are called the telecom service providers. For the purpose of this study, the telecom sector refers to telecom service providers only. The scope has been limited to the service providers only, as a study of CRM practices becomes more relevant in the context of service sector than the manufacturing sector. Some reasons of greater applicability of CRM in the service sector are intangibility of offerings, greater competition and a larger number of retail consumers.

The telecom service providers can be further classified into providers of mobile and fixed-line phone services. The mobile phone services segment has shown a steep growth whereas the fixed-line services segment has been declining rapidly in recent years. According to TRAI website (www.trai.gov.in), the fixed-line subscriber base reached its peak of 42.84 million in the year 2004, from a base of 26.65 million in the year 2000. However, the TRAI data also shows
that it has come down to a low of 32.17 million as of March, 2012. Thus, the fixed-line subscriber base has been falling rapidly in the recent years. It has been shown graphically in Figure 2.3 in Chapter 2. Also, the yearly growth rate of wireless subscribers for the period March, 2011 to March, 2012 was 13.26% whereas the growth rate was negative for fixed-line subscribers, with the figure for the same period being minus 7.4%.

At the initial stages, it had been envisaged that the fixed-line segment would also be included in the study. However, as is evident from the above data, the fixed-line market has been declining rapidly and focus of the telecom service providers, particularly with reference to their CRM effort, has been clearly on the wireless market in the last few years. Therefore, the scope of the present study has been limited to the segment of mobile phone services only.

With respect to geographic area, the scope of the study is limited to Punjab where the telecom service providers operate as part of the Punjab Telecom Circle. The telecom circle has been divided into eleven telecom districts. It also includes the Union Territory of Chandigarh and Panchkula town of Haryana, as one of the telecom districts. Nine mobile telecom service providers, in the decreasing order of market shares in the circle, namely, Airtel, Idea, Vodafone, BSNL, Reliance, Docomo, Tata Indicom, Videocon (Connect) and Aircel have been included in the study. The Punjab Telecom Circle has been selected because of a competitive scenario and easier access to consumers and executives of telecom service providers.

1.9 OBJECTIVES OF THE STUDY

The following specific objectives have been pursued for the purpose of the present study:

1. To investigate various CRM practices being used by the telecom service providers
2. To examine the expectations and perceptions of consumers towards the CRM practices
3. To analyze the resultant satisfaction or dissatisfaction levels of consumers
4. To suggest policy implications to the telecom service providers and other stakeholders
1.10 ORGANIZATION OF THE STUDY

The thesis has been organized in seven chapters.

The first chapter is an introduction of the study. It describes the concept of CRM, traces its evolution and outlines its objectives and benefits. The impact of CRM is discussed in the context of the service sector in general, and the telecom sector in particular. The significance, scope and objectives of the study have also been outlined in the chapter.

The second chapter describes the scenario of Indian telecom sector. It covers the history of the telecom sector and relevant developments after the year 1991. It outlines, in brief, the major telecom service providers in India. Relevant information from the Telecom Regulatory Authority of India (TRAI), including the Mobile Number Portability (MNP), is also given in the chapter. It also discusses the telecom sector in Punjab and the future of CRM in the telecom sector.

In the third chapter, available literature related to CRM and service quality, in the context of telecom sector and other service industries, has been reviewed. It includes various research contributions, directly or indirectly related, to the present study.

The fourth chapter elaborates on the research plan and methodology used in the present study. Hypotheses of the study, universe of the study, sample and sampling design, proposed research framework, questionnaire formation, data collection and analysis, sample profile of consumers and executives, results of the pilot study and limitations of the study have been covered in the chapter.

The survey findings resulting from the analysis of perceptions of consumers towards CRM practices of telecom service providers form the backbone of fifth chapter. This chapter examines the gap between expectations and perceptions of consumers. It also analyzes the constructs of ‘Relationship Strength’ and the attributes of services. The proposed research framework is also validated in this chapter.

The sixth chapter is devoted to survey findings emerging from the analysis of perceptions of executives of the telecom service providers. It reports the findings on constructs related to
marketing mix and efforts towards CRM. This chapter also makes a comparative analysis of the perceptions of consumers and executives of telecom service providers.

The seventh chapter presents a summary of findings, and offers recommendations, to the telecom service providers and other stakeholders.

The appendix presents the two questionnaires used in the study. The list of references, used in the study, has been compiled at the end of the thesis.