Chapter 7

FINDINGS AND CONCLUSIONS

Introduction:

The observations of the survey are compiled in the following paragraphs in the form of findings and conclusions. The findings related to each aspect of CRM implementation are presented point wise so that each point refers to one aspect of CRM each. The findings are presented for the entire manufacturing sector wise as well as in the form of sector wise breakup to study the different trends in the consumer product sector as well as the industrial product sector. The various findings help in understanding the preferences for various tools and the logic behind it as well as the sector wise response to various tools and initiatives. Each point below presents the findings of each aspect of CRM explored.

7.1 Findings:

7.1.1 Communication and contact channels for CRM:

CRM is in true sense managing the customer relations by giving due recognition to customers to ensure stability and growth of the organization. The relations have to be managed with proper planning and organizing of activities to give a fruitful experience to the customer. For managing customer relations all the possible avenues of creating value for the customer must be considered. It could be modifying processes to give the customer a fulfilling experience or making provisions in the organization structure to pay proper attention to customer relations. Technology may be used as an enabler to facilitate contact and effective communication with the customers. Various strategies and initiatives have to be worked out to acquire the customer loyalty. Successful implementation of CRM is possible when the organizations have a holistic view of the concept. It needs to be looked at as a strategic tool that utilizes technology as an enabler. It should not be mistaken for a mere technological application. All these aspects of CRM applied by the organizations in the manufacturing sector were studied and the following findings have emerged from the responses received.

- Developing customer relations is possible only when there is accessibility for communication and contact. The relations have to be developed on the foundation of trust. The organizations must strive hard to create value for the customers. An important part of value creation is making the business transactions or interactions
less cumbersome. The customers have a feeling of gratitude and thankfulness when the transactions/interactions take place easily and smoothly.

It is observed that most of the respondents (92%) are mainly using the email response for interaction and communication. It appears to be the most popular mode of interaction and is extensively used by almost all managers. It is very user friendly and even a two way interaction takes place easily and very fast. It speeds up the business transactions and interactions. The written communications are automatically recorded and can also be referred to in case of ambiguity bringing much more transparency in the whole process.

Naturally with the advent of this virtuous new technological advancement the telebusiness has been pushed to the second preferred position. 50% respondents use the telebusiness and 46% respondents use the contact centre desktop. These two modes of interaction also ensure an easy two way communication. Thus, almost half the respondents use these modes of communication.

Comparatively fewer respondents (22%) use the voice mails and intelligent call routing. Since most of the organizations use the internet and telebusiness, the voicemails and ICR are probably less used. Many dealers and B2B customers use the ICR for getting information about the status of various factors from various departments while fulfilling orders. The voice mail and ICR are naturally less useful to the end consumers and are more used by the B2B customers and dealers. Both these facilities are used to a larger extent by the consumer sector. 36% of consumer sector uses voice mail and 41% of the consumer sector uses ICR. It is not much used by the industrial sector respondents.

It is seen that kiosks are being used by a small group of 24% respondents. The kiosks also provide a channel of two way communication and personal interaction to get an in-depth information about the product and associated services. But it is necessary for the consumer to physically reach the place of the kiosk for further interaction and this is quite inconvenient many times. Kiosks can be used extensively in areas not connected by the net. The apparent reason for the lesser popularity of the kiosk must be that if most of the information can be disseminated on the internet, then probably the utility of a kiosk decreases when there is the option of the internet.
One of the pillars of CRM is contact with customers. By being in touch with the customers, it is possible to understand the needs and problems of the customers much better. Once this understanding is clear it is easier to satisfy and further delight the customer. Out of the various contact channels available, it is observed that 94% frequently use the sales people, 90% respondents are in touch through the marketing department and 80% respondents contact the customers through the service personnel. All the above channels are the traditional channels that have been time tested and proved. It is interesting to note that though there are advancements in technology the channels that provide a human touch are indispensable. During the visits of the sales people and service personnel there is personal interaction that helps get an in-depth understanding of the customer needs and it is more important to understand the customer in his context. A holistic view of the customer can be obtained only through these traditional channels which therefore, become indispensable.

It is seen that there is one more popular contact channel, the strategic account manager (SAM) who is a one point contact with usually the institutional customers. All the requirements of the customers are channelized through a single person, the SAM. These customers are large volume buyers and may have different specifications for different requirements of products. If there are several people handling these precious customers there is possibility of confusion and buck passing. An organization today cannot afford to lose a single valuable customer as it can affect the referral market and also the image of the product. With a single person handling the communication and interaction there is a better understanding of the customer. The total commitment of the SAM to the customer can help gain the trust and loyalty of the customer. This channel of contact has therefore emerged as one of the popularly adopted contact channel.

Call centre is adopted by 40% respondents that are highly customer focused and want to be available 24 x 7 at the service of the customer. The consumer sector appears to be using the call centre to a larger extent than the industrial sector.

It is seen that the respondents are also making use of the technological advancements for contacting the customers. The websites which are almost virtual shops are very effectively used by 62% of the respondents to share a lot of information about the organization, the product, associated services and various
schemes offered. The websites are also seen to be sharing a host of information about the initiatives taken by the organization as part of being customer centric as well as part of corporate social responsibility. This is helping the image building for the organization and also improves brand image.

The customers these days are fastidious about the purchase decisions and collect detailed information about the product and the associated services as well as the offers made by the organizations. The websites offer information about value added services such as paint calculator that helps the customer to finalize his budget for painting, advice on the Vastushastra and personality aspects to be considered while painting is also offered on the website. The websites are user friendly i.e. easy to navigate making them very popular amongst the customers.

A lesser chosen contact channel is the consumer communities which is used by 22% respondents. This channel is utilized to create greater awareness about the product and the organization. It is used to generate product advocates by encouraging consumers to share their experiences.

The least chosen channel of contact is the net chat. It is used by just 6% respondents. This channel is not widely used as the other contact channels are being utilized satisfactorily to a great extent reducing the need for the net chat.

7.1.2 Provisions in the Organization Structure :-

- A striking observation is that only 36% respondents have a full fledged CRM division to cater to various aspects of CRM. The most prominent reason for this small number appears to be that most of the respondents practicing CRM are doing it in phases. Beginning with one process or department they are gradually extending it to the rest of the organization. Most of the organizations are in the initial stages of evolution of CRM. Very few organizations have reached the stage in the evolution of CRM where in they have an independent CRM division because of phased implementation of CRM.

The mostly adopted provision in the organization structure has been the task force used by 74% of the manufacturing sector, 68% of the consumer sector and 79% the industrial sector respondents provide the task force to manage customer relations by attending to all their needs. The reason why the task force is popularly followed appears to be the nature of the product and the unique problems that may be encountered. The industrial products or consumer durable products many times
encounter problems that are not common or standard. These problems occur due to the peculiar characteristics of the site where the product is used eg. The peeling of paint in the coastal region due to the salt content and humidity of air or a drug action observed only in a particular patient or installation of TV / engines at a particular location, the formula of cement for a special purpose site etc. The problems that arise due to specific situation can be solved by a group that can analyze the root cause and work out the remedial actions. This can also ensure that the required modifications in the product or process may be made so as to avoid recurrence of the problem in future.

An almost equally popular organizational provision is the team to look into customer relation used by 66% respondents. A large section of the industrial product sector i.e. 71% and a comparatively smaller part of the consumer sector i.e. 59% have teams to build and develop customer relations.

Some industrial products and consumer products need supporting services or encounter problems, common or uncommon, while using or operating the product. A large pool of trained manpower is necessary to attend to these problems as and when they occur. The job of the team is to attend to these calls and solve the customer problems by visiting the machine or product on the site to understand the problem in totality. It is not possible to move the product from the site. This team is a group of experts/technicians that visits the customer on his site to attend to the problem. There is no separate department but the job entrusted to this team is to build and develop customer relations by attending to all the requirements of the customers.

Another provision in the organization structure to look after customers and take care of them is the customer care centre. 58% respondents have a customer care centre. Many organizations that have not adopted this option feel that the task force and teams that operate for customer care do a good job and so a separate customer care centre is not necessary. Nevertheless the respondents who have a customer care centre are also substantially large indicating that the culture and mentality of taking care of customers has started taking roots in the organizations culture. This percentage is an encouraging trend in the successful implementation of CRM.

One more provision for looking into customer relations is the call centre. It is used by only 40% of the respondents of the manufacturing sector but a large section of the consumer sector uses the call centre. 75% of the consumer sector has a call centre to attend to customer queries and problems 24 x 7. Only 14% of the industrial
product sector has a call centre. It is seen that the consumer durable companies have to reinforce their product with supporting services that create value for the customer. A greater value can be created if the customer can have 24 x 7 access to the concerned people. If the customer can register his complaint or query immediately as it occurs, it definitely gives him a feeling of relief and he has the peace of mind, that he has somebody to attend to his problems any time of the day. This is largely applicable for the consumer products and some industrial products. There are many industrial products that are used or installed with the help of technical expertise of the company representatives. In some cases there is a person or team that is in constant touch with the customer in the form of site visits or some people posted 24 x 7 at the site as company representative. In such situations, the problem is attended to immediately even without a call centre. So, there are some organizations that do not have a call centre. This clearly brings out the reason why there are only few organizations with a call centre.

7.1.3 Technology as an enabler for CRM

- The internet has revolutionized the way businesses are conducted today. The organizations making use of the internet for ease of transaction for the customers have a distinct advantage over the businesses that do not use the internet for customer facing transactions. The tiring processes of order booking and order status enquiry are reduced to a simple and convenient operation on the internet. The electronic catalogues and product specifications displayed on the internet help the consumer make a studied purchase decision.

    Yet the internet which is all pervading is not being utilized to the fullest extent by many organizations.

    62 % respondents display the electronic catalogues and product specifications on the net. This helps them reach the consumer with their product details at the consumer’s place. All this information is just a click away from the consumer.

    56 % respondents carryout order booking on the net and 46 % respondents allow order status enquiry. It is noticed that in many organizations these facilities have been made available only to selected dealers. Since the facility is not made available to all the dealers or end consumers some of the consumers are being deprived of better value offers by the organizations.
50% respondents have made available to the customer the facility of net chat or interactive dialogue. It is seen that 44% respondents use the internet for contact management.

The finding that emerges is that the internet is being under utilized in value creation for the customer.

Technology has made such rapid strides that the advanced means of communication have become routine to all business functions. 96% respondents use telephone, fax, mobile. The conference call is lesser used. This finding is similar to the use of voice mail. Smart Cards are used by only 12% respondents. There is a greater utility of smart cards when there are repetitive transactions such as petrol filling, booking tickets etc. The manufacturing sector does not have this kind of frequent transactions and hence the smart card has lesser utility to the manufacturing sector.

ATM’s are used by just 8% respondents. These can be used only for associated value added services. Hence, its utility in the manufacturing sector is relatively less.

It is observed that technology has been utilized much more for other business functions. All the respondents i.e. 100% use technologically advanced softwares for billing and invoicing and 93.3% respondents use technology for processing orders, complaint management, logistics and after sales service. The technology enabled services are making lot of value additions to business. On the whole technology has been widely used for many business functions.

7.1.4 Customer information -the life and blood of CRM

- CRM thrives on important customer information. It has been noticed that a large group of 92% respondents have an in house database for customer profiling. It is observed that almost all the organizations have realized that all customers are not similar. Each customer must be understood in his context and with his specific requirements. Once the uniqueness of each customer is understood it is easier to transact with the customer with a greater understanding of the transaction. Customer profiling appears to have become one of the basic and essential activities of CRM.
- Customer information is the life and blood of CRM. 74% respondents are using the internal documents as sources for customer information. These documents are a form of database that throws light as the track record of the transactions of
customers. The organizations seem to be taking lot of efforts for maintaining internal documents and every little documentation is preserved.

82% respondents look at their internal personnel as sources of customer information. It is seen that the various internal personnel who interact with the customers become the eyes and ears of the organization. Their experiences while interacting with the customers are compiled and become an important source of customer information.

Customer websites (62 %), annual reports (50 %), public databases (52 %) and professional analysis (44 %) are not much used. It appears that these sources provide generalized information and probably do not give on “insiders” views about the customers. Transactions with customers are better handled with information about first hand experiences. 56 % respondents make use a competitors for collecting their information.

Research groups (40 %) and trade journals (50 %) are not being used much.

• A striking observation is that 80 % respondents make use of customer visits and 68% respondents make use of sales calls to tap customer opinion.

It is clear that in spite of advanced techniques for collecting customer opinion these traditionally followed methods have still not lost their importance. This is because it is possible to get first hand information about the customer opinion by personally interacting with the customer and learning from his experiences of the product, its functioning as well as the support provided by the organization. 72 % respondents collect customer opinion through a systematic customer feedback activity. This significant percentage indicates that there is a growing awareness about the importance of collecting customer opinion with a formally designed feedback activity. This highlights the fact that it is not “feedback by chance” but “ feedback by default.” This growing awareness and efforts greatly help achieving customer satisfaction and loyalty.

7.1.5 Customer focused processes

• Better customer focus is the backbone of customer relationship management. It is found that the respondents are implementing various types of customer focused processes to varying extents. The most popular is information sharing with customers and open lines of communication. It is implemented by 60 % respondents
and is used to a slightly greater extent (67 %) by the industrial sector than the consumer sector (55 %).

The process of information sharing and open lines of communication being used more by the consumer sector is not surprising as they have used the contact centre, call centre and toll free number also to a large extent. It is heartening to see that the industrial product sector which had apparently not much felt the need to entertain the customer and his queries so far is also implementing it to a substantially large extent. The industrial product sector mostly manufactures products according to the technical specifications of the customer and so, in the past, they had apparently not realized that open communication with customers is important for value addition to the product and allied services at every stage. The above figures indicate a change in the mindset of the respondents from the industrial product sector and this trend is favorable for the development of CRM.

Another customer focused process that is widely adopted is developing joint solutions to problems. It is adopted by 45 % of the consumer sector and a huge group of 79 % of the industrial product sector respondents. The industrial products are sold for technical operations or at locations where in there may not be homogeneity in the sites i.e. every site may have unique characteristics and peculiar requirements. Whenever the industrial product is sold a joint solution needs to be worked out by the customer and the manufacturer depending on the requirements of the site. These are discussed by both the parties to arrive at a feasible solution. Comparatively the consumer products are standardized and their problems are also mostly common unlike those of the industrial products. This sector wise difference is clearly seen in the extent to which the initiative of joint solutions is adopted by consumer and industrial product sector.

Customer participation in product development and planning is the crux of customer relation building. This customer focused process is implemented by 56 % respondents. This is an encouraging number but also indicates that there is great scope for increase in the number of companies allowing the customer to become a co-creator of the products. It is observed that the consumer sector (64 %) finds this process to give good results in terms of value addition as compared to the industrial sector (55 %). The consumer sector benefits out of this process by encouraging the users to voice their experiences and problem areas of the products used. This helps them get valuable suggestions from the customers and the customers feel valued as
their opinions are given a patient and enthusiastic hearing giving them the satisfaction of participating in product development.

One more customer focused process is developing the supply chain management which links the supplier-manufacturer –retailer for delivering better service to the customer. It is seen that 62 % respondents are using it and this is a positive development for CRM implementation.

Processes such as purchase process modification for customers and co-designing, co-marketing, co-development have not been implemented in a substantial way so far.

• Value drivers are important driving forces for offering value to customers. The positive part is that 50 % respondents regularly monitor service quality, VOC and have a vendor development program in place but the number needs to be increased to a much greater extent. These initiatives when implemented regularly will give better value to customers and the efforts taken by the organization can acquire the trust and confidence of customers.

Quality circle, group analysis and knowledge management have been adopted by around 30 % respondents. All these activities must be implemented by more number of respondents to get a feedback about potential areas for improvement of products and services. This will not only help everybody to update their knowledge but will also create a feeling of teamwork by sharing the latest knowledge with all the colleagues / employees. Knowledge empowerment is of utmost importance to survive and win in today’s hypercompetition

7.1.6 Role of HR

• HR department plays an important role in creating a CRM culture, by initiating various activities. More than 75 % respondents have opined that special training to deal with customers, teamwork, workshop and regular meetings are important. The large extent of awareness about the importance of these vital inputs for developing CRM is very delighting. Inspite of this, there is a slight hitch, in that the group of respondents who consider these factors to be crucial is not very large. If a large group of respondents consider these factors to be crucial then more efforts for implementing these initiatives will be taken. Only awareness does not suffice and the progress should be in that the respondents must consider these as extremely
important or crucial so that the efforts for inculcating CRM culture in the organization will be taken with greater intensity.

A large group of 64% respondents have expressed their opinion that newsletters play an important role in helping create CRM culture. Newsletters appear to be quite popular and have been published by a considerable number of companies. Motivation for CRM also influences to a great extent in creating CRM culture.

Initiatives like group dynamics, change management even open communication culture have not been very widely implemented. These activities need to be largely implemented as they can contribute to improved internal interactions resulting in better teamwork.

- The ideas of good service in terms of serving the customer appear to have reached all the sectors of the manufacturing industry in the right perspective. A very positive trend noticed is that all the 100% respondents have considered responsive service to be important for customer service and out of these 84% have considered it to be crucial. Prompt response to customers is very important for relation building. The realization that responsive service is important is definitely favorable for the inculcation of CRM culture in the manufacturing sector.

Proactive relations have been considered important by 98% respondents and the noteworthy point is that 64% of the industrial product sector considers it to be crucial and not just important. This development is important because the industrial sector had not much realized the importance of this soft element for a long time. The new trend is a clear indicator that things are taking a positive turn with the manufacturing sector on the whole having realized the importance of proactivity in relation building.

A very encouraging development is that more than 85% respondents have agreed to the importance of factors like frequent and easy mechanisms for personal contacts, empowered employees, information sharing from customer interface point to back office, rewarding employees for excellent customer care, good employee relations and soliciting feedback from customers. All the above factors are the basic inputs for internal and external customer satisfaction. When the internal customers are empowered to take the right decisions for the customers and when their contribution to customer care is appreciated it motivates them to take more efforts to please the
external customers. This lays the foundation for good customer relationship management.

- The most popular tool in the manufacturing sector for acquiring customer loyalty is the efficient customer response (ECR) adopted by 74% respondents. A large group of respondents agree that the most effective means of acquiring customer loyalty is by providing efficient service to the customer. They feel that a prompt and fruitful response to customers offered convinces them customer that the organizations are making sincere efforts to serve them. Once the customers develop a favorable mindset towards the company and its interest in the customers, relations develop faster and grow thicker. The company keeps in touch with the customer to ensure that the customer is satisfied with the company’s response. Most companies have a certain stipulated time period within which the customer’s complaint/query must be responded otherwise the query is escalated to higher levels automatically with the software used for CRM. It is seen that lot of efforts and technology as an enabler is being used to offer a pleasant experience to the customers. Another method widely followed for acquiring customer loyalty is organizing conferences and workshops to enhance and update the customer on product related knowledge and hone various skills. The respondents can get the benefit of interacting with very well known and esteemed experts that are normally not within the reach of individual budgets and contacts.

One more tool frequented by the organizations in the manufacturing sector for acquiring customer loyalty is offering free consultancy on related issues. More than half of the respondents (52%) offer free consultancy to the customers to help them enhance their business by suggesting better ways of using products. It is noticed that it is being mainly used by the industrial sector. 67% of the industrial sector offers free consultancy on product related issues while 32% of the consumer sector offers free consultancy to customers. The industrial products are mainly of a technical nature and customers welcome expert advice in technical areas. This makes the consultancy more popular in the industrial sector.

Some other tools that are used but to a lesser extent are loyalty cards, membership cards, gifts, holiday packages and dealer clubs. One point that comes to the fore is that, the tools that are popularly used directly contribute to enhancing
customer loyalty by providing prompt and responsive service. The companies are found to be interested in knowledge enhancement and are not pacified by gifts and similar such packages.

- It is observed that the concept of CRM as a strategy and not a technical application has been digested and accepted by almost all i.e. 98% respondents. This mindset and conceptual clarity indicates that the basic groundwork for successfully implementing CRM is ready. This is a positive development for CRM in the manufacturing sector.

It has been noticed that, the organizations in the manufacturing sector are all working towards acquiring customer satisfaction to ultimately win the loyalty of customers. 90% respondents have agreed that customer satisfaction is directly related to customer loyalty. The various initiatives taken by the manufacturing sector reflect the realization of CRM concept.

The companies have realized that customer relations are important for not just customer satisfaction but also customer loyalty. It is seen that 66% have agreed to this aspect of CRM and as a result many are taking efforts to build long term good customer relations for acquiring customer satisfaction and loyalty.

One more encouraging factor noticed is that organizations are taking efforts to keep internal customers i.e. the employees happy. The companies are taking initiatives to satisfy their psychological and social needs along with the needs for achievement.

A feeling of family unit, team spirit and a sense of pride in being associated with the organization is achieved through well formulated vision, mission and core values. Informal gatherings, social functions, sports events are organized on weekends to foster the feeling of being a team. Corporate social responsibility is recognized and several initiatives to discharge social responsibility are taken by many organizations.

A large group of organizations (80%) accept that customer complaints offer an excellent opportunity to increase customer loyalty. This is clearly indicated in the immense efforts taken by all the organizations in attending to customer complaints and resolving them as efficiently as possible.
7.2 Conclusions:

7.2.1 Communication and contact channels for CRM:

- The most popular mode followed for ease of transaction is the email followed by the telebusiness and contact centre desk top. All the above modes enable two way communication with the customers which is necessary during a transaction. The emails are precise and fast, making the transactions less tedious. The contact center desktop is mostly adopted by the consumer product sector, particularly the consumer durable sector for 24 x 7 availability to the customer. This helps in nurturing customer relations. Kiosks have not clicked much in the manufacturing sector for communication and contact with customers.

- The most preferred mode of communication adopted by organizations to interact with customers is the telephone, fax, mobile and email.

- The traditional channels of salespeople, marketing department and service personnel are still largely used for maintaining contact with the customers. Another popular source is the strategic account manager who is a single point contact usually for the institutional customers. The precious customers and their requirements are looked after by a fully dedicated strategic account manager.

7.2.2 Provisions in the Organization Structure:

- Very few organizations have an independent CRM division although a large number of organizations have task force and teams to look into customer relations.

- In addition, many organizations have customer care centers and many organizations from the consumer product sector have call centers to provide 24 x 7 accessibility to customers.

- The provision of a fully dedicated person, the strategic account manager, in the organization structure to cater to customer needs is adopted to a considerable extent in the manufacturing sector.

Thus provisions in the organization structure indicate the eagerness on the part of the organizations to take care of customers and develop and strengthen relations with them.

7.2.3 Customer information - the life and blood of CRM

- Almost all the respondents maintain an in house database for customer profiling. Internal personnel and internal documents are the most popular sources to
acquire customer information. The profiles maintained help in having effective and mutually satisfying transactions with the customers.

- Customer opinion is tapped mainly during customer visits and a systematic customer feedback activity. Sales calls are also used to a considerable extent to tap customer opinion. Research groups, trade shows, toll free numbers are comparatively less used for collecting customer opinion.

7.2.4 Technology as an enabler for CRM

- Internet is being mainly used for display of electronic catalogue of the products and product specifications, pricing etc. It is not being widely used for order booking or order status enquiry or even for contact management.

- Many organizations have their websites to disseminate information about the organization, products offered and associated services. The user friendly websites have gained lot of popularity amongst the customers.

- All the organizations are using advanced softwares for making the business functions such as billing, invoicing, complaint management etc. These technology enabled services are making value additions to the businesses.

7.2.5 Customer focused processes

- Many organizations are keen to develop joint solutions to problems with the customers. Some widely adopted customer focused processes are information sharing and open lines of communication for getting close to the customers and supply chain management for improving the efficiency of the business. Customer participation in product development is adopted by almost half the respondents.

- Half the respondents have value drivers such as voice of customer, vendor development and service quality indicator in place. Gap analysis and quality circle is practiced by a small group of respondents.

- Efficient customer response is the most prominent tool for acquiring customer loyalty followed by conferences, meetings and workshops. Half the respondents offer free consultancy for improving customer loyalty.

7.2.6 Role of HR

- Special training to deal with customers, regular meetings and workshops are considered important and are widely used to create an atmosphere conducive to CRM. Newsletters for better internal communication are adopted a considerable number of organizations. Open communication culture, teamwork, motivation for
CRM, alliance based behavior are comparatively less used. The HR needs to take more efforts for creating an open and teamwork oriented organizational culture.

- The ideas of providing good service to the customers have reached all the sectors of manufacturing in the right perspective. Responsive customer service, proactive relations, frequent personal contact, empowered employees, rewarding employees for excellent customer care and encouraging feedback are considered important by a huge majority of respondents.

- Almost all the respondents regard responsive customer service, proactive relations, frequent personal contact, empowered employees, rewarding employees for excellent customer care and encouraging feedback as important. These are indicative of a mindset favorable for CRM.

- The philosophy of CRM has been rightly inculcated in the organizational culture by the efforts of the HR with the help of the people dealing with CRM. Almost all the respondents have accepted CRM as a strategy and not a mere technical application. A very large group agrees that providing customer satisfaction and attending to customer complaints contribute to creating customer loyalty. Majority of them are of the opinion that happy internal customers are important for long term customer satisfaction.

  This shows that the efforts for successful CRM implementation have started in the right way. All the organizations have slowly but definitely started the process of CRM implementation although each organization is at a different stage of evolution of CRM. The manufacturing sector has come a long way but has a longer way to go.
### Sector wise comparison of similar and dissimilar parameters in the manufacturing sector:

Table No. 7.2.7a Factors similar in both the consumer product and industrial product sector:

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• E mail</td>
<td>Internet and email contact is widely used in all the sectors and hence is universally accepted.</td>
</tr>
<tr>
<td>• Customer care center</td>
<td>Awareness about customer care is significant in both the sectors. This is seen in the form of customer care centers established to take care of customers.</td>
</tr>
<tr>
<td>• Sales people</td>
<td>These are the traditional channels of serving the customers by fulfilling their needs regarding the product and associated services. In spite of newer means of connecting with the customers, the traditional channels are indispensable and are widely used.</td>
</tr>
<tr>
<td>• Service personnel</td>
<td></td>
</tr>
<tr>
<td>• Marketing department</td>
<td></td>
</tr>
<tr>
<td>• Strategic account manager (SAM)</td>
<td>This is a one point contact with the institutional customers. This avenue of maintaining contact with the customers is adopted by both the sectors as it ensures a personal touch to the transactions with the customers and accountability is better. The SAM looks into the finer details of the needs of the customers and thus contributes to customer satisfaction.</td>
</tr>
<tr>
<td>• Customer visits</td>
<td>Customer visit is the most authentic way of direct interaction with the customer and getting first hand information about the product and its performance. This is equally popular in both the sectors.</td>
</tr>
<tr>
<td>• Internet for order booking, order status enquiry and product specification, pricing etc</td>
<td>Internet has been adopted by both the sectors for easy business for customers in terms of order booking, order status enquiry and product specification, pricing etc</td>
</tr>
<tr>
<td>• In house database for customer profiling</td>
<td>Customer profiling is the foundation of segregating customers on the basis of their specific requirements. It identifies and accepts that all customers are not alike. Maintaining an in house database is a positive step towards customized services to the customers. It is used by both the sectors to a large extent.</td>
</tr>
<tr>
<td>• Sources for customer information</td>
<td>All the adjoining factors are equally popular in both the sectors as they involve the same fundamental ideas of creating value for the customer. Both the sectors have adopted these to the same extent.</td>
</tr>
<tr>
<td>• Channels of customer communication</td>
<td></td>
</tr>
<tr>
<td>• Bases for customer segmentation</td>
<td></td>
</tr>
<tr>
<td>• HR initiatives for CRM implementation</td>
<td></td>
</tr>
<tr>
<td>• Conceptual clarity of CRM</td>
<td></td>
</tr>
</tbody>
</table>
Table No. 7.2.7b Factors dissimilar used in both the consumer product and industrial product sectors:

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Consumer Product sector</th>
<th>Industrial Product Sector</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Contact center desktop</td>
<td>High</td>
<td>Low</td>
<td>The consumer product sector has large number of customers dispersed across the world. The contact center desktop enables direct contact, communication, first hand information about problems and queries. The industrial products involve technical activities for which people are deployed on the site. The contact center desktop is hence not very essential for this sector.</td>
</tr>
<tr>
<td>• Call center</td>
<td>High</td>
<td>Low</td>
<td>The call centers are particularly useful for the consumer product sector for providing value added services and ensuring 24x7 accessibility. The industrial product sector does not require 24x7 accessibility as technical people and service people frequently visit sites for attending to the peculiarities and requirements of each site.</td>
</tr>
<tr>
<td>• Teams to look into customer relations</td>
<td>Low</td>
<td>High</td>
<td>The industrial product sector involves products that need to be installed and operated taking into consideration the peculiarities of each site. More number of teams are required to attend to sites as compared to the consumer product sector that provides standard products to the customers.</td>
</tr>
<tr>
<td>• Internet for electronic catalogue</td>
<td>Low</td>
<td>High</td>
<td>The industrial product sector uses electronic catalogues for displaying a variety of models of various products with differing technical specifications. The consumer product sector on the other hand has standardized products.</td>
</tr>
<tr>
<td>• Suggestions from customers / Interactive dialogue / Netchat</td>
<td>High</td>
<td>Low</td>
<td>The consumer product sector is more interested in this mode of customer interaction as its customers are dispersed over a large area and are very large in</td>
</tr>
</tbody>
</table>
• Market research | High | Low | The market trends, buyer behavior, customer expectations etc are constantly changing in consumer product sector. Gathering information about these variables is done with market research due to the scattered, large number of customers.

• Customer feedback | Low | High | The number of customers are less for industrial products as compared to the consumer products hence the customer feedback from specific customers to cater to the special requirements of each customer is collected by customer feedback.

• Joint solutions to problems | Low | High | The industrial product sector involves installation and operation of products taking into consideration the peculiarities of each site. Depending on the site, a solution to the problem has to be worked out jointly so as to consider the needs of the customer and the feasibility of the product solution from the manufacturers point of view.

• Service quality indicator | Low | High | All these initiatives are more useful for the industrial product sector that requires more vendors to cater to specific requirements of material, continuous improvement and the associated services.
7.3 Suggestions:

CRM is concept encompassing strategies and processes using technology as enabler to develop long lasting relations with the customers. These relations need to be based on a greater understanding of customer needs and the urge to create value for the customer. The researcher after studying and analyzing the CRM practices followed in the manufacturing sector came up with the following suggestions:

1. Internet is being used mainly for displaying the electronic catalogues and product specifications but to a comparatively smaller extent for order booking and order status enquiry. Internet facilitated order booking and order status enquiry would go a long way in improving business efficiency. The cumbersome process of tracking order status on the phone can be avoided and the quick grasp of the status of the order can come as a welcome relief to the customer. It can save a lot of time of the customer and help the customer get a clearer picture. Interactive dialogues can speed up the business processes and overall transactions. A greater and effective use of the internet can help in creating more fulfilling relations with the customers and in turn create value for the customers.

2. Professional research groups can be employed to get the vital information about the customers, their business, their expectations from the product or the organization providing the product etc to get a better understanding of how the product delivered can be of greater help to the customers. A better insight into the customer psychology or a better analysis of consumer buying behavior can help design more fulfilling proposals for the customer. These can nurture mutually beneficial, symbiotic business relations that can help the customer to come closer to being a co-creator of the product. A much greater use of research groups must be made to come closer to the customers for better analysis of buying behavior. Professional help brings greater accuracy and precision of the information so obtained.

3. Efforts need to be taken to increase the awareness about the utility of good rapport and relation building with customers. Information sharing with customers for being in touch with customers or customer participation in product development can help create a product that will come as a solution to the problems of the customer. It can result in a product that will help create more value for its customers. The organizations must be in close contact with the
customer through a one point contact or improving accessibility to the customer. More listening and learning posts must be provided for by the organizations so as to gain a better idea of the requirements of the customers as well as the problems encountered by the customers. This will help in augmenting the value of the product by offering additional value added services.

4. The HR departments can play a much more constructive role in creating a CRM culture in organizations. A greater emphasis on open communication culture, team work, motivation for CRM, group dynamics and change management can help the employees turn to CRM with a better understanding of its need and importance. The relation building with the customers can be undertaken more enthusiastically and with an in depth understanding of its relevance and significance today. Unless the mindset is ready all the other efforts are futile as they may not be received in the proper perspective.

5. Quality plays an influential role in acquiring the trust and confidence of the customers. Winning the confidence of the customers is actually the crux of CRM. A greater adoption of quality initiatives like service quality indicators, quality circles, gap analysis etc. can help build quality into the product. Even the efforts taken by the organization to build quality will win the appreciation of the customers. These can also build stronger relations with the customers. Quality is a relative term and these activities will help the organization to get a better idea of the customer’s perception of quality.

6. Customer feedback in the form of gap analysis or voice of customer can help the organization understand the extent of customer satisfaction about the product delivered. Companies can offer free consultancy to the customer so as to create better value for the end customer. This can build mutually beneficial and intimate relations with the customers that can win customer loyalty in the long run.

7. Interactive websites must be used to a greater extent and effectively for better connectivity with customers. These websites help two way communication with the customer and considerably improves the accessibility of the organization to the customer. Improved accessibility can play a significant role in relation building with the customers.

8. Social networking must be effectively used for building relations with the customers. The social networks are accessible, user friendly, interactive and have
a great reach. Consumer communities can also be used to generate product advocates by sharing their good experiences through the consumer communities.

7.4 CRM Evolution Model:

Every organization in business aspires to reach a position of success. A position where the organization is surging ahead with confidence and adaptability so that the uncertainties and risks of the ever changing and fierce business world do not hamper its progress. This is possible when the organization has taken efforts to keep the customers happy. The organization becomes successful when it takes efforts to equip itself to handle effectively and efficiently the various enablers for ultimately delivering the best customer care. The value delivered to its customers helps the organization rise to the top. The process of delivering value is evolutionary in nature and nothing happens overnight.

From the small beginning the organization starts working step by step to offer more value to the customers. It adopts customer centric initiatives and processes, makes provisions in the organization, adopts various communication and contact channels for accessibility to customers to acquire the trust of the customers and thus gradually evolves into a better and better customer focused organization. This process of transformation of an organization into a successful organization take place gradually and steadily. Initially efforts are taken here and there rather than a full fledged professional effort. Various organizations are at various stages of customer care depending on the age of the organization, the scale of operations, a mindset or philosophy of customer care etc. The researcher tried to study the efforts taken for delivering value, the use of technology to deliver customer care, the HR initiatives to create a mindset to help create good customer relations, the efforts taken to judge the customer opinion and customer expectations and the initiatives taken to help the customer participate in the value delivery process. Keeping these parameters in view the researcher tried to identify stages in the process of developing and managing customer relations.

Stage I –

Technology :- The organization starts with the bare minimum technological developments such as telephone, fax, mobile, e-mail. The computer is used to start
the creation of a customer database. It is also used for billing and invoicing, sales and marketing, logistics and the initial processes of inventory management.

**Provisions in the organization:**- There is a team to take care of customers. The team consists of a group people that looks into customer problems difficulties and their resolution. They ensure that the customer’s problems are resolved properly and in time to ensure customer satisfaction. They have sales and service personnel and the marketing department to look into the marketing of products and managing the after sales service. These people also look after the maintenance of customer relations by attending to enquiries and other queries. For collecting the customer opinion the traditional avenues of customer visits, customer websites, sales calls, market research and customer feedback are adopted. Customer profiling is done in a very traditional way and technology advancements are not applied. Information about the customers is collected before entering into any business transaction and the sources used for this information are the internal personnel, internal documents, customer websites and their annual reports and lastly also the competitors.

**Segmentation :**- This is done in the very simple way of segmentation by geography and the size of the company.

**Customer focused processes :**- No specific activity for special customer focus is adopted at this stage. Customer profiling is done in a very traditional way without applying any technology advancements.

**HR initiatives :**- The organizations offer a general training about all the skills required for performing a good job and special training for dealing with customers. There is an introduction to the concept of CRM and Motivational training for employees to emphasize the importance of CRM and its implementation. Regular meetings and open communication culture are commonly encouraged.

**Customer Value Drivers :**- No specific value driver as such is implemented and the overall customer satisfaction is taken care of by the organization.

**Stage II :**

**Technology :**- In this stage, the organizations move a step further in using technology as an enabler and introduce facilities like voice mails, intelligent call routing and a contact centre desktop with the right connectivity so as to attend to customer problems promptly. Technology is also used for processing orders that have
been booked, after sales service, sales force automation and a full-fledged inventory management. Company websites that are easy to navigate and are user friendly are created. Electronic catalogues and products specification and pricing are made available to the customer through the internet. Order booking and order status enquiry may be restricted to only a few selected dealers and is not routinely possible for all the customers. A technology driven in house database for customer profiling is maintained in the organizations. In addition to the team there is also a provision of a task force specially created to attend to customer problems or dedicated for a certain customer project. In addition there is a call centre or a customer care centre to offer prompt attention to customer needs. The organization also has strategic account managers or key account managers to serve as a one point contact for the customers. The organization makes use of professional analysts, research groups and trade journals to collect information about the customers before entering into a business transaction with them. For collecting customer opinion, a toll free number is deployed along with customer panel and trade shows that serve as a source of collecting customer opinion.

**Segmentation :-** No much change in the basis used for segmentation of customers.

**Customer focused processes :-** For better customer focus there is an extensive information sharing and there are open lines of communication for communicating with customers. Systematic and detailed customer profiling is done so as to help design customized CRM programs for each customer class. Developing joint solutions to customer problems is also implemented by organization.

**HR Initiatives :-** Special attention is given to group dynamics, change management, team work and alliance based behavior as part of HR initiatives of the organization.

**Customer Value Drivers :-** Some of the value drivers implemented are developing a service quality indicator, introducing the concept of quality circles and implementing a vendor development programme. The concept of efficient customer response is implemented rigorously.

**Stage III :-**

**Technology :-** The organization in this stage uses smart cards, ATMs Kiosks and interactive websites for making business easy for customers. Technology is also used for complaint management and contact management. Internet is extensively and
routinely used for net chats, creating virtual consumer communities, order booking and order status enquiry. Conference calls are also regularly carried out for better interaction within and outside the organization.

Provisions in the Organization :- The organization now has a full fledged CRM division to look into customer relations. It makes use of social networking for building relations with customers.

Segmentation :- The segmentation process now evolves into segmentation on the basis of profitability potential of customers and also on the basis of customer loyalty. This is in cognizance of the fact that all customers are not created equal and hence special customers deserve special attention.

Customer focused processes :- The detailed customer profile is further refined to facilitate offering a customized value proposition to the more valuable customers. These customers are also allowed to participate in the product development and planning. The organization is ready for joint investment with customers in technology development and is ready for co-designing, co-marketing and co-development of products.

HR Initiatives :- The organization starts a newsletter of its own which could also be an e-newsletter for better interaction and fostering a family feeling to eventually build a good team. Activities that help percolation of CRM concepts such as workshops, educational camps for the customers, channel partners are extensively undertaken.

Customer value drivers:- The organization implements voice of customer, gap analysis, knowledge management and maintaining a communication log. Free consultancy is offered to customers and end customers.
Table No. 7.4 Model for CRM evolution in developing countries:

<table>
<thead>
<tr>
<th>Stage I</th>
<th>Stage II</th>
<th>Stage III</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technology</strong></td>
<td><strong>Technology</strong></td>
<td><strong>Technology</strong></td>
</tr>
<tr>
<td>• Telephone, Fax Mobile, email</td>
<td>• Voice mails</td>
<td>• Smartcard, ATM</td>
</tr>
<tr>
<td>• Computerised preliminary processes</td>
<td>• Intelligent call routing</td>
<td>• Kiosks</td>
</tr>
<tr>
<td>• Website creation</td>
<td>• Toll free number</td>
<td>• Interactive websites</td>
</tr>
<tr>
<td></td>
<td>• Electronic catalogue, product specification on website</td>
<td>• Net chat, Conference calls</td>
</tr>
<tr>
<td>• In house database</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Organizational setup</strong></td>
<td><strong>Organizational setup</strong></td>
<td><strong>Organizational setup</strong></td>
</tr>
<tr>
<td>• Team to attend to customers</td>
<td>• Task force, Contact centre, Call centre</td>
<td>• Independent CRM division</td>
</tr>
<tr>
<td>• Sales and service personnel</td>
<td>• Strategic account manager</td>
<td>• Consumer communities for relation building</td>
</tr>
<tr>
<td>• Marketing department</td>
<td><strong>Basis of segmentation</strong></td>
<td><strong>Basis of segmentation</strong></td>
</tr>
<tr>
<td><strong>Customer focused processes</strong></td>
<td>• Same as stage I</td>
<td>• Profitability potential</td>
</tr>
<tr>
<td></td>
<td>• Customer feedback through customer visits, sales call, market research</td>
<td>• Customer loyalty</td>
</tr>
<tr>
<td></td>
<td>• Initiation of customer profiling</td>
<td><strong>Customer focused processes</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Computerized complaint management and contact management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Computerized order booking and order status enquiry for all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Detailed customer profile database created</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Free product related consultancy to customers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Customer participation in product development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Co designing, co marketing and co development of products</td>
</tr>
<tr>
<td><strong>HR initiatives</strong></td>
<td><strong>HR initiatives</strong></td>
<td><strong>HR initiatives</strong></td>
</tr>
<tr>
<td>• General training about all the general skills for better performance</td>
<td>• Introduction to group dynamics, change management, Team work, alliance based behavior</td>
<td>• Newsletter</td>
</tr>
<tr>
<td>• Introduction of CRM concept</td>
<td>• Emphasis on open communication culture</td>
<td>• Extensive exercises on relation building</td>
</tr>
<tr>
<td>• Emphasis on open communication culture</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Customer value drivers</strong></td>
<td><strong>Customer value drivers</strong></td>
<td><strong>Customer value drivers</strong></td>
</tr>
<tr>
<td>• No specific initiative</td>
<td>• Development of service quality indicator, quality circle, vendor development, efficient customer response</td>
<td>• Creation of Voice Of Customer, gap analysis, knowledge management</td>
</tr>
</tbody>
</table>
7.5 Contribution to knowledge, profession and society:

7.5.1 Introduction:

The research covers the study of various dimensions of CRM i.e. the strategy aspect, the organizational culture aspect, the process aspect and the value creating aspect. It describes the various CRM initiatives taken by some selected manufacturing organizations. This is expected to give direction to the organizations for better customer focus. The organizations can also identify their status with respect to evolution of CRM by referring to the model of evolution of CRM developed by the researcher. The research study can provide directions to the organizations to inculcate CRM culture. The customers will be the ultimate beneficiaries as a result of the various customer focused initiatives adopted by the organizations. It will result in a greater number of delighted customers due to a better quality of products, service and value for money.

7.5.2 Contribution to knowledge: The research work studies the various inputs that are necessary for successfully implementing CRM in organizations in a developing country like India. The researcher was able to develop a scale of parameters to clarify the concept of CRM culture. The CRM culture creates the mindset and attitude which is essential to serve the customers and successfully implement CRM strategies. An attempt is made to identify the basic ingredients of the CRM culture. A proper philosophy of customer service is reflected in an appropriate vision and/or mission and then further in the activities and initiatives to acquire and retain customer loyalty. Good relations with customers based on the trust and confidence of customers are not built overnight. They start with simple initiatives which then gradually evolve over a period of time to become more effective and efficient in customer relationship management. These stages of evolution may differ in developed countries and developing countries. The researcher has developed a model for evolution of CRM in a developing country like India after studying and analyzing the various customer centric activities implemented in the organizations under study. It was also possible to identify areas where further efforts for implementing CRM are necessary.

7.5.3 Contribution to profession: The researcher has made an effort to identify the various initiatives taken by manufacturing organizations for effectively managing customer relations. Technology has been adopted by all the professions in every walk of life and marketing is no exception to it. This study indicates the various
dimensions in which technology can be used for furthering the professional approach to CRM. The inputs given to the internal customers for acquiring their satisfaction and developing the will to serve the customers, the efforts for creating a team spirit and creating value for the external customer have been studied by the researcher. The research work studies the CRM initiatives like collecting customer feedback about various aspects such as the customer experience while interacting with the organization at various touch points, their opinions and expectations about the products and services delivered to them, providing accessibility to customers to voice their opinions and the interest taken by the organizations to attend to and resolve the customer complaints. All these inputs are important indicators for formulating suitable CRM strategies to win the loyalty of customers. They will give an idea about the customer’s perception of value and can contribute in creating more effective and fruitful transactions with customers. It throws light on the initiatives taken by HR in creating a CRM culture and also identifies areas where more efforts need to be taken. Finally it studies the concepts that organizations have about CRM.

7.5.4 Contribution to society: All the above inputs and efforts will result in creating a valuable offer to customers in terms of good quality of products and better value for money. This will naturally lead to more satisfied and delighted customers. These in turn help the business to expand their markets by developing the referral market. The business flourish with satisfied customers and the number of customers grow when they realize that they are being attended to and are valued and wanted. It ill thus result in a win-win situation for sellers and buyers. Two important aspects of the business come from the society the employees / internal customers and the external customers. The CRM efforts to be taken to keep these two forces happy and motivated are inputs that will result in a happy and satisfied society.

7.6 Scope for further research:

- Analysis of sales and profit figures with reference to CRM practices in organizations
- Study of CRM practices in the service sector
- Analysis of complaint management and redressal with reference to relation building with customer
Detailed case studies of customer participation in product development in selected units

Analysis of repeat purchases with reference to customer relationships.

7.7 Concluding Remarks

There is a marked change in the outlook of the manufacturing sector with respect to CRM. There is an obvious shift from being product centric to being customer centric. There is a distinct recognition of the fact that customers play a very crucial role in the success of a business. The businesses have realized that no product can be successful in the market if does not get the approval of the customer/end consumer. The businesses are gearing up on many fronts to understand the expectations and problems of the customers. This helps them to come up with customized products to satisfy the customer. The organizations in the manufacturing sector have realized the importance of being in touch with the customers to understand their concept of a good product as well as to attend to their queries and complaints as effectively and efficiently as possible. The organizations are taking initiatives to tap customer opinion and collect their feedback through the traditional channels of marketing, sales and service personnel as well as the technology enabled channels which give 24x7 accessibility to the customers/end consumers. All the organizations have some or the other provision in the organization structure in the form of an independent CRM division/customer care center/call center/task force/team or a strategic account manager to take care of the customers and nurture the customer relations by offering timely attention and resolving their problems. The HR departments are taking several initiatives to inculcate the CRM culture and develop the right mindset which is the basic necessity for successful implementation of CRM. Almost all the organizations have a view of the concept of CRM in the right perspective as a strategic tool and a mindset. More or less all have embarked on the journey of customer satisfaction through CRM although each organization is at a different stage of evolution of CRM.

It can therefore be concluded that CRM will see many innovative initiatives in the years to come and will establish itself as a valuable discipline.

* * * * *