Introduction

1.1 Customer Relationship Management (CRM)

In the business environment CRM is a known concept and every entrepreneur and executive of any organization cannot afford to ignore this aspect for business sustenance and growth. The influence of aspects like increasing demands of sophisticated customers, shortened product life cycles and improvements in production/processing capacities elevated more aggressive environment that companies operate. This has become more important to service sectors where companies must address intangible products. Determining these tremendous challenges, service organizations seek to provide valuable services to their customers. As companies’ business strategies become more customer oriented with evolution of mass customization and personalized services, information technologies are also used to serve customers. Rapid advances in information and communication technologies provide greater opportunities for the companies to establish nurture and sustain long term relationships with their customers than before. Their main objective is to convert these relationships into profitability by reducing acquisition costs and increase repeat purchases. Olef Walberg et.al (2009) researched that CRM received increased attention amongst practitioners and academia during the last two decades and it is common that any new management or marketing philosophy receives its own share of confusion, misunderstanding and myths. CRM is no exception. Even then it is considered as a powerful
strategy to increase profitability of organizations and a lot of investments are made on it by several organizations. Companies knew that they need to invest in CRM for the better understanding of customers and respond quickly to their demand. Therefore the ultimate aim of CRM is to transform relationships into increased profitability by reducing cost of customer acquisition and increase repeat purchases. According to Jonghy Yoek Kim et.al (2003) CRM is a broad term for managing interactions with customers. William Boulding et.al (2005) suggests that CRM can be understood as the implementation of specific technology solutions to a holistic approach of managing customer relationships that simultaneously create firm’s and customer’s value.

As with most emerging research fields, there appears to have certain amount of confusion associated with CRM research. But the returns are not up to the expectations for majority of organizations. Keith Fletcher (2001) feel that CRM’s are not worth their investments as it needs high investments and CRM is a failure. According to Bryon Foss et.al (2008), despite enormous growth and acquisition, critics point out high failure rate of CRM projects. Situations also aroused where CRM is understood only as a software solution and not as a concept or a strategy. This created a need to look back by organizations to really try to understand as to what actually CRM is.

CRM has been defined by many people in different ways. According to Len Tiu Wright et.al (2002) CRM is an attitude that
pervades the company, but it needs a solid foundation of knowledge of customers. Lior Arussy\textsuperscript{12} (2005) defined CRM as the process of separating a firm’s high value and low-value customers for the purpose of providing them differential levels of service. As per Armstrong and Kotler (2003)\textsuperscript{44} “CRM is one of the most promising marketing developments and it can give tremendous effect when it is used right”. It evolved from concepts like relationship marketing and the increased emphasis on improved customer retention through the effective management of customer relationships. Customer expectations should be monitored and set against satisfaction levels at the early stage in the relationship. Customer evaluation in relation to initial expectations is a crucial factor in customer retention. Retaining customers in today’s competitive atmosphere is a challenge for the firm’s survival.

1.2 Customer Satisfaction

According to Oliver R.L and Swan (1989)\textsuperscript{45}, satisfaction is a person’s feeling of pleasure or disappointment from a company’s product’s perceived performance in relation to his or her expectation. Further they found that it is a judgment that a product or a service feature provided is at a pleasurable level of consumption fulfillment, including levels of under or over fulfillment. Satisfaction is a perceived degree of contentment with regard to customer’s prior purchase experience. On total it is understood that customer satisfaction is a state of individual’s perception of meeting his/her expectations from a product or a service. Reicheld et.al (1990)\textsuperscript{46} found that customer satisfaction is
perceived to be a productivity tool and a source of competitive advantage.

With a proper understanding of the link between customer relationship management and customer satisfaction, organizations need to lay more emphasis of CRM requirements on retaining existing customers rather than on creating new ones. Customer relationship management is a process of achieving and maintaining an ongoing relationship with customers across multiple customer touch points through differential and tailored treatment of individual customers on their likely responses to alternative marketing programs, such as contribution of each customer to overall profitability of the firm is maximized. This is applicable to all types of service organizations and it would surely help them to sustain in the market at a better level.

This study includes the analysis of customers view in maintaining CRM practices, their opinions on requirement of CRM practices by the service providers and their intentions regarding satisfaction, retention, repurchase and in referring to new customers and the enhancement which can be made through good relationship management practices. Added to it the opinions of people who are likely to have close contact with customers like dealers and employees with customer contacts are analyzed. Analysis of demographics and their effects are also made.

1.3 Telecom sector

Telecom sector is a sector which is highly rising with faster pace and study of this sector can almost represent all other service sector’s
perceptions. The present study is made with the view that it represents all other service sector’s perceptions.

India continued to operate under colonial legacy of Indian Telegraph act 1885 with telecommunications remaining the exclusive domain of the state until mid 1990s. With the introduction of National Telecom Policy in May 1994, the basic telecom services were opened as duopoly market for private operators. New telecom policy of India was introduced in 1994 and Telecom Regulatory Authority of India (TRAI) was set up in 1996.

Licensing mechanism, tariffs & tax structures and interconnection schemes are still evolving, creating uncertainty in evolution and growth of telecommunication services. Most basic telecom operators started adopting wireless technologies as access solutions and reducing per line cost almost three times that of wire line access solutions. Twenty one service areas known as circles were formed for giving licenses. Only six were picked up by private operators leaving others for monopoly as bidding amounts were high and uncertain market and legal issues.

New telecom policy was announced in 1999 by the government in order to rationalize certain expectations in industry growth and services. Second round of licensing in 2001 by government decided to open basic services without any restrictions on number of operators following recommendations of new telecompolicy1999.

A total of 25 licenses were picked up by private operators in 18 service areas leading to an oligopoly in many service areas. Today
there are no restrictions on entry of new players on basic, NLD (national long distance), ILD (International long distance) ISP (Internet service providers). This led to intense competition and downtrend in tariffs. Strategies being applied by the service providers include bundling, segmentation across subscriber’s types and customization. Intense competition led to mergers and acquisitions and emergence of few big players.

The competitive behavior of telecom operators will be different for telecom service quality and customer service quality. For telecom service quality, realization of quality difference both by operators and customers is a time consuming process. Customer’s perception of service quality is relatively a quicker process and hence will help the firms in making improvement decisions faster in which CRM practices have a major role. The factors in it include satisfaction with service provisioning, billing, maintenance network performance, reliability, availability, help services and supplementary services.

1.4 Statement of the problem

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

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

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

1.6 Chapterization

This section provides an overview of the organization of the thesis and chapterization.

The first chapter provides introduction to CRM, an understanding of customer satisfaction and the expectations from CRM linking to customer satisfaction. The introduction to the telecom sector and the reason to consider this sector for the study is also explained. It also includes the statement of the problem and need for the study. The second chapter provides the literature survey relevant to CRM and Customer satisfaction which enables to understand and examine the research gaps. The identified gaps are also presented at the ending of the chapter. The third chapter describes the research methodology starting from objectives of the study, hypotheses, scope of the study, sample details, data collection and limitations of the study. The fourth chapter provides detailed analysis of data which is categorized into three sections i.e., customers, dealers and executives. The fifth chapter focuses on discussion of results obtained and gives conclusions and recommendations based on discussion of results. Scope for further research is also suggested. This is followed by references, bibliography and appendices.