CHAPTER-4
RESEARCH DESIGN

Since the research intends to provide an enhanced understanding about the importance of crucial aspects that defines the Competitive Marketing Performance (CMP) of organisation/firms, the research design implicates the perceived idea as well as arrangement of the exploratory study to ascertain that the research would deliver an unambiguous responses to the research questions upraised in the study. Hierarchically, the research design comprises of six vital phases that includes review of available literature, Research model validation, questionnaire development, Sample selection, Validation of the prepared questionnaire, followed by the discussion and conclusion.

Initially, extensive secondary research was carried out to explore the date available with respect to Customer Relationship Management (CRM). Study material substantially comprised of theoretical concepts including the published papers, books highlighting the application of Anthropological methodology in CRM, research articles in journals and articles, case studies, magazines reflecting trends in the cement industry over the last decade, etc.

4.1 MAJOR STUDIES REFERRED

The under-mentioned comprehensions has been gained regarding Customer Relationship Management perspectives through initial study as well as evaluation of the available secondary data sources.

- Research conducted at process level could be helpful in interpreting the expedient strategies in formulating, along with managing programmes as well as events related to CRM. However, very little information is available on enhancement and evolution of customer relationships. Theoretically, CRM is a comprehensive conceptual phenomenon of business related activities wherein CRM arises as a preponderant marketing perspective when interaction and cooperation with the clients turns in to a most prevailing paradigm of marketing research and practices. This concept has been defined in “Conceptual Framework of Customer

- The emergence of Relationship marketing has become a new focus area for the service providers of India. Loyalty programmes, along with raised databases competence due to increased technological investments has been the primary reasons behind its evolution. The overview of Relationship marketing has been put forth by G. Shainesh and Ramneesh Mohan (2001) in their work titled, Status of Customer Relationship Management in India -A Survey of Service Firms”. Also, the metrics for the measurement of the customer relationship management get formulated since when the marketers are keeping a track record of their customer buying trends along with its behaviour of usage, referrals, etc. and then used this information to contrive their marketing strategies.

- The utility of the software for implementation of Customer Relationship Management is still at the nascent stage, particularly in India where service industry predominantly the healthcare sector, hospitality, financial institutes is at its developing stage, opening the potential doors of success for CRM practices. NASSCOM has estimated the CRM market to be around $16 million by 2006 which is further anticipated to grow at a rapid pace (Computers Today, Aug/ Sep’2001).

According to the Sawhney (2002), Relationship programmes are of several types, while the major ones are as follows:

- Continuity Marketing programmes that intends at holding back the existing clients, along with enhancing their loyalty. To retain the relationship in the competitive market, these programmes often gets converted in to long term membership cards or loyalty card programmes wherein the buyers are pleased by giving them some discounts or offers apart from the ones that others avail, so as to maintain a long term relationship through utmost loyalty with marketers.

- One-to-One Marketing also known as individual marketing that attends to the respective needs of the clients, thus providing an opportunity to the marketers to serve their clients uniquely and exclusively. This is usually achieved by gathering
information or keeping a record of interactions with the customers so as to understand their needs and form the strategies to meet their expectations accordingly.

- Another kind of marketing programme attempts to meet the requirements of the end users through consorting associations between customers as well as the marketers. Generally two kinds of partnering programmes are common with respect to Indian market. Firstly, the co-branding wherein to provide the better product or service to the major chunk of customer, two marketers aggregate their expertise and skillsets so as to meet the user anticipations. Another programme is Affinity partnering which is more or less adjacent to the co-branding but in the former endorsement and promotional strategies are rather used instead of forming a new brand as in the latter case. This type of programme is generally at large to avail benefit from the relationships with the customers of a group by means of cross-selling other range of products as well as services.

4.2 RESEARCH METHODOLOGY

Methodology is method of conducting research, i.e., mode of collecting data for the study to be undertaken. It is the systematic and logical application of the principles guiding scientific investigations. The term in a colloquial sense is applied to the totality of investigative procedures and techniques customary in a specific science or the set of techniques used in one piece of research. Since the objective of research, particularly the applied research, is to arrive at a solution for a given problem, the available data and the unknown aspects of the problem have to be related to each other to make a solution possible. Keeping this in view, research methods can be put into the following three groups:

1. In the first group, we include those methods which are concerned with the collection of data;

2. The second group consists of statistical techniques which are used for establishing relationships between the data and the unknowns;
3. The third group consists of those methods that are used to evaluate the accuracy of the results obtained.

4.2.1 Objectives of the Study

After going through the available secondary information, primary as well as the specific objective of the study was formed.

4.2.1.1 Primary Objective of the Study

The prime objective of the research is, “To understand the Market Realities, Sales Strategies, and the Opportunities on which the cement companies can able to sustain and plan to grow over the long period of time with an aim to conceptualise the role of Customer Relationship Management strategies”.

4.2.1.2 Specific Objectives of the Study

- To study the importance of micro-level (inter-personnel) relationships and to examine the relationship between manufacturers and customers.
- To develop the understanding of the interplay between the perceptions of the power balance, relationship value and relationship quality between manufacturers and its customers.
- To understand the factors under what conditions customers enter into strong, committed and meaningful relationship with the companies to become ‘champions of these companies and their products’.
- To understand the concept of Promotions, methods of promotions in market and sales promotion as well.
- To figure out the Sales promotion strategies of different Cement companies in progress and progress of business through these activities as a whole.
- To attain deeper knowledge of how customer value creation can be improved in Business to business markets.

With both types of objectives in mind, diversified research designs were considered to finalise the one that meets the need of the study. After considering all the factors, it has been decided to accomplish the study using the exploratory research design as it
holds meaning in all the situations where researcher further understanding of the research problem is required. Also, this research method holds the flexibility as well as adaptability in relation to the methodologies applied in the research as the researcher gets varied thoughts, ideas as well as insights that might shift the focus area of the investigation. Thus, exploratory research design not only clarifies the concepts but also break the complex and broad problems in to the smaller and more simpler ones that paves the way for the further research, if required.

The under-mentioned components integrate to form the outline of the exploratory research design;

1. Studies highlighting the significance and practice of CRM;
2. Sample selection and data collection tool finalisation;
3. Analysis of data collected;
4. Interaction primarily with the concerned individuals of the Cement outlets.

In order to explore the research material available in relation to CRM practices and its methodologies, various journal both the electronic and the printed versions, along with books, articles and online portals were referred, with intend to frame the study objectives, for getting insights of the concrete implications of CRM, along with its evolving trends and understanding the theoretical concepts in relation to CRM.

4.3 VARIOUS STUDIES HIGHLIGHTING THE SIGNIFICANCE OF CRM

1. Five kinds of service convenience has been proposed by Leonard et al., (2002) in their work titled, “Understanding Service Convenience”), published in Journal of Marketing, July vol.66, No.3. These five convenience types that are ‘Decision Convenience’, ‘Access Convenience’, ‘Transaction Convenience’, ‘Benefit Convenience’ and ‘Post Benefit Convenience’ highlights levels of customers engagements while buying and/or using any service. Perceived time along with the efforts and costs critically analyze the overall convenience assessments as it gets impacted by the varied factors related to the firm operations which primarily includes environment of physical service, company brand positioning and a design of service systems. convenience perceptions also gets altered with the differences
in the discrete consumer variances in terms of their orientation of their overall time, empathy towards sellers, prior experience as well as the availability of the time. All these factors together influence the convenience perceptions.

2. Selnes and Sallis in 2003 proposed the ways in which learning competences can be developed by the firm’s management so as to promote relationship between the targeted customers and their service providers. This theory has been put forth in their article “Promoting Relationship Learning”, printed in Journal of Marketing, July, Vol.67, No.3. This theory further highlighted the approaches through which a seller and its clients can observe improvement in their joint learning initiatives by facilitating exchange of information, formation of conjoint learning arenas, and based on these aspects, adjusting their behaviour consequently. The management of the relationship is not a one way mandate, but it must rather emerge from the willingness of both the dealing parties that cooperates towards collaborative learning initiatives. Also, it furnishes an opportunity to avail consistent competitive advantage over the other market players.

3. As the name depicts, “Get Inside the lives of your Customers”, Seybold (2001) emphasized on the importance of getting insights of customers buying behaviours and to consider the ways in which they select and buy the products, followed by the utilization of the products and its services. For this, the companies must have an idea of how the products as well as services meet the expectation of their customers. Through the information available at the internet, firms can assist its clients to accomplish comprehensive set of activities. A critical analysis of the customer behaviour can instill the innovative thoughts for betterment of the commercial dealings. It also assist the companies to move out of their own perspectives as well as processes and refurbish their objectives in accordance with the market demands. To start with, the companies can initiate working with the simple scenarios that will give them the insights of functioning of the pre-existing customer scenarios and the ways to record them, and then the assumptions created must be verified with the customers consuming their products and services so that if required, scenarios can be refined accordingly and new ideas can be promoted.
This will open new doors of opportunities for enhancement of customers overall experience.

4. Reichheld (2001) in his work “Lead for Loyalty”, that was published in Harvard Business Review issue of July- August, opined that the decisions along with the strategies adopted by the top management executives with personal integrity to push its product or services often leads to outstanding loyalty of the customers. Companies with high level of trustworthiness by its customers often have many mutual factors, despite of being exceedingly diverse. Majorly there are six major principles that stimulates and contributes towards retaining of the loyalty and strategies to upkeep relationships. These principles says, a). right values are always good to have but one must pass it forward to its clients, employees, stakeholders, shareholders by means of their words, along with their deeds, b). Winning propositions must always be offered to the customers to build loyalty relationships, c). A firm must not be only focused to reach out to broad spectrum of the customers but rather concentrate more on holding back its happy customers by offering them the best they have, d). Accountability as well as responsibility must be allocated to the small teams, as it will make the organisation more prompt and flexible, making their decision making process simpler, e). Loyal customers and partners must be offered best deals and finest opportunities, f). Transparent and honest communication, along with taking up the feedback positively lays the foundation of the long term relationships. These interactions endorses trust that further instils loyalty.

5. Dhar and Rashi (2003), pointed out that by following the portfolios of the sophisticated investors discerning the unpredictability of the customer behaviour has been dealt with over the time by the diversified businesses. These portfolios also depicts the returns desired by the investors with respect to the uncertainty that the customers can tolerate as the latter are deliberated as risky assets. The researchers elucidated the ways to establish a notion based portfolio describing that the value risk of customer’s adjusted lifetime is highly and majorly dependent on its perceived impact on the extent of risk of the group that is being joined. (“Hedging Customers,” published in Harvard Business Review, May edition)
6. It has been further explained by the Gulati and Oldroyd (2005) in “The Quest for Customer Focus”, that companies over the time have made huge investments in CRM but the returns has been very miniscule which implicates that having relationship with the customers does not establish a system of information technology wherein database of all the information related to a particular client can be maintained. Four stages has been proposed by the authors that entails sophisticated engagement of the people as well as the business units. The first phase is to keep a complete record of the interaction that a customer ever has with any firm, provided that it must be an initiative of the customers rather than the organisation. This is closely followed by the communal coordination wherein each member submit their information in the data pool and wherever required, can extract the needed information. Secondly, integrated Information Technology (IT) Systems must be developed that apart from gathering the data, also draw the inferences from it. Thirdly, there is shift of the company’s focus from past to future relationships. At the third level, companies shift their focus from past relationships to future relationships. Through cooperative coordination, information flows parallelly between IT units as well as other functional components such as sales, marketing and operations. Issues such as losing out the customers to the competitors, recognition of the prospective clients that have potential to buy the company’s products or services are attended at this stage. Fourth stage is concerned with the enhanced understanding of the customers, where rather than being functional on the discrete initiatives, firms moves on to the integral coordination. Thus, the firms can achieve a never ending relationships with its customer by following all these steps hierarchically.

7. Rust et al., (2004) in the article “Customer-Centred Brand Management, (Harvard Business Review, September), expressed that these days business executives have understood that they must concentrate more towards enhancing customer’s value and despite of this recognition, several companies have been still unsuccessful in implementing this proposition in their marketing initiatives. Companies continues to operate with the pre-existing brands and prevailing strategies with an impression to reposition them in other better ways. However,
the authors emphasized on adoption of better and innovative ways to meet the
customer expectations which can be achieved by either introducing new products
or services that would replace the existing brands thereby soaring the revenues of
the company. In consumer goods industries, decisions of the companies rather
than being focused on customers, are mainly based on the brands as these are the
major source of accountability. There has been inconsistence in focus on bettering
of brand equity with intend of amending customer equity. Thus, the companies
must opt strategies based on customer centric brand management.

8. Peppers and Rogers (2002), in their book, “The One to One Manager (Real world
Lessons in Customer Relationship Management)”, have determined that the
aspects of CRM is not only a trend but the concepts and notions that integrates to
from the CRM. Based on the assessment of nearly twenty case stories across the
world, four implementation steps for the CRM has been recognised that initially
involves the identification of the customers that involves knowing about their
respective customers as much as possible and communicating with them through
all possible contact points, product lines, printed and social media, as well as at
diversified locations. This step must be followed by differentiating the customers
based on their expectations levels as all the customers possess varied level of
needs, and holds different value to the companies. So the companies must
customize their product and service to meet the customer anticipations. After
differentiation of the customers, it is substantial for the companies to interact with
them in order to strengthen their relationships. Mode of interaction must provide
value for money as it must be economically viable and produce the best possible
results. While making any integration with the customers, it is necessary to refer
the prior communications that will be helpful in narrowing down the customer
desires and aids to gain the understanding of their requirements. Lastly, a firm
must customize their behaviour to attend the individual needs of the customers
that would remain unanswered when targeted in groups. This requires the
customization of the products that is being manufactured or alteration in the
services specifically related to the products.
9. Hughes (2004), raised the point that one to one marketing that conceptually creates good sense but it may not be applicable to the majority of the product as well as service situations. This concept has been put forth by the authors in his book of “The Customer Loyalty Solutions”. This non-applicability is mainly due to the dearth of information accessible. The availability of data may not be adequate to understand the behaviour of the customer, but rather it provides insights to the segments to which the customers belong. However, it is very difficult to capture data influencing the personal factors in the database due to which it becomes impossible to provide appropriate offers to the suitable customers at the appropriate times. But by shifting of their interest from product centric to customer centric practices and strategies, companies can often lucratively target their customer segments. Theoretically CRM seems to be feasible but practically enhanced profitability are captured by augmented costs. Incremental outcomes are expected from surged customer communication, prompted by the CRM. The increase in sales through adoption of CRM practices are generally slightly higher than the ones the companies would have achieved without availability of database and the interactions. Also, majority of marketers perceives database marketing as ‘CRM’.

10. In continuation to the Hughes proposition, Thomas et al., (2004), in their work “Getting the Most out of All Your Customers”, published in Harvard Business Review, July-Aug, edition pointed out that companies still struggles to optimize their direct marketing investments despite of enormous spending’s on direct marketing, utilization of complex databases, evaluation tools, along with targeting of the discrete customers. Cost minimization is adopted by several marketers by implementing cost effective marketing strategies, realizing the fact that loyal customers are not always highly profitable and customers need not be to faithful to extend profitability to the respective companies. High profits from the direct marketing can only be obtained when the companies rely heavily on direct marketing, identifying it as the only system to generate profits, rather than exercising performance measures at each process. A model known as ARPRO that
stands for Allocating Resources for Profits, used to approximate the influence of investments made for direct marketing on customer segment profitability.

11. Newell (2003) comprehended that the term Customer Relationship Management infers that the customer relationships can be managed by the companies by aiming particular segment of the customers for the specific product category. Furthermore, he elaborated in his work, “‘Why CRM Doesn’t Work (How to Win BY Letting Customers Manage Relationships)” that only 30 percent of the firms perceive that they have received the returns on the investments made for the implementation of CRM. These numbers lures the other executives as well to implement CRM at the earliest so as to reap the maximum benefits out of these, as companies often are unable to recognize the expectations of the customers from their business relationship. Also, the pressure on the companies to build as well as manage customers relationship leads to ruining of the existing associations as customers look up to the service providers to make their lives easier rather than obliging them to do the thing that they are not willing of. Through cut throat competition and with availability of the products exploding the markets, the power balance is more inclined to the customers for which they desire also. According to the author, the era of CRM has been replaced with the CMR that implies Customer Management of Relationships with more customer empowerment as it gives the freedom and strength to the customer to communicate their desires and interest areas. For an effective CMR, it must be efficaciously managed with complete control of decision making to the buyers and they can choose the type of information they require, their expectation from the products and/or services and the ways as well as the frequency with which they want companies to interact with them.

12. Greenberg (2001) mentioned that customers are regulatory forces in the modern business world. He further pointed out that customer choices and preferences cannot be altered in accordance to the products or services available in the market. Over a period of time, all the processes has been converted from fixed plan to an instantaneous real time process. He described CRM as the process that offers means to improve the respective buyers experience so as to retain them for the
lifetime. It renders the ways of recognizing, apprehending, as well as retaining customers, and it avails a unified viewpoint of the customers all across the enterprises. The CRM is a complex system that changes over the time with respect to the customer demands and market environment.

13. Venkataramana and Somayajulu (2003), in their book “Customer Relationship Management-A Key to Corporate Success” that CRM being a strategy to operate successfully in the market that transformed the market dynamics over a period of time from relationship marketing to transactional processes with customer being the centre of all commercial activities. So accordingly the firms are rearranging their policies along the significant customers, recognizing them to be a business asset with utmost economic value to the organization on being managed effectively. To manage the customers base, relationship managers in banks, hotels and many other service sectors are employed which is more or less similar to the strategies opted by the airlines and credit card companies that offers reward point programmes to benefit their loyal customers. Telecom service providers as well as hotel service providers customized services to their corporate users. However, with rise in market competition due to new entrants, the companies are trying to serve best to their available customer base as they are conversant with their buying trends and purchase behaviour. With growth of the Information telecommunication sectors, the approachability has surged over the decade, enabling the companies to sustain relationships with already captured customer base. Now the call centres and relationship managers manages individual customers and takes their feedback to offer them the best or can also modify their services in accordance with the response from the users, that assist them to generate mutual benefits for the customers and the firms. CRM implementation is not completely dependent upon the customized technological solutions, but requires a well-planned sophisticated approach that is proficient for handling particular opportunities as well as circumstances. Therefore, the technological integration with evolving business processes is crucial to fruitful execution of a data-driven customer relationship management.
14. Berson et al., (2000), in their book titled “Building Data Mining Applications for CRM”, explained that there has been a radical transformation in the ways the firms interact with their customers. Similar business plans over the years does not guarantee returns, resulting which it has been realized by the companies to recognize their customer needs and must promptly respond to their requirements within a short time span to gain the first movers advantage. Also, companies must be pro-active and must not wait for signals of complete customer dissatisfaction and it must anticipate the customer desires. Rise in the number of offerings by the respective companies, along with its competitors signifies that it is really difficult to understand the customers. Best practices and value added services must be strongly reinforced on a regular basis and also, there has been a sheer decline in the time gap between the new desire formation and time required to satisfy that anticipation. Furthermore, for predicting patterns of buyer behaviour, data mining is also essential as it can assist in solving issues of high complexity in handling interaction of the companies with its customers.

4.4 STUDIES RELATED TO THE PRACTICE OF CRM

1. Maxham and Netemeyer (2002), in their paper, “A Longitudinal Study of Complaining Customers’ Evaluations of Multiple Service Failures and Recovery Efforts”, (published in Journal of Marketing, October, Volume 66, Number 4), represented a longitudinal study of nearly two years long based on the evaluation of firm’s overall satisfaction level, positive word of mouth commendations along with the repurchase intend originated from the initial complaints, followed by the service retrieval attempts. The research findings suggested that the one failure to deliver the best to some extend can be endured with ‘recovery paradox’ but continuous two failures often results in customer loss. In relation to this context, recovery paradox is described as single failure, followed by prompt service recovery often results in situations where customers rates the firm high on satisfaction level and giving positive recommendations to the peers and also acquits repurchase intend. However, in the cases where customers encounter another failure, satisfaction rating of any firm declines immensely.
2. Reinartz and Kumar (2003) in their article, “The Impact of Customer Relationship Characteristics on Profitable Life Time Duration”, (Journal of Marketing, January, Volume 67, Number 1), have pointed out that many firms evaluates their customers associations and explore the reasons for their retention as well as terminations. Thus, by deriving the retention factors, such firms are able to retain their clients that are at the verge of leaving the bonds and moving on to the competitors, along with cognizing the customer that are willing to have a life long association with the company. It is preferable as well as beneficial for the companies to upkeep their existing customers and satisfy them so as to bring down the churn rate. Thus, it is significant to study as well as imply the CRM concept for getting equipped with the knowledge related to customer management orientation as well as to have an access to the empirical evidence of the customer organisation relationship which is otherwise scarce.

3. Bhattacharya and Sen (2003) undertook a study to understand the situations, which puts customers into a robust, dedicated, and consequential relation with the corporations, as a result becoming their loyal customers. This study was executed in both discrete and structural psychology to illustrate the nature of buyer corporation identification and consolidate their customer level intangible background that offered suggestions concerning the main causes and implication of such identification in the consumer market.

4. Another study conducted by Verhoef (2003) witnessed companies’ intention to establish close relations with buyers to augment Customers’ Relationship Perceptions (CRPs). Customer relationship perceptions were contemplated as estimation of affiliation strength and a dealer's offerings, and customer share development as the change in customer share between two phases. In such situation Customer share was described as the proportion of a customer's purchases of a particular set of goods or services from a particular provider to his total purchases of that set of goods or services from all the providers. Verhoef examined the disparity of customer relationship perceptions and relationship marketing instruments on buyer preservation and buyer share development over a period. The findings of the study revealed that effective assurance and reliability
programs, which offer monetary gains certainly affect both buyer holding and customer share development. On the other hand, sending mails directly to customers impact customer share development. Nevertheless, the influence of these factors was discovered to be insignificant. The findings also specified that organizations could utilize the similar approaches to impact both buyer retaining and customer share development.

5. Findings of the research conducted by Reinartz and Kumar (2002) further informed that the correlation between trustworthiness and cost-effectiveness was much feebler and understated- than what had been claimed by the advocates of various loyalty campaigns. Apart from loyalty, companies were also required to explore means to gauge the connection between loyalty and viability in order to ascertain the buyers who required more attention. According to this study, it was discovered that when buyers were classified as per their viability and endurance, the affiliation between loyalty and revenues was not at all guaranteed. When loyalty and revenues were studied together, it became apparent that different buyers should be dealt with in distinct manner. Businesses should not assume that customer management for loyalty was equivalent to managing them for revenues.

6. Berry and Bendapudi, (2003) in the research titled as “Clueing in Customers”, (published in Harvard Business Review, February), have explained that the customer focus on feedback from the other users, quality indicators as well as facilities provided when they are deficient in making judgment about the company’s offerings on their own. It is the sole decision of the company regarding the type of brand image they wish to generate amongst their customers and they must make sure that all the management together with the ground level employees must work to build that image of the company. The company hires people that opts their values and work strictly towards the achievement of the company’s goals by meting their customer needs. Therefore, the physical surroundings is unambiguously designed for its envisioned impact on the customer experience. Message conveying that customers comes first must be passed on to the service users, along with the adoption of the customer centric practices. This approach will certainly glorify them with an edge over its competitors.
7. Loveman (2003), in his article titled “Diamonds in the Data Mine”, described that the companies has bypassed its competitors by adopting customer data mining procedures, followed by analyzing of the customer information and then utilizing the results to formulate market strategies that are potently implemented to ensure that customer keeps coming back asking for more products or services. Data collected by the companies through their respective incentive programs are utilized to implement marketing strategies based on their database that provides them competitive advantage over their competitors.

8. Thompson (2003) in his book “The Customer Centred Enterprise discussed the notion of Customer Value Management (CVM) that integrates needs and wants of the respective customers in business processes as well as decision making. A methodical approach along with the operational framework was outlined by the author to make customer defined value available at each step of business organizations. Fascinating along with retaining customers by forming differentiation in products or services that can be achieved by transformation of focus from concerns related to cost efficiency to creation of value for money for the customers. Targeting by Prioritization has been the mantra for the improvement of business processes and by following this along with replacement of product driven notions with customer centric approaches, many corporations have achieved market leaderships

4.5 PILOT STUDY

For assessment of the project feasibility along with finalisation of the sample size and to evaluate the questionnaire appropriateness, a pilot survey was carried out with the cement dealers of the Chandigarh to understand the value chain and supply chain processes involved in the industry. These samples were not included in the final sample size as it might impact the behaviour of research subjects if they have already been involved in the research. One to one interaction with the respondents was accomplished where they were probed on the both open ended and closed ended questions. Then, the respective responses were analysed to confirm the viability of the research design opted and required changes were made in an endeavour to avoid time
and money being wasted on an inadequately designed project. Also, the reliability test on the sample was carried out and the test confirmed the internal consistency of the five point scale adopted and gave the desired results in continuation with the main study.

4.6 DATA SOURCES

Both the primary as well as secondary data sources are referred to meet the project objectives. Collection of data through primary sources has been extensively explored, while secondary sources emphasised several important aspects and issues under the study. Using both the sources, an in-depth research schedule was prepared keeping in mind the areas of cement industry practices and strategies. Data responses were collected from the major dealers of the cement companies to under the supply chain as well as the strategies involved for maximisation of the sales. Attempts were made to include maximum numbers of respondents under the study. A number of resources has been referred while collecting both primary and secondary data, resulting in timely completion of the field work on all the major aspects of the study so as to bring in more relevance, cogency and accuracy.

4.7 SAMPLE SELECTION

The next step included choosing the industries/sectors in which the study had to be conducted. As per the findings of a report, titled “Executive survey: The Indian CRM Market”, by Sandeep Mittal, published in 2001, by Icicle Consultancy, it was found that Banking, Insurance, Financial Services are the number on best fit sectors for CRM practices, followed by Hospitality, Travel, Airlines, Telecom, ISPs, Mobile Operators, Retail, Automobiles, Consumer Durables and Pharma industry. G. Shaineesh and Ramneesh Mohan (2001), in their paper titled ‘Status of Customer Relationship Management in India- A Survey of Service Firms’, have identified IT and Telecom industries as one of the customer focused/ customer centric industries. S.Raghunath and Joseph Shields (2001), in their paper titled ‘Introduction of e-CRM in the Indian Insurance sector- Customer and Intermediary Preferences’, have stressed upon the fact that with the deregulation of the Indian Insurance Industry, new opportunities have opened up for online insurance transactions in the Indian Market and there is high scope for Relationship Marketing in the Insurance Sector.


4.8 RATIONALE FOR SELECTING CEMENT INDUSTRY

To achieve long term equity in the form of satisfied clients, Customer Relationship Management holds utmost importance especially with respect to the cement industry. Customer of diverse socio-economic background and different levels were often targeted to establish long run sustainable relationships between the buyers and sellers. Other factors behind relationship sustainability between the marketers of the cements and the customers are grounded on the seller’s credibility along with their sensitivity and promptness in substantiating varying customer needs, thereby enabling customer retention.

Another important factor that is peculiar to the cement industry is that the marketers have to meet the expectations of the three important set of the customers that are influencers, buyers and the end users. Attempts must be directed by marketers to procure productive relationship of long duration in every possible way so as to optimally reap its benefits.

Besides several other variables, pluralistic and multicultural buying attitude in cement marketing along with the technology as well as applications, acts as a major driver that influences the buying behaviour of the users that occasionally alters from one buying conditions to another. Contemporarily, there have been good opportunity to enhance the credibility factor of the trade networks by means of Customer Relationship Management, provided that the company recognises the target areas and/or customer groups in terms of commercial, residential or industrial. Cement being a demand derived product is extensively used in manufacturing sector primarily for making mortars, concrete and lastly erecting final structures. Thus, the credibility established during the marketer chain of interactions with the customers will augment the level of satisfaction of the eventual end users.

There has been large network of intermediaries that the cement goes through while reaching the end users which most of the time make unmanageable for the cement companies to closely monitor the market trends and opt proactive approach to manage customer requirements and respond to the market developments. However, once the network becomes well established and apparently understood, it becomes somewhat
approachable for the companies to target specific customer and/or consumer group and can use CRM as strategic tool to build credibility.

Marketer consumer chain is quite distinguished from the credibility chain on the account of probability in the later kind of chain to reach out to those influencing factors that are outside the preview of traditional interactions of buyers and sellers, also known as dyadic relationships. However, if difference or transformation in the marketing approach through credibility factors has to be made, then the cement companies analyses the host factors that refers to pre sales services and counselling as well as advisory facets related to after-sales services and makes the attempts to address these factors for the betterment of the marketing strategies. Therefore particularly in the cement industry, Customer Relationship Management is an important instrument of addressing the issues related to the credibility as it forms the bedrock of an affectionate and prolific relationship with customers which is important for each and every business kind.

When the CRM as a strategy in cement business is applied, it confers a distinguished position to the company, beyond its competitors and aids in better positioning of the products in the targeted markets. However, these can be referred to as the short term benefits and in long run, it is expected to develop credibility factor in terms of building up the company’s equity in a rational way. Although its implementation also involves additional investments and efforts in human resources, information system development to meet the versatile needs of the varied customer segments.

Cement manufacturers and marketers can barely afford to overlook this significant purpose of the Customer Relationship Management for a simple reason that Cement being an only product of its kind gives very limited opportunities to its marketers for product differentiation and discrete positioning in the market as unfortunately there are very few features to distinguish one kind from another. This may be due to the reason that there exists an official standards that are decisive for these features and for a product like cement, market users maybe not in the favour of making experiment in its usability, as they are already satisfied with the product offered in the market and there is not much need of improved performance. However, if not on the product marketers are investing much in the advertisement to improve the outreach of the product. Thus, limited possibilities of the product differentiation gives way to
customer relationship management, a strategic promotional tool that can create distinction in positioning of the company or brand in the competitive market. This instantaneous impact can be leveraged further in facilitating the company to achieve sustainable competitive advantage. Therefore, CRM tools are highly utilised in the cement industry as they are increasingly segmenting the customers based on their specific needs and efforts are directed to meet their expectations so as to build much required customer loyalty.

In the cement industry, the first ever requirement to acquire this instantaneous distinctive characteristic was realised by a sister concern of Aditya Birla Group and the company used CRM tools and methodologies as a strategy to gain customer loyalty and maintain it further as a long term equity. The intention of the company was to transform the ways of interacting with its existing customer base. Dealers that holds the major portion of customer interface were recognised as major resource to work on in this direction.

The company deliberately positioned itself to work in the direction of gaining long term prolific associations with its customer base and it has also realised that if the company can directly have relationship with its end users, rather than with the distribution channel or customers alone then it would have an edge over its competitors and it will give a distinct strategic positioning to the company. Working on this strategy, the company then selected its dealers and upgraded them in to be the ‘Birla Super Shoppes’ that are more or less relationship outlets wherein end users are directly interacted with and the main focus is on creating as well as sustaining relationships of long duration and to offer them the services that no other competitors can provide. This notion of creating and maintaining associations merged as a result of thorough study of customer buying behaviour. Company realised that the customer choice was heterogeneous with different kinds of cement buyers and influencers in the markets or sometimes influences are the direct buyers. Cement industry dealers commonly interacts with the mason, civil engineer, architect, contractor and the institutional or large scale buyers and the end users; most of these can be the influencers as well as the buyers.

Whilst most of these buyers had some sort of either knowledge or understanding gained through practical experience about the product and its quality as well as its
usage, only the information related to technicality of the product and advice of the type to be used before buying was only latent need. However, dealers being least knowledgeable, informative and the only contact point, this requirement to meet these needs had never been felt. Also, dealers keeping diversified brands and kinds of the cements is more focussed and concerned towards clearing their stocks so they recommend only that product which is sufficiently available with them, without spending much time on sensitising buyers about any brand.

The cutting edge strategy of the company to establish ‘Birla Super Shoppes’ with well-qualified civil engineers to provide immediate free technical consultancy to each buyer had proved to be a master stroke with more users approaching the outlets for buying the cement depending upon the exact requirements. Apart from this, company periodically organised ‘‘mason meet’’ where the major influencers were invited and were informed about the technical as well as practical knowledge along with its solutions. Furthermore, meeting with the outlet owners belonging to a particular area were organised to get their consistent feedback and to address the issues simultaneously. Thus, the company gained a major chunk of market share by employing CRM tools and methodologies in its marketing strategies. Therefore, to understand the closely kneaded relationships between the customers (influencers) and the end users (buyers) as well as to understand the role of Customer Relationship Management tools that is increasingly utilised by the cement companies while implementing marketing strategies, the cement industry has been chosen as the topic of the research, with Customers (primarily dealers) as the research sample.

4.9 AREA UNDER STUDY

The present study will be conducted across India mainly in four major metropolitan cities Delhi, Mumbai, Kolkata, and Chennai covering both the exclusive and non-exclusive dealers of Leading Cement Manufacturing Companies of India as well as the end users. To have a deep understanding of Companies’ Market strategies and customer relationship management, a developing city (Located not more than 200 kilometres from these respective metropolitan cities) along with local/ regional cement brand will also be included in the study.
4.10 Sampling Criteria

- In the similar way, 4 other major cement brand and one regional brand dealers were covered. **Thus** total sample of the dealers across the afore-mentioned regions was 207.
4.11 Data Collection Procedure

The various sources of data collection have been combined to collect information for the study. The secondary data is collected through Census handbook, District handbook and other published material. Primary data were collected by three procedures, i.e.

1. Through interview schedule,
2. Observations,
3. Discussions with the respondents

To obtain preliminary information, discussions were held with the selected key persons in order to familiarize with the nature of work and to have in-depth knowledge of the problem.

At the second stage, a pre-test interview schedule had been administered to collect primary data. This was prepared keeping in view the objectives of the study and as such it included both structured and open-ended questions. Interview method of data collection was given importance to the use of questionnaire because of the issue of the time availability along with the low education level in the sample population. The interview schedule was pretested and according to the feedback of the respondents, all the questions asked are comprehensible and self-explanatory.

The schedule contained questions in the English language, and consisted of various parts like socio-demographic information, awareness level of the dealers towards CRM initiatives of their respective companies, along with their perceptions/attitudes towards these initiatives and satisfaction levels, their suggestions for the improvement of products/services, their loyalty towards using the products/services offered by the companies, and the reasons stated by them for their decisions. Also, Likert scale was selectively utilised in measuring the level of satisfaction amongst dealer regarding companies’ policies and various CRM initiatives.

In order to understand customer perceptions and mind sets that drive their buying behaviours, it is imperative to move beyond techniques such as surveys and focused group discussions and adopt methodologies of ethnographic research, such as observation and in-depth interviews, using creative tools. These tools include card sorting and story-telling exercises, a broad game as well as income-expense mapping tools. These tools will be used to translate research questions into comprehensible
visual stimulus, thereby eliciting responses and reactions from research participants, without appearing intrusive. Moreover, these tools provide for a broader range of questioning through exploration of different probable situations, rather than being bound by what has actually happened in their life. At the same time, these creative tools facilitate the representation as well as validation of mental models driving their behaviour.

4.12 Data Analysis and Statistical Techniques

The data and responses obtained were coded and tabulated. Thereafter, univariate as well as multivariate statistical analyses were performed. The univariate statistics include Frequency, Percentage, Mean, etc. and their statistical significance was assessed One-way ANOVA. The multivariate statistics include Correlation and Factor Analysis. Significance of various tests was seen at $p$ at 0.05 and 0.001 level.

The entire data were analysed in consultation with a statistical programmer, using Computer Microsoft Excel for Windows and SPSS (Statistical Product and Service Solution) 15.0 software for windows (SPSS Inc., Chicago, IL, USA 2007). The results thus obtained are presented in tabular as well as graphic form followed by suitable interpretations in text in the proceeding chapters.