CHAPTER-1
RESEARCH DESIGN AND REVIEW OF LITERATURE

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1.1 Introduction:

Peter F. Drucker the great management guru defined the modern concept of business as “To create customers”. This is perhaps the shortest definition of modern business or the changing concept of business but definitely not the simplest of definitions, for the phrase, to create customers, though sounds simple but has great implications. Here the customer is not the buyer who is one of the two parties in the sales transaction as a ‘One-off’ case but a person whose loyalty towards the organization has to be ensured.

Peter F. Drucker has also quoted that “There are only two functions which generate revenue. These are marketing and innovation rest are all costs”. We are in the age where business organizations are convinced that they have to innovate or perish. Therefore innovations can be seen in all the areas of organizational functions and more prominently in the field of marketing where in marketing has taken a ‘customer–centric’ approach. Hence marketing is now
oriented towards strong and lasting relationship with individual customers. The strategy and process of acquiring, retaining and developing close profitable relationship is called Customer Relationship Management (CRM).

**Customer Relationship Management (CRM):**

CRM is a business strategy to acquire and retain the most valuable customer relationship. CRM requires a customer centric business philosophy and culture to support effective marketing, sales and servicing processes.

The purpose of CRM is to improve marketing productivity by increasing marketing efficiency and enhancing marketing effectiveness. The goals of CRM are as follows.

- **Use existing relationship to grow revenue**
  Enhance profitability by identifying, attracting and retaining the best customers.

- **Use integrated information for excellent service**
  Use customer information to better serve his or her needs. Customer should be surprised by how well you know them.

- **Introduce more repeatable sales process and procedures**
  In order to enjoy continued success companies must improve consistency in account management and selling.

- **Create new value and instill loyalty**
  Become a company that is known by its prospective and existing customer for its ability to respond to needs and accommodate request, a company that deserves patronage and to which they will become loyal.

- **Implement a more proactive solution strategy**
  Use a customer focused business solution that works across the entire enterprise. Move from reactive data collection to proactive consumer relations that resolve problems on the first call, and eliminating issues before they reach the crisis stage.

**The Three Phases of CRM:**

There are three phases of CRM acquisition, enhancement and retention. All the phases of CRM are interrelated. However, doing all three phases well is a difficult proposition, Companies
have to choose which one of these dimensions will be their primary focus. Keep in mind that choosing one dimension to master does not mean abandoning the other two. It simply means the company is selecting a dimension of value on which to stake its market reputation.

**Acquiring new customers:**

Organisations can acquire new customers by promoting product/service leadership that pushes performance boundaries with respect to convenience and innovation. The value proposition to the customer is the offer of a superior product backed by excellent service.

**Enhancing the profitability of existing customers:**

Organisations can enhance the relationship by encouraging excellence in cross-selling and up-selling. This deepens the relationship. The value proposition to the customer is an offer of greater convenience at low cost (one-stop shopping).

**Retaining profitable customers for life:**

Retention focuses on service adaptability-delivering not what the market wants, but what customers want. The value proposition to the customer is an offer of a proactive relationship that works in his or her best interest. Companies can focus on retention much more than on attracting new customers. The reasoning behind this strategy is simple: If you want to make money, hold onto your good customers.

1.2 Statement of the Problem

In a market driven economy, the consumer has occupied the central position. A large number of activities are directed towards attracting the customers. All industries are paying special attention towards customer relationship and have changed their mode of operation of dealing with their customers.

Customer Relationship Management (CRM) gained recognition in the mid-1990’s, primarily driven by its perception as Information Technology (IT). However not enough attention has been given to the fundamental drivers of CRM success: Strategy, metrics and the organisation. Hence this research study titled “A Study of Customer Relationship Management (CRM) Practices of Selected Service Organisations in Maharashtra State”, which strives to explain how successful CRM works and why it is important to give customer utmost importance. It establishes a relationship and explains how customer loyalty affects profitability.
1.3 Need and Importance of the Study

Customer Relationship Management (CRM) has become a globally recognized business practice and yet it is still loosely defined and rarely well defined. CRM means many different things to different people. It is possible to develop a greater understanding of it by looking at its origin and principles that drove its development. It was in 1990’s that relationship marketing emerged when true value of retention and the use of lifetime value as a business case was recognized.

The present shows many practitioners in the CRM marketplace who understand the key concepts of CRM. However the feedback from the clients and what we see in the marketplace paints a slightly different picture.

In terms of what the future holds can be summarised as follows:
- Customer will play a significant role in managing the relationship
- Service model will continue to change
- The Web will create globalization
- Technology will consolidate
- Do we have what it needs to get there?
- Can end to end customer processes be developed?
- Is the best use of customer knowledge being made?
- Need to be proactive instead of reactive
- Recognise customer individuality

This study intends to throw more light on the issues mentioned in the previous paragraphs and will provide answers to most of the questions raised.

1.4 Objectives of the Study:

This study has set out the following objectives:
1. To determine the approach being adopted by the selected service organizations in the state of Maharashtra, for relationship marketing.
2. To find out whether the different service organizations believe that their processes are customer centric.
3. To study whether the technology selected is on the basis of customer needs.
4. To study how empowered are the employees of the organization to deliver superior service.
5. To study the customer knowledge strategy adopted.
6. To understand how well do they manage their Customer Relationships.
7. To study the relation between customer loyalty and profitability.

1.5 Hypotheses:

The study has undertaken to test the following hypotheses:
1. There is a significant difference in the customer centricity of the CRM processes implemented by different banks.
2. There is a significant difference in the customer centricity of the CRM processes implemented by different hotels.
3. There is a significant difference in the customer centricity of the CRM processes implemented by different insurance companies.
4. There is a significant difference in the customer centricity of the CRM processes implemented by different telecom companies.
5. There is a significant difference in the customer centricity of the CRM processes implemented by different service sectors.
6. There is significant relationship between various characteristics of the customers and customer centricity of the CRM processes implemented by the different service organizations belonging to different sectors.
7. There is a relation between customer loyalty and profitability.
8. The CRM programmes implemented by the different service sectors are different.

1.6 Methodology Adopted for the Study

In view of the objectives and hypotheses presented in the earlier pages, the methodology adopted for the present study is elaborated as under:

Survey Method:

The survey method is adopted in order to elicit relevant information pertaining to the Customer Relationship Management (CRM) practices implemented by the selected service organizations viz. Banking, Hospitality, Life Insurance and Telecommunications in the state of Maharashtra. To begin with a pilot survey was conducted to clarify and finalize the key issues.
After the pilot survey the selected service organizations were visited and responses were collected. A well designed comprehensive questionnaire was the research instrument that was self administered and in some cases it was administered in person to obtain responses from selected high ranking customer relationship management (CRM) officers and managers.

A separate survey of the customers was also conducted. Information from the customers of these organizations was also obtained with the help of a well designed self-administered questionnaire.

**Observation Method:**

Since the interviews took place in the interviewee’s place of work, this gave the researcher the opportunity to directly observe the CRM environment and programmes. Thus to enable the researcher to have a close and clear view of the CRM practices implemented the observation method was also adopted. The aim of the observation method was to cross examine the information provided by the officers in form of responses related to CRM infrastructure, technology and practices implemented by the selected organizations.

**1.7 Sources of data**

The researcher adopted the survey method to collect the required information for the study. Information from the concerned CRM/Marketing officers and managers was collected on one hand and on another the customers of these selected organizations were also surveyed with the help of a questionnaire, which was used as the main research instrument. Both, primary and secondary sources of data were utilized for the study.

**Primary Source of Data:**

The primary data was collected from the Managers / Officers and the customers of the selected organizations through two separate well structured direct questionnaires, which were administered by the researcher and in some cases they were mailed to the respondents. In addition personal observation and informal discussions were also held with the concerned officers to elicit the required information.

(a) **Questionnaires:**

Two sets of structured direct questionnaires one for the concerned officers and managers of the selected organization and the other for the customers of these organizations were prepared in consultation with experts in the field, later they were suitably amended after
pre-testing through a pilot survey. The questionnaires were administered to the concerned officers & managers and the customers of the selected service organisations. In some cases the questionnaires were self administered by the respondents.

The types of questions in the questionnaires included:

i) Open-ended questions

ii) Dichotomous questions

iii) Multiple choice questions and

iv) Rating scale for obtaining ranking

All the questions were applicable to the organization and its customers.

The Questionnaires are appended to this thesis as Annexure-I & II

(b) Structured and Unstructured Interviews and Informal Discussions:

Certain information required to fulfill a few objectives could not be elicited with the questionnaires alone. Further the questionnaire included several open-ended questions. Hence responses to such questions required further investigation and clarifications. Therefore, in such cases, in-depth interviews and informal discussions were taken up by the researcher.

(c) Observation:

During the survey the researcher personally visited the offices of the selected service organizations and observed the infrastructure, physical setting, procedures and activities in these organizations.

Secondary Source of Data:

The sources for secondary data comprised of existing published and unpublished literature, which was used for laying the conceptual foundation, review of literature relevant to the study and statistical data with respect to the study.

Large number of published text and reference books were referred for clarifying the theoretical concepts. Previous research in the field of the present study was reviewed by referring to research journals, trade magazines and publications of the Banking and Insurance institutes.

The below named libraries were the main sources of secondary data:
1. Barrister Khardekar Library, Shivaji University, Kolhapur
2. Bharati Vidyapeeth Deemed University’s Yashwantrao Mohite Institute of Management, Karad
3. Jayakar Library, University of Pune, Pune
4. National Institute of Banking Management (NIBM) Library, NIBM, Pune
5. National Insurance Academy (NIA) Library, NIA Pune

1.8 Statistical Tools Used

The statistical primary data is processed on a Personal Computer (PC) with the help of spreadsheet application software like MS Excel to generate tables, charts and graphs. Further the primary data was analysed using SPSS software.

Statistical Analysis Tools:

1. One way ANOVA followed by Tukeys multiple post hoc procedures and unpaired T-test is applied for comparison of the various socio-demographic characteristics of the customers with their ratings.
2. Kruskal Wallis ANOVA test is applied to compare the means of responses to different types of service sector.
3. Mann-Whitney U Test is applied to compare response from male and female customers with respect to different Statements.
4. The one way ANOVA test, Chi Square test, and Karl Pearson’s correlation coefficient technique are applied to test the various hypotheses set out by the study

1.9 Sample design

This study pertains to the study of CRM practices in the following categories of service organizations:

a) Banking i.e. Commercial banks
b) Hospitality Industry i.e. Hotels
c) Insurance Service i.e. life Insurance.
d) Telecommunication Service i.e. Wired and Wireless (Landline and Cellular)

The geographical scope of the study being the entire state of Maharashtra, the state is divided into following regions:

a) Metropolitan area of the state i.e Mumbai city
b) Cosmopolitan area of the state i.e Pune city  
c) Marathawada area i.e Aurangabad city  
d) Vidarbha area i.e Nagpur city  
e) Western Maharashtra i.e Satara and Kolhapur for BSNL only  

Using Convenience sampling method, five organizations from each category were selected for the study as shown in table 1.1 and using Random sampling method 50 customers from each selected organizations from all the five cities totaling to 5000 as shown in table 1.2 were selected.

**Criteria for Selection of Sample**

To ensure that the sample selected for the study is a true representative of the universe, following criteria is adopted for selection of the service organizations in Banking, Life Insurance, Telecom and Hotels

1. Organizations who have implemented a CRM programme  
2. Organizations who are market leaders in the state of Maharashtra.  
3. Organizations who have established their name or have a long standing in the market.  
4. Both Public and Private sector (wherever applicable) are represented in the sample.

**Table No. 1.1: Selection of Sample for Survey of Managers & Officers**

<table>
<thead>
<tr>
<th>Service Category</th>
<th>Total Number of Organisations / Groups (1)</th>
<th>Number of Organisations Selected (2)</th>
<th>Number of Regions (Cities) (3)</th>
<th>Sample Size (3x4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking</td>
<td>Public Sector Banks: 21 Private Banks: 22 Total: 43</td>
<td>05</td>
<td>05</td>
<td>25</td>
</tr>
<tr>
<td>Hospitality</td>
<td>Hotel Groups: 45</td>
<td>05</td>
<td>05</td>
<td>25</td>
</tr>
<tr>
<td>Insurance</td>
<td>24</td>
<td>05</td>
<td>05</td>
<td>25</td>
</tr>
<tr>
<td>Telecom</td>
<td>Wireless (Cellular): 11 Wired (Landline): 04 Total: 15</td>
<td>05</td>
<td>05</td>
<td>25</td>
</tr>
</tbody>
</table>

**Total Sample Size** 100  
**Total Number of Managers/Officers surveyed:** 100
Table No. 1.2: Selection of Sample for Survey of Customers

<table>
<thead>
<tr>
<th>Service Category</th>
<th>Number of Organisations Selected (1)</th>
<th>Number of Customers Selected (2)</th>
<th>Number of Regions (Cities) Selected (3)</th>
<th>Sample Size (2x3x4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking</td>
<td>05</td>
<td>50</td>
<td>05</td>
<td>1250</td>
</tr>
<tr>
<td>Hospitality</td>
<td>05</td>
<td>50</td>
<td>05</td>
<td>1250</td>
</tr>
<tr>
<td>Insurance</td>
<td>05</td>
<td>50</td>
<td>05</td>
<td>1250</td>
</tr>
<tr>
<td>Telecom</td>
<td>05</td>
<td>50</td>
<td>05</td>
<td>1250</td>
</tr>
</tbody>
</table>

Total Sample Size: 5000

Total Number of Customers surveyed: 5000

1.10 Validity of Sample

1. The customer rating scale reliability was tested during the pilot survey of 500 customers using SPSS version 16.0 software. The results are as follows:
   - Cronbach alpha value = 0.8855
   - Correlation between 1\textsuperscript{st} half and 2\textsuperscript{nd} half = 0.7758
   - Split half reliability = 0.8739

2. Similarly for the management rating scale reliability was tested during the pilot survey of 40 managers/officers. The results are as follows:
   - Cronbach alpha value = 0.8930
   - Correlation between 1\textsuperscript{st} half and 2\textsuperscript{nd} half = 0.9161
   - Split half reliability = 0.9561

   From the above results it can be seen that the Cronbach alpha value is greater than 0.70. Hence the primary statistical data is reliable and valid for further analysis.

1.11 Scope of the Study

Geographical Scope: this study is confined to the state of Maharashtra.

Topical Scope: The focus of this study is on the CRM practices of the selected service organisations in Maharashtra state.

Analytical Scope: The data collected as part of the study is analysed to fulfill the
objectives and test the hypotheses.

**Functional Scope:** This research study covers the CRM strategy and practices adopted by the selected service organisations.

1.12 **Limitations of the study**

The respondents’ enthusiasm was lacking in some of the organizations due to their busy work schedule. This may have affected the final outcome of the study. Any information related to finances and investment was difficult to elicit. The researcher had to face reluctant respondents from some of the organizations especially those belonging to the public sector. Here the respondents did not readily divulge some of the information.

The geographical area selected for the study encompasses the entire state of Maharashtra, which is one of the largest states in the country. Therefore, personal visit to these organizations (for the survey) located in different cities of the state was time consuming.

1.13 **Chapter scheme**

A brief outline of the chapters of this thesis is as below:

**Chapter 1: Research Design & Review of Literature**

This chapter provides an introduction to the study, its need and importance, objectives of the study, hypotheses set out by the study, methodology employed and analytical tools used for analysis and testing of hypotheses. It also includes the scope of the study, limitations of study, chapter scheme and relevant literature reviewed.

**Chapter 2: Conceptual Foundation**

This chapter gives an account of how the field of Marketing has evolved from ‘product marketing’ to ‘one-to-one marketing’. This chapter also covers the various definitions of Customer Relationship Management (CRM), types of CRM, the emergence of CRM practice, the CRM process framework, issues in implementing CRM and CRM as a potential discipline.
Chapter 3: Emerging Tools and Applications in Customer Relationship Management (CRM)

This chapter covers the emerging and most popular tools used in developing CRM software applications like Data Warehousing, On-Line Analysis Process (OLAP) and Data Mining. The later half of the chapter provides a brief description of the fourteen most popular CRM applications used worldwide.

Chapter 4: Overview of Selected Service Sectors in India

This chapter provides the significance of the key service sectors in India of Banking, Life Insurance, Telecommunications and Hospitality and how they are vital for the country’s economic stability. This chapter also provides an overview of these selected service sectors in India depicting their past, present and future.

Chapter 5: Analysis and Interpretation of Data

In this chapter, the data collected from the survey of customers and the managers and officers of the selected service organizations is presented in tables and graphs and different statistical tools are used to draw inferences. The various hypotheses formulated by this study are also tested and presented in this chapter.

Chapter 6: Findings and Suggestions

This chapter summarizes the findings of the study and suggestions made. The findings, which are based on survey of the customers as well as the high ranking officers and managers of the organizations belonging to the different service sectors, give an account of how customer centric the CRM processes are and how successfully the CRM initiatives have been implemented by the selected organizations. This chapter also covers the suggestions made to improve the effectiveness of the CRM technology adopted and the CRM programme implemented by the selected organizations.

Annexure

Bibliography
1.14 Review of Literature

This section deals with the gist of the available literature relating to Customer Relationship Management or Relationship Marketing in Banking, Hospitality, Insurance and Telecom services written by both national and international authors and published in research journals, magazines, white papers, bulletins, books, etc.

- **D Ghosh Roy (2000) in his article titled “Relationship Marketing: Branch Level Perspective”** has pointed out that the three levels of relationship marketing, i.e. Retention, Relationship and Bonding when practiced, helps a branch banker the utmost benefit from the existing customers in his branch. The article brings forth the fact that the higher the level in which relationship marketing is practiced, the greater the opportunity to create loyal customers and the most profitable of all customers. Further the author highlights at level one relationship marketing the emphasis is on financial incentives, and it is the most easily imitated by competitors. At level two it adds the personal dimension to the relationship between the branch banker and his clients, and this is not so easily copied by the competitors. And at level three it adds structural solutions to customers’ banking-related problems and will have the competitive edge. The author is of the opinion that those branch bankers who provide all the three types of bonds the financial, social and structural and who generally deliver a high level of service will create more and more loyal customers.

- **Rajesh Natarajan and B Shekar (2001) in their research paper titled “Data Mining for CRM: Some Relevant Issues”** have brought to light how ‘Data mining’, is one of the most important back end processes that helps in discovering implicit and hidden patterns in data. They emphasise that data mining provides relevant intelligence to the CRM initiative. They have divided data mining operations depending on the level of mining, into two categories. One the aggregate or the macro level, which without looking at any customer in particular, tries find general customer behaviour, trends and preferences from a large database such as market basket purchases from a retail store. The second is the individual or the micro level wherein it attempts to track a particular customer and try to further the relationship by acting in a timely way to his/her choice.
and preferences. Thus identifying relevant issues for each category. Further the paper discusses the basic tasks relevant to CRM such as segmentation, classification, regression, deviation detection and link analysis. The paper suggests some data mining tools that can undertake the above operations. The authors conclude that data mining is an important enabler of a CRM programme\(^2\).

- **Koushiki Choudhury, Avinandan Mukherjee and Ashish Banerjee (2001)** in their research paper titled “Relationship Marketing Strategies and Customer Perceived Service Quality-A Study of Indian Banks” have observed that relationship marketing implies attracting, maintaining and enhancing customer relationships. It is beneficial because acquiring new customers is more costly than retaining existing ones, long-time customers tend to be less price sensitive and provide free word-of-mouth advertising. The authors highlight that one of the determinants of the success of the relationship marketing strategies of a firm is how the customers perceive the resulting service quality. In India, with the onset of financial deregulation, banks are functioning increasingly under competitive pressures. In this era, in order to prosper, it will be imperative for banks to focus on developing long-term relationships with their customers. The paper explores as to what kind of relationship marketing strategies Indian banks are pursuing in today's highly competitive environment, and what is the effect of these strategies on service quality as perceived by the customer. The authors have developed a conceptual model of the impact of relationship marketing on customer perceived service quality\(^3\).

- **Vinod Dumblekar (2001)** in his research paper “Building Customer Relationships through Call Centers in Banking and Financial Services” is of the opinion that CRM is a philosophy that directs the organisation to build its processes around its customers needs. The Call Center is a CRM-embedded automation that builds long term, strategic relationships with its customers. It assures high volume performance for organisations, and fast, consistent services for their customers. Banks and other financial services providers can benefit more than other industries because they deal in information and funds that are electronically transacted. The Call Center is a strategic investment, and therefore must be driven by top management. However, process changes, technology
integration and absorption and regular cultural training are vital for success of the investment

- **Anjana Grewal (2001)**, in her research paper titled “Winning Strategies and Processes for Effective CRM in Banking and Financial Services” has presented a case study on relationship management practices developed in a leading foreign bank in India in the early nineties. It is a practical paper providing insights on what makes it happen. A model has been developed thereafter. The model outlines ten stages for effective customer relationship practices in financial services. These stages span across defining the customer relationship, understanding transaction behaviour and business volumes for different customers, developing a customer profitability model, creating the organisation structure to support relationship management practices, developing training programmes, relationship pricing and continuously evaluating the role of relationship managers

- **M.P. Gupta and Sonal Shukla (2002)** in their research article titled “Learnings from Customer Relationship Management (CRM) Implementation in a Bank” highlight the learnings from Customer Relationship Management (CRM) implementation in the banking sector. The study brings to light that CRM systems are particularly relevant to retail financial services companies, which allow much of the management of the customer relationship to be automated with the objective of maximizing profitability of individual customer relationships whilst minimizing the cost of managing those relationships. The study in the form of a case study of CRM systems in a major Japanese Bank, and also a field survey of the Indian banking sector. The study examines various issues including organizational information, the CRM strategy, strategic changes resulting from CRM implementation, implementation priorities for the banks and the factors indicating the performance after CRM implementation. The study has revealed that CRM is gradually picking up and is definitely considered as a viable proposition by banks in improving services to their customers. The study also reveals one of the major challenges experienced during implementing CRM is resistance to change. Finally the study suggests that to get CRM to work, high commitment is required in those who are implementing it.
M. Eapen Varghese and C. Ganesh (2004) in their research article titled “Customer Service in Banks: An Empirical Study” observe that a good customer service in banks should have three basic tenets—courtesy, accuracy and speed. The study is based on the survey of customers of ten public sector and thirteen private sector bank branches operating in Kerala, the study infers that there is no difference between the public sector banks and private sector banks with regard to the time customers have to spend to transact a business. The study also reveals that there is no difference between the public and private sector banks in the seven variables pertaining to service quality studied. While four variables tend in favour of the public sector banks and the rest two in favour of the private sector banks. The authors have concluded that in the emerging competitive environment, with little or no distinction in the product offerings, it is the speed of rendering service that sets apart one bank from another. Prompt service is equated with quality service. Hence, they suggest that it is very essential that both the public and private sector banks should put in place the right kind of systems to further cut down on service time and render instantaneous services to the customers.

Sajal Kabiraj, D.P. Agrawal and Deepali Singh (2004) in their research article titled “Organizational Practices for Implementing Customer Relationship Management: A Survey of Retail Banking in India” have studied how CRM allows retail banks to integrate customer-interaction channels and provide consistency to their interactions with customers, generate better customer intelligence, customize their offerings and communicate with customers, manage customer interactions and relationships more effectively, and manage the customer portfolio by assessing the lifetime value of customers. The paper is based upon a survey of CRM end users banks that is ten public sector banks and ten private sectors banks in Mumbai and Kolkata. The paper proposes a model for CRM, which addresses strategic software issues for CRM implementation in Indian retail banks. The model was tested for process validity and accurateness at ICICI Bank, Mumbai. The paper concludes that the future of the retail banking industry in India depends on whether it continues to provide value to its customers.
Narender Kumar, Anjana and Kavita (2006) in their research article titled “e-CRM in Banks” have brought to light how e-CRM in banks has enabled banks to get a global presence by becoming customer-focused organizations. By using various electronic channels banks understand customer needs and wants and provide them various services. All this makes the customers loyal and happy. The use of electronic channels also benefits bank. Thus, e-CRM pays off through Increased Sales, Increased Revenues, Increased Convenience, Improved Customer Service Rating, Decreased Administrative Costs, Ability to introduce new Schemes at a faster rate, Facility to the customer in this mobile business life, Improved Speed of Dissemination of Information and Reduced Subjectivity in Operations. The study also reveals a drawback which is common to all the e-CRM dependent; businesses. That is there is no personal interaction between the customer and the supplier. Business have become, impersonalized with very powerful means of communication like body language and judgment skills becoming non-existent, Banks are not able to gauge their customers at all since the complete process has become over the computer screen.

K.V.Bhaskara Rao (2006) in his article titled “Customer Service in Banks” discusses how building customer experience is slowly emerging as a vital component to a bank's success in retaining and augmenting the clientele base. Customer experience is the ability of an organisation to conceive, deliver, manage and integrate its products in line with the customer needs and at every point of interaction with the customer. The author observes that the new generation banks have kick started to the swift adoption of state of the art technology in both the front and bank end of their service streams to build the customer experience matrix. The author suggests that any bank aspiring to grow in size diversity, profitability and clientele base must adopt the following five fold strategy.

- Acquiring new customers at minimum cost.
- Retaining the existing customers at all costs mainly big clients.
- Increasing revenues from their business operations and through sound recoveries.
- Reducing the cost of sales and servicing.
- Focusing on diversifying and profitable business preposition.
Malte Geib, Lutz M. Kolbe and Walter Brenner, (2006) in their research paper titled "CRM collaboration in financial services networks: a multi-case analysis" have highlighted the importance of collaborative CRM in business networks, which according to them is likely to increase due to the continuing deconstruction of value chains not only in the financial services industry, but in other industries as well. This study, which is in the form of a multi-case analysis, aim at identifying key issues and successful patterns of collaborative customer relationship management (CRM) in financial services networks. The paper reveals that key issues of CRM in financial services networks are redundant competencies of partnering companies, privacy constraints, CRM process integration, customer information exchange, and CRM systems integration. The authors have suggested that to address these issues, partnering companies have to agree on clear responsibilities in collaborative processes. Customer data transfer between partnering companies has the explicit approval of customers. For process integration, companies have to agree on process standards and a joint integration architecture. Web services and internet-based standards can be used for inter-organizational systems integration. Data integration requires the development of a joint data model. Either a unique customer identification number or a matching algorithm must be used to consolidate customer data records of partnering companies.11

Anurag Mittal (2008) in his research article titled “Empirical Study of Relationship Marketing in Indian Banks (Customers’ Perspective)” has studied the application of relationship marketing to banking in Delhi. The study analysed the customer's opinion about their bank with respect to the relationship oriented behavior of their bankers towards them. It also compared the relationship marketing orientation in Public Sector Banks with that of Private Sector Banks. The article also discusses the barriers to the implementation of Relationship Marketing in Indian Banking sector. The study has revealed many eye-opening facts suggesting that relationship marketing has to go a long way when it comes to its implementation in the Indian Banking Sector. The survey analysis clearly indicates that the customers of Public Sector & Private Sector banks are of the opinion that there is a difference with respect to the application of relationship
marketing approach in the banks under study. The study highlights various forces such as managerial, human resource, cultural, comprehension, communication, strategic, resource and operational those cause an impediment to the process of relationship marketing implementation Indian Banking Sector. The author has suggested that for Relationship Marketing to be more effective in the future, we have to change the attitude of managers to ensure that customers are properly served.12

- **Madhu Jasola, and Shivani Kapoor (2008)**, in their research article titled “CRM: A Competitive Tool for Indian Banking Sector” have highlighted that Customer Relationship Management has emerged as a popular business strategy in today’s competitive environment. It is a discipline which enables the companies to identify and target their most profitable customers. The study reveals that customers of banks with a CRM programme, rate its services far more favorably than those in the non-CRM banks which is an indicator of the superior level of services in the former. They also highlight the impact of CRM on (perceived) service quality. Also, there is a direct relationship between perception and satisfaction, commitment and loyalty, which underlines the significance of CRM in service industry. The study suggests that for those banks planning to up-sell and cross-sell, raising customer perceptions is all the more important and employing CRM may only strengthen the relationship between perceptions and up-buying and cross-buying which is all in support of introducing CRM in service sector.13

- **Prof. S Bhaskaran and Doris Rajakumari John** in his article, “CRM in the Indian Financial Sector” explains the importance and benefits of CRM in financial sector, in the Indian context. He begins with a note on the changes happening in the post-liberalization Indian financial sector and presents a note on the CRM strategies adopted by public sector banks. The article also presents an overview of CRM implementation in Standard Chartered Bank and ABN AMRO bank and the challenges faced and the benefits obtained by these banks, post-implementation.14

- **Celent Communications** in a case study titled “CRM and Channel Delivery Strategies: Case Study on TCP Bank” focuses on how TCP Financial Corporation (TCP) bank, a
midsize bank with a community bank culture, used customer knowledge while providing internet banking to its customers. The study observes that TCP’s business strategy is not selling distinctive products, but creating a unique banking experience. The study also revealed that the bank’s customer base included the un-banked and the under-banked segment, which is overlooked by competitors. TCP bank has segmented its customer data according to customer preferences for online features and functionality. The study shows how TCP distinguishes itself by offering this customer segment a high quality, convenient service at an affordable price. Thus, to fulfill its marketing strategy it had to implement a newer, more robust online banking application.

The case also elucidates the CRM applications and the new online banking application which played a crucial role in the realization of the bank’s delivery strategy, TCP’s experience illustrates two important conclusions: First, in order for banks to gain full value from their CRM technology and processes, they have to apply segmentation and analytics to their delivery strategies. Second, banks must implement front-end applications that optimize these strategies. After the implementation, TCP acknowledged that its success was due in great part to the collaborative working relationships between the vendor and TCP’s development and deployment team.15

- **Jeremy Galbreath and Tom Rogers (1999)** in the article titled "Customer relationship leadership: a leadership and motivation model for the twenty-first century business" have highlighted that Customer Relationship Management (CRM), is a new approach to managing customers. CRM is about the management of technology, processes, information resources, and people needed to create an environment that allows a business to take a 360-degree view of its customers. CRM environments, by nature, are complex hence require organizational change and a new way of thinking about customers. Creating such an environment requires more than adequate management of the customer relationship or new technologies, it requires new forms of leadership as well. Customer relationship leadership, or CRL, is a new model that leaders can embrace to recreate or readjust their leadership styles in order to foster an atmosphere in their businesses to adopt and practice the principles of CRM. While CRM environments improve business
performance, initiatives undertaken in this new management field require sound leadership as well. CRL is a recommended approach to bridge the gap between a CRM vision and its reality.\(^\text{16}\)

- **Hokey Min, Hyesung Min and Ahmed Emam (2002)** in their published research article titled "A data mining approach to developing the profiles of hotel customers" are of the opinion that to stay competitive, hotels need to develop a viable customer retention strategy. Since the key to the successful development of such a strategy rests with customer relationship management, hotels should identify the most profitable ways to build and maintain a loyal customer relationship. In an effort to help hotels understand their customers’ preferences and the ways to interact with the customers, they have proposed some data mining techniques. This paper also demonstrates the usefulness and practicality of the proposed data mining techniques.\(^\text{17}\)

- **Diana Luck and Geoff Lancaster (2003)** in their research article titled "E-CRM: Customer Relationship Marketing in the Hotel Industry" have explored the degree to which hotel groups have exploited the medium of electronic customer relationship marketing (E-CRM). They have investigated whether hotels make use of the Internet and verified whether customer relationship marketing was being implemented within online operations or it was being used to provide information and hotel reservations. The findings showed that Internet was not being used to gather information. Majority of the hotel groups had only embraced a few elements of E-CRM and even indicated that they had no intention of being led online by the concept. Although the findings indicated that hotel groups were generally aware of the potential of Web technologies and strategies, they also showed that companies were not putting this knowledge into practice when it came to implementing E-CRM.\(^\text{18}\)

- **Yonggui Wang and et al., (2004)** in their research article titled "An Integrated Framework for Customer Value and Customer-Relationship-Management Performance: A Customer-Based Perspective from China" have highlighted that in the modern customer-centered era, customer value is a strategic weapon in attracting and retaining
customers. Delivering superior customer value has become a matter of ongoing concern in building and sustaining competitive advantage by driving customer-relationship-management (CRM) performance. They have observed that related studies are rather divergent, the key dimensions of customer value remain unclear, and there is no agreement on the evaluation of CRM performance. Through this paper the authors have proposed an integrative framework for customer value and CRM performance based on the identification of the key dimensions of customer value. Emphasizing the customer equity-based view, the paper explores the decomposed effects of customer value on CRM performance in terms of relationship quality and customer behaviours. In doing so, a structural equation model is developed using the partial least square method supported by an empirical investigation of customers.\textsuperscript{19}

- **Mark Xu and John Walton (2005)** in their research article titled "Gaining Customer Knowledge through Analytical CRM" have found that the current CRM systems are dominated by operational applications such as call centres. The application of analytical CRM has been low, and the provision of these systems is limited to a few leading software vendors. The findings shed light on the potential area in which organisations can strategically use CRM systems. The paper also provides guidance for the IT industry as to how an analytical CRM system should be developed to support customer knowledge acquisition. The authors have gone ahead and presented what the different CRM application software systems offer. Based on the study, they have suggested an innovative analytical CRM system for customer knowledge acquisition.\textsuperscript{20}

- **Leo Y.M. Sin, Alan C.B. Tse and Fredrick H.K.Yim (2005)** in their research work titled "CRM: Conceptualization and Scale Development" have developed a scale to measure the four dimensions of Customer Relationship Management (CRM), such as key customer focus, CRM organization, knowledge management and technology-based CRM. The findings validate that CRM is a critical success factor for business performance. Firms wishing to improve their relationships with customers need to constantly monitor their behavioral and internal processes. The proposed scale in this study could be used as a diagnostic tool to identity areas where specific improvements are
needed, and to pinpoint aspects of the firm's CRM that require attention. This is the first study to provide a comprehensive, psychometrically sound, and operationally valid measure of a firm's CRM. They have suggested that future studies should collect time-series data for the testing of the causal relationship between CRM and business performance.21

- **Rajshekhar G. Javalgi, and et al., (2006)** in their research article titled "Marketing Research, Market Orientation and Customer Relationship Management: A Framework and Implications for Service Providers" have highlighted the need to be able to understand consumers in faraway places is increasing. Marketing research is a key mechanism through which service companies understand their current as well as potential customers. They have explored the essential linkages between market research, market orientation, and Customer Relationship Management (CRM). The findings of this study imply that in today's hyper-competitive markets service firms must be market-oriented in order to be competitive, and that market research plays a critical role in generating the needed data on which a market orientation can be developed and implemented, which, in turn, can enhance the practice of CRM.22

- **Madhavi Garikaparthi (2006)** “CRM in Hospitality Industry”, is a case that focuses on many Indian and Global players in the hospitality industry. It emphasizes the changing scenario and the cutthroat competition and various aspects of implementation of CRM in hospitality industry. The case also discusses several issues in CRM implementation, advantages and hindrances prevailing in this sector. Various players like Hilton Hotels, Carlson Hotels, Taj Group of Hotels and Meridian Hotels and their CRm execution have been discussed23.

- **Business paper of Resort Condominiums International (2006)** titled “What is RCIs Strategy?” focuses on Resorts Condominiums International (RCI), a company that pioneered the concept of vacation exchange 30 years ago. The paper describes how RCI, in response to the changing requirements of consumers and to retain them had adopted a
long-term strategy that employs a strict discipline of focusing on consumer needs and the ideal timeshare experience. The paper also describes RCI's mission and key online retention strategy are to consistently demonstrate the added value of an RCI membership through the online channel, and it is a great example of a fast-paced, dynamic marketplace. One such example of RCI is the RCI Community website which focuses on improving the value proposition for both members and affiliates. Thus according to a study conducted, 90% of RCI customers are satisfied customers, but that does not rest RCI since it is aiming at 100% satisfaction.\textsuperscript{24}

- **B.A.Prajapati and Tohid Kachwala (2006)**, in their research paper titled “Service Quality in Hotels from Customer’s (Guest) point of view” have evaluated the requirements of Hotels in Mumbai as perceived by the guests. The authors have developed an instrument to measure the service quality in hotels and have identified factors that influence the service quality. The study has been successful in developing a working model of managerial strategies for achieving the ultimate objective of guest satisfaction. The study, in conclusion states that soft issues like honest and trustworthy employees, cleanliness of material, comfortable ambience and innovativeness of services are more likely to determine the success of hotels. Hence it is suggested that service provider should lay greater emphasis on ‘soft touch’ quality management rather than ‘high tech’ quality management.\textsuperscript{25}

- **Yuksel Ekinci and et al., (2008)** in their research article titled "An extended model of the antecedents and consequences of consumer satisfaction for hospitality services" have examined the impact of self-congruence on consumer satisfaction with services and to develop and test a conceptual model of the antecedents and consequences of consumer satisfaction in the hospitality industry. Findings of this study reveal that ideal self-congruence and desires congruence have positive effects on consumer satisfaction. In contrast, it is shown that actual self-congruence is not related to consumer satisfaction. Moreover, it is demonstrated that the two dimensions of service quality namely 'physical quality' and 'staff behaviour' have a positive impact on both desires congruence and consumer satisfaction. Importantly, consumer satisfaction is found to be a better indicator
of the consumers' overall attitude to the service firm than service quality. The study confirms that consumer satisfaction mediates the relationship between the two service quality dimensions, ideal self-congruence, and intention to return.

- **Alfred Ogle (2009)** in his research article titled "Morphology of a hotel tradition: The guest questionnaire" have taken a review of the hotel guest questionnaires commonly called as the comment cards. Considered to be a hotel tradition, the questionnaire remains the primary method to record guest feedback on the service quality and their expectations. Despite shortcomings in data reliability and response rates, questionnaires play a key role in the collection of guest feedback (guest–hotel dyad in hotel communication). The study points out that as modern technology is being adopted by the hotel industry, the traditional paper questionnaire is fast becoming obsolete. The time has come to innovate service with e-based variation of the paper questionnaire with a direct media.

- **Jane Moriarty and et.al. (2009),** in their published article have highlighted the need for marketing expertise in SME sector hotels or hotels belonging to the lesser grades (that is 2 star and below). Their study, aimed at developing marketing expertise for the hospitality executives, categorizes hotels on the basis of their involvement in various marketing activities for example marketing intelligence and promotion. Further the paper suggests training programmes in specific marketing issues relevant to small independent hotels. Using a benchmarking model, suggestions are also made based on the hotel's level of marketing activity. It is concluded that the proposed training exercises will help practitioners to recognize this sector's diversity due to a wide spectrum of marketing styles and approaches employed by the SME owner-managers within the hospitality sector.

- **Hanaa Osman and et al., (2009)** in their article titled "A transactional Approach to Customer Loyalty in the Hotel Industry" have attempted to find the ways in which a transactional marketing approach can generate customer loyalty in a hotel brand. The authors have provided novel insights into the hotel culture, hotel-customer relationships,
hotel service customization and customer loyalty. They have challenged the recent view that transactional marketing is less appropriate than relationship marketing in achieving customer loyalty in hotel branded operations. In conclusion the authors suggest to practitioners that transactional marketing and relationship marketing can be seen as complementary marketing strategies.29

- **Michael D. Johnson and et. el., (2009)** in their research article titled "Joy and Disappointment in the Hotel Experience: Managing Relationship Segments" provide insight into the management of service quality and emotions across customer relationships in the business-to-consumer market and to identify which segmentation method, i.e. conceptual versus data-driven, is more effective for this purpose. The authors have studied how the role of emotions varies across relationship segments while comparing the findings from two different segmentation techniques. The study has revealed that weaker the relationship segment, the more disappointing is the customer experience and stronger or closer the relationship segment, the more joyful is the experience.30

- **Lawrence W.Borgen (2001)** in his published article titled “Focus on Customers” focuses on the problem of insurers in terms of their inability to translate their promises regarding customer satisfaction into realities. The study reveals that a majority of insurers are not aware of what their customers really want, and those who are aware are unable to deliver the goods due to several organizational constraints. The structure of the organization and the way it does business can be cited as organizational constraints. The article suggests that insurance providers need to abandon their functional structures and reorganize into a 'customer-centric' structure and shift their focus on to the customers31.

- **S Pawan Kumar and Saurabh Swarup (2001)** in their white paper titled “Business Intelligence and Insurance: Application of business intelligence tools like data warehousing, OLAP, and data mining in insurance” describe the crucial role Business Intelligence (BI) tools like data warehousing, OLAP, and data mining play in the insurance industry. BI tools provide crucial information to the corporate clients, which
can bond the insurer's relations with the clients. The article addresses several issues related to BI and CRM. Insurance value chain, CRM process, Channel management are a few of them. It suggests that to effectively interact with customers and design the right products, the CRM strategy adopted by the insurers should utilize the potential of technology to the maximum extent.

- **Sally Praskey (2001)** in the research article titled "Can Customer Relationship Management (CRM) Put the Focus Directly on the Policyholder?" highlights the benefits of adopting CRM strategies such as acquiring new customers and at the same time retaining the older ones. CRM facilitates capturing, consolidating, integrating and analyzing customer data. Implementing CRM strategies can offset the lack of coordination among the various departments and people in the insurance industry. The article explains that unlike retail industry wherein there is a continuous interaction between the customer and the retailer, the number of contacts between the insurer and the insured are just one or two annually. This poses a major challenge for the insurer in terms of creating a positive perception at the first meeting itself.

- **Simon Drimer (2001)** in his published research article titled "Insurers Need to Try Harder with Existing Customer Base" has advocated the shift in the focus from the product to the customer. The author has identified revenues and costs as the drivers for customer profitability. The article elaborates on the relationship duration, which is found to be unintentionally discouraged in the insurance sector. Longer relationship allows the insurance company to breakeven on the insurance policy. It also sets up a virtuous circle, which leads to customer loyalty, cheaper per customer servicing and lower marketing costs. It is also argued that the relationship duration driver is well understood and accommodated in insurance through the notion of product persistency.

- **Edith N. Paula, Merlin Stone and Bryan Foss (2003)** in their research article titled “Customer Data Management in Practice: An Insurance Case Study” have highlighted that the Insurance industry is currently in a highly competitive environment,
they emphasise the critical importance of understanding customer behavior. However the study reveals that the insurance industry lacks the knowledge and comprehension in this area. The case study describes a real insurance company named Insure Co (name changed by authors) faces the challenge of segmenting its customer base and retaining profitable customers. The case analyzes the CRM project at Insure Co., which engages the business intelligence practice of a consulting company to take its data and to develop ways and means of acting on them with exact and meticulous data profiling methods.

The success of the CRM programme at Insure Co. was due to working on data quality, applying appropriate ‘data on demand’ reusable methods and the use of tools for data integration and a keen customer insight. The use of appropriate software tools was sighted to make data discoveries, which helped in understanding customers better.35

- **K. Bhramaramba and Sudha Suswaram (2003)** in their research article titled “CRM in Insurance: A Novel Way to Beat the Odds” have found that there is a change in the attitudes of customers and they are exploring alternatives to traditional insurance products. Hence there is need for the insurers to find new products and adopt a better service methodology to deliver these products. The article discusses the diverse applications of CRM and illustrates how its application can enhance the quality of service delivered. They observe that today, CRM is recognized as a valuable corporate asset. The process of CRM in insurance, which involves three steps, namely identifying the most potential customers, understanding the needs and buying patterns of the customers and interacting with the customers to meet their expectations is also elaborated. The study reveals that the culture of the insurance industry, which resists changes in technology, communicating the information to the actual point of customer contact and lack of technology to integrate the customer data are identified as the major challenges for implementing CRM.36

- **Pivotal Corporation (2003)** in white paper on their website titled “The Healthcare Insurance CRM Opportunity- From Complexity and Frustration to Simplicity and Effectiveness” have discussed how the Insurance industry is facing several challenges in the form of increased demand for better service and simultaneous reduction in costs. The
complexity involved in operating in the healthcare insurance sector is also discussed in
the article, besides other issues. Key stakeholders namely, employers, providers, agents,
members and new consumers demand exceptional service. The paper suggests that CRM-
integrated self-service results in increased efficiency, convenience and stakeholder
awareness. It is also suggested that CRM implementation brings about a convergence
between people and processes thereby increasing the business of the agent and employer
group. It also plays a key role in identifying the right mix of tools and information for
optimal profitability.\textsuperscript{37}

\textbullet\textbf{G.V.Rao (2004) in his article titled “What your Customers Really Want”} has
highlighted that insurers can no longer sit back and relax after clinching a deal. Today,
they are under pressure to deliver customer satisfaction. The article, addresses
various issues such as redressal of customer grievances, and gaining customer loyalty.
Insurers need to enhance their service standards. They have to focus on understanding the
customer well and should appropriately respond to the real as also imaginary grievances
of the customers. They need to earn customer’s trust and be keen on providing after-sales
service. The author has suggested that implementation of a CRM programme can
promote stronger relationship with the customer and lead to ‘customer delight’\textsuperscript{38}

\textbullet\textbf{Akthar Pasha (2004) in his published article “Insurance Sector to Drive CRM
Market”}, emphasizes the need to strategically implement a complete CRM package. He
is of the opinion that the stiff competition in the industry has left the insurers with no
option but to deploy CRM solutions to retain existing customers and simultaneously
acquire new ones. He suggests that through customized solutions insurers will be able to
provide individual attention to the customers. Leveraging on modern CRM technologies,
insurers will be able to sell multiple insurance and pension plans to the same customer.
The article discusses the two categories of CRM, namely Operational CRM and
Analytical CRM. While operational CRM benefits small insurers, analytical CRM
facilitates insurers with multiple financial products aiming at cross-selling.\textsuperscript{39}

\textbullet\textbf{M. Arunachalam (2004) in the article “Data Mining- The Secret Weapon-

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Technology and the Indian Insurer” has observed that in a highly competitive environment, Business Intelligence (BI) acts as a key driver for understanding the customers. The usage of BI technologies is quite low due to non-automation of core business processes. He suggests that this aspect needs to be focused upon by the insurance companies. Data mining is a useful tool that can be exploited to build contacts and relationships with customers. The launch of a new product should be made known to the targeted customers. For this, the existing customer database and customer profiles need to be mined. The article, presents various applications of data mining. It argues that the cost of acquiring new customers is much more than that incurred in offering better services and acquiring repeat business from the existing ones.40

V.V.Gopal (2005) in his research article titled “Indian Insurance Industry: Embracing the CRM Philosophy” provides insight into the CRM practices in the insurance industry prior to liberalization. The study reveals how the insurance sector in India witnessed a revolution with the entry of private players into the sector. The article also discusses their impact in the areas of product knowledge dissemination, creating new markets and customer acquisition. The significance of the role of CRM as a vital tool with reference to business expansion and service through intermediaries is highlighted in the article.41

U. Jawaharlal and Sarthak Kumar Rath (2005) in their research article titled “Customer Centricity in the Insurance Industry” have opined that unlike the other financial companies, insurance companies are faced with an additional challenge of keeping in touch with their customers regularly by way of interacting with them continuously. Moreover, attracting new customers and retaining high value customers has become more challenging with the banks and other financial firms exhibiting novel ways of integrating insurance products into their distribution channels. The article focuses on these challenges and has revealed that there is a total shift from a monopolistic economy to a customer-driven economy and the products are being positioned as per the requirements of the customer today. In addition, the article gives an account of the role of multiple distribution channels, like agents, brokers, and also direct marketing channels that include internet and tele-selling. The study has revealed that modern organizations have
started to review CRM projects as catalysts towards delivering enhanced service quality while reducing service costs.\textsuperscript{42}

- **Ravi Kumar Sharma (2005)** in his article titled “CRM In Insurance: The New Mantra” have highlighted that in today's liberalized era, there is an increase in the number of insurance players on the insurance landscape and consumers are becoming aware of different products, therefore insurers are forced to do away with the traditional strategy of selling and become customer-centric. The article lays emphasis on the need for insurers to maintain a good relationship with their clients, as a satisfied client can be the biggest brand ambassador for the company. For achieving this, the study suggests that every insurance firm should focus on relationship marketing, for it is the new mantra that promotes customer satisfaction.\textsuperscript{43}

- **U. Jawaharlal (2005)** in his article titled “CRM in Insurance: Some Priorities” observes that CRM practices of a company contribute to the overall performance of an insurance player. If the customer service of the organization is satisfactory, the customer does not look elsewhere but remain loyal to the organization. He would, in reality, act as a brand ambassador for the insurance company and assist in acquiring new customers. The article, discusses the significance and the need for insurers to aim at increasing the insurance orientation of the customers. According to the author, this can be achieved by explaining all possible covers that can be obtained for their diverse needs. He suggests that in the Indian insurance industry, which is still at an evolving stage, maintaining a long-term association with the customer becomes all the more challenging. The insurer should be able to do need-based selling, that is, suggesting a product that would best suit the customers' needs\textsuperscript{44}.

- **U. Jawaharlal (2005)** in his article titled “Customer Service: Challenges Ahead”, discusses the challenges confronting insurers and suggests remedies to overcome them. Though providing quality service is at the top of the agenda for insurance companies, just as for other service organizations, not many of them emerge successful when it comes to delivering the desired products. Despite the huge expenditure incurred in the preparation
of the service package, the real service is not being delivered, leading to a disillusioned customer. The article analyzes the reasons behind this and suggests that the need of the hour is to understand what the customer really wants instead of blindly investing huge amounts in attaining what the company feels the customer wants.

Michael Hobmeier, Urs Briner (1999) in their research article titled “CRM in the Telecommunication Industry: Case study of Swisscom” have highlighted that Customer Relationship Management (CRM) activities will never come to an end. Therefore, it is important to keep customer orientation in mind to enhance existing programs and to implement additional initiatives, too. The study undertaken at Swisscom the Swiss Telecom Company has clearly established a linkage between improved performance (profitability and shareholder value) and CRM. But the study also reveals that success in CRM cannot be established without a focused plan. There was a need to be differentiated in a marketplace that was quickly becoming commoditized. The study shows how Swisscom fought and won, not using traditional price and promotional tools, but by understanding the customer, redefining the processes that touch the customer and setting up technology that could let them stay ahead of the wave.

Yonggui Wang, and Po Lo Hing (2002), in the research article titled "Service Quality, Customer Satisfaction and Behavior Intentions: Evidence from China’s Telecommunication Industry" have bring to light that service quality, customer satisfaction and customer value are becoming the most important factors of business success for either manufacturers or service providers. The study shows how related studies undertaken earlier are fragmented especially with regard to customer value. This study focuses on service quality, customer satisfaction and customer value and their influences on customers’ future behaviors in the telecommunication industry. The authors’ attention is paid to the measurement model of service quality in China’s mobile phone market based on the well-known SERVQUAL model, but with modification on the basis of focus group discussions and expert opinions their study reflects the specific industry attributes and the special culture of China. Hence the study reveals that such researches are specific to the prevailing culture. The paper also lays emphasis on the
study of the dynamic relationships among service quality, customer value, customer satisfaction and their influences on future behaviors after the key drivers of customer value and customer satisfaction are identified. All of them are based on the development of structural equation models by using PLS-GRAPH Package.  

Mohamed Zairi, (2000) in his research paper titled "Managing customer dissatisfaction through effective complaints management systems", observes that Complaints handling is not a substitute for abdicating the responsibility for managing quality and achieving customer satisfaction. Indeed, the former and the latter are nothing but synonymous expressions and quite compatible concepts. This paper treats the issue of complaints handling and management as essential for achieving customer retention and loyalty. The study suggests that the principle, should demonstrate the points through best practice application, and produces a roadmap and an audit tool for developing a culture which is customer-centric and not averse to handling complaints.

Jonathan Lee, Janghyuk Lee and Lawrence Feick (2001), in their research article titled "The impact of Switching Costs on the Customer Satisfaction-Loyalty Link: Mobile Phone Service in France", have pointed out that the main objective of customer satisfaction programs is to increase customer retention rates. The study has examined the moderating role of switching costs in the customer satisfaction-loyalty link and has identified heterogeneity in the satisfaction-loyalty link among the different segments. The study reveals that switching costs play an important role and provide useful insight into the link between customer satisfaction and loyalty. The study demonstrates how some seemingly loyal customers are actually dissatisfied but do not defect because of high switching costs. Thus, the level of switching costs moderates the link between satisfaction and loyalty. The findings of the study based on an empirical example of the mobile phone service market in France, indicates support for the moderating role of switching costs.

Anders Gustafsson, Inger Roos, and Bo Edvardsson (2004) in their research article
titled "Customer clubs in a Relationship Perspective: A Telecom Case" have discussed the introduction of ‘Customer Clubs’ or ‘Loyalty Clubs’ in the telecom industry as a loyalty-building measure. They were introduced as a strategic instrument intended to foster customer retention and to contribute to increased sales and profitability. The authors observe that these clubs are the most recognizable part of many CRM strategies. Their short- and long-term effects on loyalty are not obvious. The study aims at exploring the effects of the customer club on customer relationships in telecommunications by presenting results from two qualitative studies, which are quantified and reported in terms of responses to the club. The results of this empirical study in a Swedish telecom company reveal that the majority of customer-club members do not perceive their membership as adding value or contributing to higher commitment and improved loyalty. Secondly there are differences between non-members and members regarding their perceptions of the service provider. However, club members had significantly higher satisfaction with the company than the non-member customers.

- **H Peeru Mohamed (2005),** in his research article titled “CRM: A strategic Marketing Tool to Sustain Market Share in the Telecom Industry of India” has studied the status of the mobile telephone service providers and has also studied the gap between expectations and satisfaction levels of the mobile service users. The study from the mobile service users point of view indicates that the users attach importance to various aspects related to mobile telephone usage as well as the extent of satisfaction derived from the various aspects. The study suggests that the service providers should devote attention to those aspects, which might contribute building sustainable customer relationship whichin turn might lead towards sustaining and expanding market share.

- **N.M.Shanti (2006)** in the research paper titled “CRM in Telecom Industry” highlights the evolution of hyper-competition in the telecom industry as a result of globalization. The author discusses the growth of telecommunication in the developing economies and the various factors that has led to high churn rates in the telecom sector, especially the mobile segment. She throws light on the need for efficient customer service to reduce churn. She suggests the reduction in the high rate of churn can be brought about through
tailor-made CRM solutions. The paper also discusses the best CRM practices in telecom industry from the perspectives of both the vendor and the client. Besides, it also presents the reasons for failure in CRM implementation in telecom and suggests measures to overcome the same, by adopting a predictive CRM model for telecom sector.

- **Gaurav Patra (2006)**, in his research paper titled “For Tata Teleservices, Customer is Always King”, traces the history and growth of Tata Telecom, a leading telecom service provider in India and the role of CRM in its success scenario. The need for CRM and the basics for consideration of the CRM software are also discussed in the case study. The study reveals how the management of TTSL, in order to build its customer base, understood the need to have robust infrastructure in place to ensure quality customer service. Thus TTSL was able to differentiate its offerings in the competitive landscape it was operating in. This was also a compelling need for the private sector service provider, as customer expectations were very high. TTSL realized very early that a CRM strategy required robust and scaleable tools. There was also a need to align all processes towards customer-centricity ethics and also to ensure that this got translated into faster, quicker and better service levels. The study also reveals due to implementation of CRM, TTSL will derive an expected 129% Internal Rate of Return on its investment in CRM. In addition, realizations in sales and service delivery due to the implementation of CRM is also expected.

- **Roma Mitra Debnath and Ravi Shankar (2008)**, in their research article titled “Benchmarking Telecommunication Service in India: An application of Data Envelopment Analysis” have addressed the issues of benchmarking of performances. The prime focus of the service providers is to create a loyal customer base and retaining existing customers in order to benefit from their loyalty. The paper has compared the relative efficiency of mobile service providers in India. The researchers have identified the strongest and the weakest service providers by using the Data Envelopment Analysis (DEA) method. They suggest that such identification is very useful in improving their efficiency and performance. This research paper contributes to the literature in two ways: firstly, this research identifies the different parameters for the mobile service providers in
India for the benchmarking of the service providers. It also categorises them into various input and output parameters contributing towards the number of subscribers for different service providers. This research takes a further step and examines whether there are differences between the number of subscribers and the performance of the service providers. This paper is one of the few published studies that benchmark the performance of Telecom Services in India.54

- **Rick Ferguson and Bill Brohaugh, (2008)** in their research paper "Telecom's Search for the Ultimate Customer Loyalty Platform", have presented an up-to-date examination of the telecommunications industry and discovered how some of the major players engage their customers while trying to constantly diversify their service offerings. The paper reveals that companies with sound customer strategies use this as a differentiator in an increasingly competitive market and customer loyalty efforts can play a major part in attracting new customers and the retention of existing customers. As consumers' choices expand, the importance of a sound customer relationship strategy becomes more and more important for the success of the company. The authors suggest that Telecommunications service offerings can be complemented with loyalty marketing strategies55.

- **Inger Roos and Bo Edvardsson (2008),** in their research article titled "Customer-Support Service in the Relationship Perspective" have described customers' perception of customer support service related to the core service in telecommunications customer relationships. The study reveals that some of the customers were particularly focused on the customer-support, which made it dominate the relationships. At that special time, their telecommunications service predominantly comprised customer support, which was more important than the core service. At other times, when the support-service focus was not as strong, the priority was likely to be different. Consequently, the composition of the telecommunications service and the core service is according to customers' expressions dynamics and only the customer perspective has the authority to define it.56
Frederic Jallat and Fabio Ancarani, (2008) in their research article titled "Yield management, Dynamic Pricing and CRM in Telecommunications" have shown how yield management and dynamic pricing, which originated in the airline industry, are now diffusing in other service industries. The study has demonstrated that these techniques can be profitably applied to telecommunications and similar sectors and examines the particular conditions of their implementation, development and efficiency. The article also discusses the concept of natural demand curve that aims at reaching a better compromise between the capacity of a company and the demand in an environment where services cannot be sold in advance. Five case studies are presented that exemplify some aspects of yield management techniques in the telecommunication sector. The study suggests that since the telecommunication service is undergoing a process of increased competition and dynamic convergence, yield management techniques can help telecom operators to optimize the benefits they can derive from a subtle management of information networks and partnerships.57

Inger Roos, Margareta Friman, Bo Edvardsson, (2009) in their research article titled "Emotions and stability in telecom-customer relationships" have investigated whether or not emotions experienced in customer relationships – linked to actual behavior – could enhance understanding of their future development. A number of individual-level relationships between customers and telecom operators are investigated. The empirical data consist of 113 switching stories reported during 81 interviews with telecom customers. The most important research contribution made by this study is the identification of different emotions related to actual behavior. Less stable customers are pessimistic about the operators and show nervousness, while stable customers may have initially been depressed in their relationships, becoming more relaxed and optimistic over time. According to the findings of this study, it seems almost impossible to understand customer relationships without following customers on an individual level in both previous and current relationships.58

Andres Kuusik and Urmas Varblane (2009) in the research article titled "How to Avoid Customers Leaving: The Case of the Estonian Telecommunication Industry", have
shown that the major factors affecting loyalty are dependant on the level of loyalty of customers. The study reveals that it is not accurate to treat all customers equally in terms of methods of increasing their loyalty. The four factors affecting customer loyalty viz. satisfaction, trustworthiness, image and importance of relationship play different roles in the different levels of customer loyalty. The overall satisfaction and importance of a relationship build the foundation of any kind of loyalty. The reliability of products or trustworthiness of the vendor is most critical for behavioral loyalists and the image creation is the main tool for getting committed customers. The study concludes that the results presented in this paper could be used by firms developing targeted approaches as part of the aim of increasing customer's loyalty. Also, the ladder of customer loyalty levels could be used in other research areas.59

## 1.15 Conclusion:

On the basis of the evaluation of the literature reviewed which is mostly in the form research and conceptual articles in the field of Banking, Hospitality, Insurance and Telecommunication services it can be concluded as follows:

Most of the literature reviewed revealed that the earlier studies are related mainly to the benefits of customer-centric marketing, the importance of customer loyalty and cost effectiveness of implementing a Customer Relationship Management (CRM) programme. Thus a critical gap is apparent in implementing a CRM programme and implementing a technology driven CRM programme that is based on customer knowledge. Further most of the literature reviewed is related to the conceptual model of CRM which emphasize on customer interaction, customer loyalty programmes and customer satisfaction. However no much work is seemingly done towards measuring the success of a CRM programme. Customer-cenricity of a CRM programme regardless of the use of technology is not dealt by any of the literature reviewed. Although CRM is in practice since 1990’s and developed countries have applied technology in CRM practices, optimal use of technological capabilities by different services has not been the topic of research so far. This particular aspect can be observed only with software companies specializing in the domain of ERP and CRM applications. The books reviewed provided a conceptual framework of CRM implementation and so is also the case with Ph D theses reviewed.
In view of the above issues the researcher has decided to investigate the CRM initiatives taken by the different organizations belonging to Banking, Hospitality, Insurance and Telecommunication and throw some light on the CRM practices implemented by the selected organizations of the above mentioned service sectors.
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