CHAPTER 5
RESEARCH METHODOLOGY

5.1. Introduction:

Today is an era of intense competition. There are several factors that have created turbulence in the business environment. For instance, the customer has stepped out of his role as a passive buyer and has become choosy. He knows exactly what he wants. He is well informed and does not hesitate to get what he wants. He will not meekly accept whatever is given to him but rather will be ready to participate in the planning and making of the product that he wants. In short he is more than willing to become a co-creator of the product or a partner in the production.

Because of this new demanding role of customers, acquiring new customers, retaining the existing ones, and gaining their loyalty and trust has become very difficult. Unless customers get value out of the transaction, they will not be interested in any business transaction. This makes it imperative for the business to understand what is the customer’s idea of value, which attribute is valuable to what extent and how does one create value which is better than what the competitors are offering. All these factors have forced the businesses to think of all the possible ways to manage relations with customers so that they have a better understanding of the customer and his expectation. This gave rise to a greater focus on customer selectivity, one-to-one marketing with individual customer, key account management, loyalty programs, cross-selling and up selling opportunities and other strategic alliances.

In the pre-industrial era direct interaction between producers and consumers was possible and this gave rise to relational bonding between them. After industrial era there was more deintermediation which led to more transaction oriented marketing. In recent years however due to the rapid advancement in computer and telecommunication technologies direct interaction with end-customers has become possible giving rise to disciplines like Customer Relationship Management.

One more development that has necessitated relationship management is the growth of the services economies independently as well as in the form of value additions to products provided. Total Quality Movement is another development that has necessitated the involvement of suppliers and customers in the value creation
process. All the above factors have fostered better working relations between various elements of the marketing infrastructure.

Thus, CRM is a concept which encompasses all the strategies and processes in developing long lasting relations with all the partners. CRM is thus defined as “A comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer”.

It is very clear that building customer relationship is the fundamental business of every enterprise and it requires a holistic strategy and process to make it successful.

5.2 Research problem:

The topic of customer relationship management was taken up for library dissertation during M. Phil. While carrying out this research, the researcher realized the importance and relevance of this discipline for a business organization today. Lot of efforts and initiatives are taken in this area in the advanced countries as well as in India. The visibility of these efforts is very high in the service sector but the CRM effort taken in the manufacturing sector has very little visibility. As a result, if the end consumers come to know about the efforts taken by the organization for value addition to the consumers, they would not only appreciate the efforts but would come forward for co-operation.

The researcher thought it would be a good research problem to study what exactly is being done in the manufacturing sector with respect to relation building with customers. The study would also include the details about the extent of efforts in various industries and organizations. It would be interesting to see how many have a clear concept of CRM and its holistic view rather than just looking at it as a technological application.

Hence the selection of the topic was finalized.

5.3 Significance of the study:

The topic is particularly relevant today given the fierce competition and the demanding consumers. The customer loyalty has eroded so if the customer does not get the value he is looking for, he does not hesitate in defecting. The only way in which a business can protect itself in this uncertain condition is by coming closer to the customer to understand his psychology, his expectations, his buying process and the relevant behavior. If the companies today understand the buying process they can judge where they might win or lose the customer in the buying process. They could invest in the marketing programs that matter the most to the consumer. New
initiatives to delve deeper in the consumer mind could identify the key points in influencing purchase decisions, designing the best marketing tactics to increase sales and profitability. Gathering feedback about the customers perception about the product, the organization, the brand could give vital inputs about the performance of the organization. This can be done by interacting with the customers at all interfaces called touch points.

Operational CRM, collaborative and analytical CRM together help gather the front office and back office information and to integrate it so as to have good coordination, between the various functions in serving the customer more effectively and efficiently. Coming close to the customer is possible only by developing long lasting relations based on trust and confidence that will bring the customer back to the organization again and again.

By understanding what exactly is the status of the concept of CRM in the manufacturing industry sector, it could give directions for possible future development. CRM is a widely misconceived concept as some think of it as a mere technological application, some do not take any concrete efforts though they understand the implication of CRM, while some truly implement it with a holistic approach. It would therefore be very interesting and enlightening to study the level of understanding and implementation of CRM in the Indian manufacturing sector. Further, the study would show how many have used technology as an enabler of CRM and to what extent and throw some light on the status of CRM in the manufacturing sector in India.

5.4 The research topic: “An analytical study of customer relationship management (CRM) practices in selected manufacturing industries in and around Pune”

5.5 Objectives of the study:

The research was undertaken with the objective of studying the efforts taken by an organization on various fronts for implementing CRM. Keeping this in mind the following objectives were formulated for studying the CRM practices followed in the manufacturing sector.

1) To identify the various means of communication employed for successful CRM.
2) To trace the modification in organization structure to make CRM a success.
3) To study the use of technology to improve the effectiveness of customer relations.
4) To analyze organizational processes implemented to deliver value to customers.
5) To study the HR practices followed to develop the right skills and attitude for creating a CRM culture.

6) To work out a model for evolution of CRM.

5.6 Hypotheses of the study:

The research focuses on studying the awareness of CRM and various practices adopted for CRM. Effort was made to see what these culminate into. Thus, the following descriptive hypotheses are formulated.

A) Descriptive hypotheses -

1. Awareness about CRM is not translated into a dedicated CRM division in manufacturing organizations.
2. Organizations have started taking efforts for creating CRM culture but there is scope for additional efforts.

B) Statistical hypotheses -

Various aspects of CRM were studied and it was decided to study whether these aspects differ according to the type of firm i.e. consumer product manufacturing firm and industrial product manufacturing firm.

Hence while formulating the hypotheses impact of the type of organization on the various aspects of CRM was studied and accordingly various hypotheses were formulated. The hypotheses thus formulated are given below.

- H1: Type of firm significantly influences the usefulness of the contact centre desktop for ease of transaction for customers.
- H2: Type of firm significantly influences the frequency of use of the call centre as a contact channel.
- H3: Type of firm significantly influences the usefulness of SAM for establishing contact with customers.
- H4: Type of firm significantly influences the frequency of use of the traditional contact channels of sales people, service personnel and marketing department.
- H5: Type of firm significantly influences the frequency of use of customer visit to tap customer opinion.
- H6: Type of firm significantly influences the frequency of use of market research to tap customer opinion.
- H7: Type of firm significantly influences the frequency of use of gap analysis.
5.7 Research Design:

5.7.1 Type of research:

The research conducted is of the exploratory and descriptive type.

It attempts to explore what is the organization’s idea of CRM, what are the concrete measures undertaken by the firm for the implementation of CRM, which enablers have been utilized and to what extent. It is almost a journey on an untraveled path and discovering all these facts makes it an exploratory study.

It is descriptive because it is a detailed description of what practices are adopted by which organization, how many functions are performed in the exercise of relation building with various customers, internal and external. It describes all the initiatives and efforts for customer relationship building by the industry as a whole and by the firm on individual level.

5.7.2 Scope of research:

1. Geographic Scope – The organizations in and around Pune were considered for the research study.
2. Thematic Scope – The research included a study of all the customer centric activities and initiatives that are necessary for building good customer relations. The management of customer relations and initiatives for creating a suitable climate for CRM were the subject of the study.
3. Organizational Scope: The organizations in the manufacturing sector were considered for the study. These comprised organizations from the consumer product sector and the industrial product sector of the manufacturing sector.
4. Demographic Scope: The research study was carried out with the help of interviews with the heads of CRM divisions wherever applicable, officers dealing with CRM related activities/executives from the marketing department dealing with CRM activities.

5.7.3 Universe:

Practicing CRM professionally requires substantial inputs in terms of manpower, money and even technology. This requires a substantial initiative to professionally practice CRM. The researcher observed during the pilot study that small scale units were not aware of the concept of doing something professionally for CRM. They were practicing relation building exercises for customers which they called CRM but that was actually CRM in bits and pieces. The manufacturing units
having a substantial turnover and successfully performing in the market are believed to be practicing CRM professionally. The researcher obtained a list of manufacturing units in and around Pune was obtained from the Mahratta Chamber of Commerce, Industries and Agriculture, Pune. Applying the above logic the list of manufacturing units with turnover of above 100 crores was decided to be the universe. The MCCIA provided a list of 120 companies with a turnover of more than 100 crores in and around Pune.

5.7.4 Source List:

A source list was prepared from the names of organizations with a turnover of more than 100 crores as given by the MCCIA. The list was prepared with the intention of covering the entire cross section of the manufacturing sector. The organizations belonged to industrial product sector and consumer product sector. These included the paint companies, automobile companies, furniture company, air conditioner companies, television companies, food product companies etc from the consumer product sector and cement, steel, engineering companies, chemical companies etc from the industrial product sector. 25 companies doing good business in and around Pune and competing with these companies were added to the list. 2-5 selected companies from each sector were identified and approached and the list was made as pervasive as possible.

5.7.5 Sampling method:

The sampling method followed was purposive and convenience sampling. Both the methods are non probability sampling methods wherein in the first case the respondents were selected for their valued opinions. The people from the companies contacted for the responses were dealing with CRM implementation and their opinion was considered reliable and important. In the second case the convenience in contacting and willingness to respond was considered. Some competitor companies were also contacted considering the convenience factor.

5.7.6 Sampling Unit:

The sampling unit was decided to be the head of CRM division in case there was an independent CRM division or the person who handled the CRM division or the person who handled the CRM activities, sometimes a part of marketing department.
5.7.7. Sample Size:

The sample size was determined using the formula of sample size determination for small population. The population size was 120 as per the list provided by the MCCIA. The organizations belonged to industrial product sector and consumer product sector. 25 companies doing good business in and around Pune and competing with these companies were added to the list. Making the population 145. Then 2-5 selected companies from each sector were identified and approached and the list was made as pervasive as possible.

The sample size was calculated according to the formula.

\[ n = \frac{Z^2 (P \times Q)}{e^2} \]

\( n \) = Sample size in normal population
\( z \) = Standard score of error at 95 % level of confidence = 1.96
\( P \) = Proportion of companies practicing CRM (50 %)
\( Q \) = Proportion of companies not practicing CRM (50 %)

Since the proportion of companies practicing CRM is not known we take the worst case scenario (50 x 50)

Substituting these values in the above formula,

\[ n = \frac{(1.96)^2 	imes (50 \times 50)}{9^2} = \frac{3.84 \times 2500}{81} = 118.51 \]

For small population, the sample size is calculated as follows –

Small population sample

\[ n = \sqrt{\frac{N-n}{N-1}} \times \sqrt{\frac{N-1}{N-1}} \]

\[ = 118.51 \times \sqrt{26.49} \times \sqrt{144} \]

\[ = 118.51 \times 5.147 \]

\[ = 50 \]
From the source list of 145 organizations comprising 75 from the industrial product sector and 70 from the consumer product sector, 50 respondent organizations were considered for the study as per sample size formula for small population. These consisted of 28 organizations from the industrial product sector and 22 from consumer product sector.

5.7.8 Sources of data

Secondary data:

CRM is not a new concept to the business world and therefore there was lot of information available about the basic concept of CRM as well as the various aspects of implementing CRM. Many books had case studies of several successful organizations that had implemented CRM which helped clarify some issues that arise during implementation. The journals, magazines and newspaper articles also helped gain an insight into the subject of CRM. The websites of the respondent companies provided information about the various CRM initiatives taken by the companies. The vision and mission of the companies gave an idea about the kind of culture with respect to CRM. Customer satisfaction and delight figured in the vision and mission of many companies indicating that the mindset and culture of the companies were conducive to the development of CRM. The secondary sources of information that helped study CRM in great details are summarized below:

- Reference books
- Case studies
- Journals and magazines
- Newspapers
- Company websites

Primary data:

The primary data was collected with the help of a structured questionnaire and personal interviews. In addition to the information collected from the questionnaire, the company officials dealing with CRM activities, provided lot of relevant information during the informal interactions at the time of personal visits to the companies for the interviews. In some cases there were telephonic interviews with the concerned officials and dealers to get additional information or to clarify doubts. The primary sources used for research are summarized below:
Survey through questionnaire

Face to face interviews, Telephonic interviews

Informal discussions

5.8 Important concepts and definitions

Organizational Culture :- The basic ideas about the beliefs, values and attitudes, the ideas of good and bad, the ideas of right and wrong, the dos and don’ts that are implied and shared by all the members of the organization.

Customer Relationship Management :- It is the planning, organizing and monitoring of all the customer centric activities and initiatives that serve to build and maintain good relations with customers. It implies the mindset and culture for planning of strategies based on trust and confidence of the customer resulting in satisfactory relations with customers.

Industrial Products :- There are the products or parts thereof that are used as raw materials / components of the finished goods.

Consumer Products :- There are the products that are used by the consumer for his use / consumption.

Customer :- A person who buys the product is a customer. He may not necessarily be the consumer.

Customer Loyalty :- When a customer patronizes a product over a considerable period of time and recommends it to others, the customer is said to be a loyal customer.

5.9 Designing the questionnaire

The design of the questionnaire and the logic that went into the designing of the questionnaire is described in details below.

The questionnaire was designed with the aim of collecting the CRM related information from the officials in the selected organizations. The questions framed were mainly on the basis of Likert scale to provide options for an accurate answer. The Likert scale was found appropriate as it was possible to judge the relative importance given to various options in various industries. While designing the questionnaire, first rank was given to the most useful option with the result that the lower scores indicate greater usefulness and a higher scores indicating a lesser usefulness of the option. For some questions a forced scale was used to eliminate the neutral response. A few open ended questions were included to get a detailed opinion
about the point in discussion. A close ended question was framed for getting information about customer profiling.

When the researcher started the research on CRM, it was noticed that there were some organizations that were obviously doing a lot in terms of customer focused activities which naturally came under the purview of CRM. Some organizations were taking several steps but were not calling it CRM as they were practicing it in bits and pieces rather than practicing it professionally. There were organizations which knew that something had to be done but were not exactly doing anything concrete either due to lack of clarity or feasibility or lack of co-operation due to their inability to convince the whole organization. There were also some organizations that were not concerned about CRM. While framing the questionnaire the researcher had to keep in mind that the questionnaire had encompassed all the above types of respondents. Though some had never heard of a few things others were doing so much that there was a fear of their rating the questionnaire as rudimentary or frivolous. The researcher was aware that some of the respondents may not choose any of the options and hence their response would have to be tabulated as ‘No answer’.

The researcher wanted to find out how many were aware of CRM as a strategy supported with the proper mindset, proper culture conducive to customer service and relations. If CRM was not just a technological application then the mindset or the culture had to be worked upon from top to bottom. It required an active, rather a proactive approach from the HR as well as the strategy, marketing and sales departments supported by all other departments. Each question was framed keeping in mind these various aspects. The rationale that went into framing the various questions is explained below:

Q.1) Which of the following are being used to make business easy for customers?

Rank in terms of utility to your business.

1=V Useful  2=Useful  3=Can't say  4=Not.Useful  5=Not V.Useful

The options provided were Smart cards, Voice mails, Intelligent call routing, e mail response , Contact centre desktop , Tele business , ATM ,Kiosk , Any other.

An organization must try to come close to customers and build relations. The accessibility of the business as well as user friendly business transactions, effective and efficient communication options, all result in less cumbersome and more
satisfying transactions. These are the touch points where “moments of truth” are experienced.

All the options provided were not universally relevant to all the manufacturing sectors but had to be included to make the options all pervasive. Naturally, the utility of each option differed with every sector and hence for grading the usefulness of each option to every sector a rating scale of 1 - 5 ranging from very useful, useful, cannot say, Not useful to Not very useful was used

Q.2) Which of the following provisions do you have in the organization structure for special attention to customers?

The options provided were CRM division, Customer care centre, Call centre, Task force to attend to customer problems, Team within the organization to look into customer relations, any other

CRM is not to be allowed to just happen, instead, needs to be systematically planned. The commitment is to be made to customers to fulfill it successfully, it is necessary to have fully dedicated people to give a satisfying customer experience. A suitable modification / provision in the organization structure ensures satisfactory attention to customers. Depending on the scale of operations and the product range offered various options are feasible. Hence, the options provided scope to study the practices followed in various sectors.

Q.3) How frequently are the following used for enabling contact with customers?

1=Most Frequently  2 = Frequently  3= Some Time  4 = Rarely  5= Not at All

The options provided are Sales people, Net chat, Service personnel, Consumer communities, Call centre, Strategic account managers, Web sites, Marketing department, Any other

Fruitful customer interactions, meaningful and prompt interactions give an enhanced and valued customer experience. The avenues for these interactions are manifold. The answers provided can identify the avenues that are made available to the customer and the frequency with which they are used and can also judge their usefulness in various sectors.
Q 4) For which of the following do you use Internet?

Electronic catalogues, Order booking, Order status enquiry, Product specifications, pricing etc., Suggestions from customers/Net chat/Interactive dialogue, Contact management

Internet has revolutionized the way the world operates. Even to businesses, it has enabled a better intimacy with the customer. In fact the customers can have direct access to the experience and knowledge of the organization. With the applications on the website they get a sense of involvement in the organization and the organization in turn can access the necessary customer information to update the information database. Placing orders remotely, checking on order status, judging the product configuration i.e. how the components fit into the product, its specifications etc. are possible with the Internet. Hence the question was framed to judge whether the organization is reaping the benefits of the internet or not. The answers can help judge the use of the Internet to the business.

Q.5) Do you maintain an in house database for customer profiling?

The answers were either yes or no. It is a well known fact that all customers are not identical and they differ in their expectations from the business. If these unique needs of the customers are properly satisfied then the solid foundation of loyal customers can be built, Retaining customers becomes relatively easy with an in-depth information of the customers. e.g. corporate history, the purchase capabilities, their customers and competitors, the strengths and weaknesses etc.

Customer profiles are thus the best measures to capture all the relevant information about the customer consistently. These activities can be outsourced or maintained in house. The question gauges the current status of customer profiling

Q.6) How useful do you find the following sources for availing customer information?

1= Most Useful  2=Useful  3=Can't say  4=Not Useful  5=Not Very Useful

The options were Internal personnel, Internal documents, Annual reports, Customer websites, Public database, Competitors, Analysts, Research groups, Trade journals, Any other

In trying to develop relations with customers it is necessary to find out who exactly are the customers, how they are doing their business, their image in the corporate world etc. to decide how beneficial the relations with these customers would be, whether it would be worthwhile to go ahead with the relations or not. The
question was framed to identify the sources through which this vital information is collected.

Q.7) Which communication channels do you use for communicating with customers? Rank in terms of frequency of use.

1=Most of the times  2=Many times  3=Sometimes  4= Never

The options were Telephone, Fax, Mobile, Conference call, Voice mail, e-mail, Database.

Communication is the lifeline of any business. For customer relations an open transparent communication system provides easy accessibility to customers. Technology is an enabler to make long distance meetings possible economically by way of conference calls. Contact and communication by way of e-mails and voice mails make contact possible after working hours. This question studies which communication channels are used to what extent by organizations.

Q.8) Which of the following do you use to tap customer opinion?

Rank in terms of frequency of use

1=Always  2=Some times  3=Rarely  4= Never

The options provided were customer panel, customer visit, market research, customer website, toll free number, trade show, sales calls, customer feedback.

An important part of customer satisfaction is getting a judgment of the customer opinion about the offerings made to the market. The opinions could be positive, negative or neutral. Depending upon the opinion suitable modifications or corrective actions can be taken. The market is spread far and wide and hence accessibility to customer for making communication possible is of crucial importance. If the opinion is positive the plus points of the offerings can be identified. If the opinion is negative the root cause of dissatisfaction can be identified in time, before it becomes a crisis. Something substantial needs to be done to create a positive opinion if the opinion is neutral. For all these things tapping customer opinion is vital. The question tries to judge which option for customer opinion is used. It also attempts to judge to what extent each option is utilized by organizations. The purpose is to find out the most largely utilized avenue of tapping customer opinion by organization.
Q.9) Customer segmentation in your organization is on the basis of
Geography, Size of the company, Profitability potential, Status of customer loyalty, Any other.

Segmentation is a major building block in the implementation of CRM. CRM is based on the principle of giving customized offerings to customers. Pareto’s principle claims that all customer are not created equal. Some are more valuable to the firm than others in terms of profitability. Naturally without letting the discrimination being noticed, the offerings will have to be different for different groups of customers. Broadly the segmentation is carried out on the basis of geography, size of the company, profitability potential, status of customer loyalty. Other means of segmentation could be behavioral segmentation that classifies customers on the basis of usage occasions, frequency of use, amount used etc. Demographic segmentation or psychographic segmentations are other means of segmentations that can be followed. The question was framed to understand which means of segmentation are followed by organizations clearly specifying the broad bases and the other means of segmentation could be judged by providing the option of “Any other.”

Q.10) How frequently has technology been used for the following business functions?

1=Most Frequently  2 = Frequently  3= Some Time  4 = Rarely  5= Not at All

The options provided are Billing and invoicing, Complaint management, Sales and marketing, Contact management, After sales service, Inventory management, Processing orders, Logistics, Sales force automation, Customer service helpdesk.

Technology is a key enabler in making CRM implementation successful. The technology used for various functions of business will vary depending on the stage of development of the business, funds available with the firm and its utility to the customer. The question is designed to gauge how frequently technology is used for various functions and how that contributes to the success of CRM.

Q.11) Have any of the following processes been introduced / Updated for better customer focus?

The options were Information sharing with customer and open lines of communication, Developing joint solutions to problems, Customer participation in product development and planning, Joint investment in technology development,
Purchase process modification for specific customers, Supply chain management, Co-designing, co-marketing, co-development

The reality of the present business is that the customer is the pivot around which the business revolves. Those businesses that understand the importance and essentiality of the above reality are bound to succeed. The customer focus has to be so much that the customer is taken a step ahead and allowed to be a partner in the creation of the product of his dreams. In other words, the customer is a co-creator of products. He is allowed to participate in the design of products and there is transparency in communication with customers to further bond relations. The businesses also take an interest in the customer’s business so as to help the customer-organization develop its business by offering better value to its customers, sometimes even investing in technology development. Co-marketing, co-designing and co-development are other ways of partnering with the customer. All the above are integral parts of CRM. The question here tries to judge how many of the above activities are implemented by organizations as part of CRM implementation. In short, the question discovers how many organizations have understood the concept of CRM in the true sense and are readily implementing, what in reality is the essence of CRM.

Q.12) Which of the following initiatives are taken by HR to inculcate CRM culture? Rank in the order of importance.

1=Crucial  2=Very important  3=Important  4=Least important

The options were Special training to deal with customers, Regular meetings, Encouraging alliance based behavior, Workshops, Teamwork, Newsletter, Group dynamics, Change Management, Open communication culture, Motivation for CRM

HR has an influential and a significant role to play in successful CRM implementation. The challenge for HR lies in creating the mindset, attitude and culture of customer service and team work. All employees have to imbibe the culture of serving the customers and their interactions with customers reflect their attitudes and dedication for CRM. Hiring the people with right attitude and training the right skills to deliver the right experience is the responsibility of HR. It is the human element of the organization that deploys the technology, funds, materials and infrastructure for better customer service. Hence creating, nurturing and channelizing the human asset, ensuring their individual development along with that of the organization and delivering memorable customer experience is the crux of the
whole exercise. The question is an attempt to find how many of the activities are carried out in organizations and how much importance the organizations attach to it.

Q.13) Which of the following are carried out for customer satisfaction and how frequently? Rank from 1 to 4:
1=Always  2=Sometimes  3=Rarely  4=Never
The options given are: Service quality Indicator, Quality circle, Voice of customer, Vendor development, Gap analysis, Knowledge management, Maintaining communication log.

Gathering customer feedback, analyzing and acting on the information so collected is a vital input for CRM. Metrics to judge whether organizations are up to the mark from the customer’s point of view have to be in place. If there are deficiencies in the offerings or if there is scope for improvement that can be judged by customer feedback, voice of customer, service quality indicator, gap analysis etc. The question is framed with the intention of finding out how many of the above activities are in place at organizations. Thus the concrete efforts taken by the organization for CRM can be judged.

Q.14) Rate the following in terms of importance to customer service
1=Crucial  2=Very important  3=Important  4=Least important
The options are: Responsive service, Proactive relationship, Frequent personal contacts, Empowered employees, Information sharing from customer interface points to back office, Rewarding employees for excellent customer care, Customer segmentation, Good employee relations, Easy contact mechanisms for customers, Encouraging feedback from customers.

CRM needs a certain frame of mind for delivering the best service to customers. Hence an idea of how much importance is given to which activity of CRM reflects the service philosophy of the organization. The practical experience of the firm also counts in coming to these viewpoints. All these can be assessed through this question.

Q.15) Which of the following have been implemented for increasing customer loyalty?
The options were: Loyalty cards, Membership cards, Gifts as per customer liking, Direct marketing, Efficient customer response, Dealer clubs, Free consultancy on related issues, Conference meeting workshops, Holiday Packages.

Incentives for improving loyalty status of the customers is an important aspect of CRM implementation. There are various types of loyalty schemes, incentive
schemes to strengthen the relations with customers. This question tries to find out the relevance of various schemes in various sectors of business.

**Q.16) Rate the following statements from 1-5**

1=Very correct  2=Correct   3=Don’t know   4= Incorrect  5= Absolutely incorrect

Q.16 a  Customer satisfaction is directly related to customer loyalty
Q.16 b  Customer relations help acquire customer loyalty rather than customer satisfaction.
Q.16 c  Happy Employees=Happy Customers
Q.16 d  Customers complaints offer an excellent opportunity to increase customer loyalty
Q.16 e  CRM is a strategy not a technology application

The ideology about customer service, customer relations, CRM etc. can be judged by asking the business representatives for their opinions on various statements related to CRM. The views expressed give an idea about the CRM philosophy of various organizations. The respondents are required to grade the statements into very correct, correct, don’t know, incorrect, absolutely incorrect.

**Q.17) What is your complaint management system?**

Customer complaints is that aspect of CRM which if looked at positively is a major source of new ideas for improving the product, image of the organization and hence the overall business. Many customers who have complaints may not take the efforts to voice them and those who express them expect some corrective action. If this corrective action is prompt and responsive, it goes a long way in satisfying and delighting the customer and thus building good relations with them. Hence a good complaint management system in place is very much a part of delivering efficient customer response and in turn successful CRM. The answer to this question obviously is subjective and varies from organization to organization.

**Q.18) How are CRM programs designed? Who designs them?**

**Q.19) How are they evaluated? How frequently?**

These questions attempt to find out the thinking behind designing CRM programs and the process of designing them, who is entrusted with its responsibility. How frequently they are evaluated and judged will show the responsiveness of the organization as this would help in making modifications if needed. It is another attempt at judging how things work out practically.
5.10 Developing parameters for testing the descriptive hypotheses

The information obtained from the questionnaire, the additional information obtained at the time of interacting with the company officials regarding CRM practices and the information from the websites of companies was used to test the descriptive hypotheses.

The researcher developed a scale of parameters to validate the descriptive hypotheses. The entire process of development of the scale of parameters has been provided in details below.

Looking around at the business scenario, some organizations in certain industries are able to notch a long term, profitable growth while some organizations in the same industry, are not even able to survive. Experts analyzed these observed success and failure stories, and attributed the cause of this difference to recognizing their valuable customers and their unique needs. The organizations that are able to understand the needs of their present customers and anticipate the needs of their future customers can achieve a sustainable and profitable growth. The organizations need to create a customer service oriented culture, deploy skilled customer-facing personnel and utilize technology as an enabler to offer valuable customer service. This will equip the organization to handle the ever changing demands of customers, face uncertainties and risks successfully. In other words, being successful today depends on the capacity of the organization to adapt to the new mercurial business scenario by fulfilling the demands of the customers and other business forces. To forge ahead in fulfilling customer demands it is essential for the organization to be in contact with the customers in the present and in the future. This fruitful customer contact is possible by building relations with the customers. Building long term relations with customers are possible by winning their trust and confidence. This is no easy task and requires a combination of activities and processes such as customer profiling, customer segmentation, customer research, inculcating CRM culture, training the customer-facing staff etc. CRM encompasses all the above activities and processes that result in taking care of customers.

While carrying out research on the CRM practices followed in the Indian manufacturing sector, it was noticed that some organizations were professionally practicing CRM using all the techniques and tools of CRM. There were some organizations that were practicing CRM but were not very sure whether it was called CRM. Most of the activities that come under the purview of CRM were practiced by
some organizations yet they maintained that they were not doing anything about CRM. Some organizations had very recently implemented a CRM software and hence were on the path of CRM implementation. Some equated use of CRM software with CRM function. All these observations made the researcher feel that there had to be a clarity about the concept of CRM. What exactly was CRM, whether it was a combination of technological tools, HR practices, a separate department or some other organizational provision. A minimum number of requirements for an organization to be practicing CRM had to be established.

5.10.1 Parameters for testing descriptive hypothesis 1: “Awareness about CRM is not translated into a dedicated CRM division in manufacturing organizations.”

The question that arose was how does one decide that the organization is practicing CRM because some had CRM software but still needed to work on the mindset, while some had the CRM mindset but no tools and techniques.

The concept of CRM had to be made clear by establishing a few minimum requisites to say for sure that CRM was being implemented. It was decided that a scale of parameters be devised to decide whether CRM was being implemented in an organization or not. Since the practices followed in various organizations were different, a set of common practices that formed the foundation of CRM had to be identified. Thus it would be possible to decide whether CRM was being implemented or not. This scale also could be used for other organizations as reference point in deciding whether the organization is customer centric in its activities and whether CRM was being followed or not.

1) The first parameter was decided to be customer profiling as it was the most basic requirement that recognized that all customers are not alike.

In this activity, information is collected about the customers. The first and foremost is answering the questions like Who are the Customers and What exactly do they need from the business organization. Identifying the customer needs exactly is the key to customer satisfaction. The customer-organization’s business, its products, the markets it serves, the volume of business, market segments, what are its strong points and weak points, who are its competitors, what is its mission its financial profile etc. The vision and mission statements reflect the business philosophy of the customer. It helps the organization decide the relationship expectation as well as product expectations the customer can have from the organization. All the above information can help the business identify areas where the customer can be helped.
Since, the fact is that all customers are not created equal the profile would help identify areas where the organization could help the customer improve its business or its effectiveness or satisfaction. Detailed and different perspectives of the customer can help develop meaningful and effective relations by identifying the unique needs of the customer. Hence, customer profiling was finalized as the first parameter.

2) Customer feedback, Voice Of Customer (VOC) and market research was chosen as the 2nd parameter.

This was because in addition to the information collected regarding customer profile, it is also necessary to collect information about what the customers feel about the organization, its products and services. This information can indicate the changing needs and expectations of the customers from the products and services, it also gives an idea about the effectiveness of the organization’s communications and relations with the customers. It can help identify the strength, weaknesses of the product or service offered. Earlier this was done informally with person to person contact and based on intuitive management. Now organizations take conscious efforts and use a formal, structured approach to listen to what the customers have to say about their experience with the organization. Their level of satisfaction/dissatisfaction can be measured more accurately making it possible to pinpoint areas that the organization needs to work upon. Thus, all the activities and processes to collect customer feedback, voice of customer, market research are the tools that take the organization closer to their customers and their thoughts. This enables the organization to judge the customer opinion and formulate suitable strategies to reach out to the customers more effectively. Traditionally the customer satisfaction measurements only indicated whether the customer was satisfied or dissatisfied but the exercises these days in addition also identify areas where there is scope for improvement and how it could be worked out. It also makes possible for the organization to know more about the customers’ expectations and work out ways leading towards customer satisfaction and delight.

Hence, for building meaningful and fruitful relations with customers this kind of customer feedback activities are a must.

3) The third parameter was the establishment of a CRM division / CCC/CC/Task/team to look into customer relations.

The idea was to find out if there was any provision in the organization structure to look into customer relations. The fact that one or more of the above exist
indicates that the organization is taking concrete measures to develop satisfactory customer relations. How many of the above provisions were operative depended on various factors such as size of the organization, its scale of operations, the budget allocated etc. e.g. for a large professionally managed organization a CRM division was routine while for an organization that had just embarked on the CRM journey a task or team would be the starting point. More important was the readiness, the favorable mindset to set aside people and funds and may be technology to work on customer relations. Hence, even if one of the options was present it was considered as a sign of implementing CRM, though extra weightage was given to organizations adopting more than one option.

4) The fourth parameter was finalized as Internet for easy business.

Technology is a major enabler for implementing CRM. The customer relations can be better developed with better access and better facilities offered to customers to make business easy for them. The well known company Mukand Iron had started using Internet as a facilitator for business very early. Once the order was booked, the client had to access the company’s website, enter his docket number and the order status would be known to him on the net. This not only made operations easy and transparent but also delighted the customer for the ease of operations and have been saved headache of prolonged telephonic talks leading to nowhere. Hence, the idea was to see whether Internet was used to make business easy for customers by providing electronic catalogues, product specifications and pricing, order booking, order status enquiry and suggestions. Installation and use of a software used for billing, invoicing, inventory management etc. was also considered as use of internet for ease of business. This development would indicate that the organization is at a considerable stage of evolution as far as CRM implementation is considered. Here again greater the number of technological applications greater would be the weightage given.

5) The fifth parameter was an extension of the above parameter where internet was used as a means for better access and communication with the customers.

This included ATM, kiosks, contact centers, Interactive Website. This factor became necessary as a parameter because contact with customers and accessibility to customers is the lifeline of developing relations with them. This contact was personal when the market was small but with the market growing large and wide personal contact became difficult. The contact if facilitated with technology would make it
possible not only to improve the accessibility to customer but also the quality of interaction with the customer eg. ACC uses interactive website that makes two way communication with customer possible. This parameter would judge the various means adopted for accessibility and communication to improve customer relation building process.

6) The sixth parameter was training to deal with customers and teamwork.

This parameter was considered because CRM requires that customer relations be developed by interacting with the customers with a deep understanding of the customer and his unique needs. The customer could be co-operative, demanding, impatient, learned, fastidious, docile etc. There is a need to tackle the customer by matching his personality with service and delivery of the pleasant and worthwhile customer experience, uppermost in mind. The customer satisfaction is possible only through positive and co-operative interactions with the employees. Customer satisfaction and good customer relations are impossible to materialize without teamwork because the task of satisfying customers is beyond the capacity and ability of an individual. All this requires creating a mindset favorable for CRM. This can be achieved only with training sessions with specific objectives of teamwork and special training to deal with customers. Training sometimes is combined together consisting of all skills such as computer skills, financial skills, leadership, customer focus, corporate culture etc. Instead of lumping all the training modules together it is necessary to develop selective training programs catering to the needs of the individuals and job positions. This results in a specific, well designed training program that equips the employees to deal effectively and profitably with customers.

7) The next parameter considered was operation of a complaint management system and a process to detect and tackle customer defection. Complaint management system is one of the major activities that contributes to building relations with customers. This is because complaints can be considered as opportunities to identify weaknesses of the products as well as the services delivered to the customers. Prompt resolution of complaints can also provide an opportunity to convey to the customers that they are cared for. The manner in which the complaints are handled by the organization helps the organization interact with the customer to gain satisfaction and thus lay down the foundation of good relations. The fact that there is a complaint management system indicates that the organization is taking every precaution to ensure that customer care is taken properly and also to improve on its weak points and
thus build a customer base. In case the customer defects, the tracking mechanism identifies why the customer was lost and also works on the possibility of negotiation to re-attract the customer. Thus the complaint management system represents ways to retain the existing customer. Hence its contribution to CRM is beyond words. The fact that there is a complaint management system in place is itself an indication that the organization takes cognizance of the customer complaints and is willing to take corrective action for their satisfaction.

8) The eighth parameter was the measures such as loyalty cards; sales promotion techniques to attract new customers and retain existing customers.

Though these measures fall into the category of sales promotions they still serve to build relations with customers. It is therefore counted as customer relation building initiatives. There are in addition to the other customer relation building measures.

9) The ninth parameter was quality standards or business excellence models that the organizations have to ensuring that the quality of the product and associated services is maintained.

It is a sort of benchmarking activity created for offering superior product and services. It is also a feedback mechanism to identify the customer satisfaction level as well as gaps in customer expectations and their fulfillment. There are measures like customer satisfaction Index, services quality indicators, Gap analysis, Quality circles etc. for the above purpose. These measures indicate areas where there are gaps between customer expectations and product delivered. These areas of potential problem as they may serve as starting points for customer dissatisfaction. These are areas where there is scope for further improvement of the product. There activities help identify those aspects of the products which need to be modified or improved to ensure sustained customer satisfaction. With sustained customer satisfaction, developing relations with customers becomes relatively easier as the customer develops confidence about the product. Thus, these exercises contribute to attracting new customers and retaining the old ones by taking efforts to please the customer. The implementation of these parameters reflects the urge on the part of the organization to offer something worthwhile to the customers and thus keep the customer always satisfied. This is a major contribution towards CRM.

10) The tenth parameter was to find out whether there are processes in place which puts into practice the concept of partnership relation with customers.
Processes like knowledge management help spread the culture that by sharing the newly acquired knowledge a team of knowledgeable colleagues can be developed. This team can deliver more intelligently and effectively as the team members are equipped with the latest developments. It also changes the focus from individual development to team development due to knowledge sharing. It brings people closer and knits them into a co-operative and closely knit team of internal customers armed with latest knowledge to serve the external customers to their satisfaction.

The supply chain management also is an extension of the same principle where the suppliers become part of the team of employees that is formed to satisfy the customer. It is thus a very customer focused and a customer driven initiative contributing in a large way to CRM.

CRM can be implemented only when there is a free flow of information from customer to manufacturer and vice versa. This because this two way communication enables both the parties to understand each other’s needs much better and then the manufacturer can strive to fulfill those needs. Hence information sharing and open lines of communication can help build fruitful relations with customers and contribute to CRM.

Going a step ahead, the customer can also be given a chance to participate in the development of new products. Open channels of communication enable the customer to express his requirements about the product and can get a customized product from a manufacturer. eg. ACs that can be operated on solar energy is the need of the hour due to power cuts. The problems that customers face while using the product provide new ideas to the manufacturer for creating an innovative product. This enables the customer to become a co-creator of the product in the true sense. If the manufacturer is able to design and produce a product catering to the specific requirements of the customer there is a greater chance of acquiring customer loyalty. This is a substantial contribution to CRM. If most of these processes are in place in an organization, it indicates that the organization not only recognizes the importance of CRM but is also taking concrete efforts and initiatives to implement CRM.

The initiatives taken by the respondent organizations for customer relationship management were analyzed on the basis of these parameters. The result was compared with the data relating to organizations having CRM division in order to test the first descriptive hypothesis.
5.10.2 Parameters for testing descriptive hypothesis 2: “Organizations have started taking efforts for creating CRM culture but there is scope for additional efforts.”

In the industrial era, the suppliers, dealers, distributors, retailers were the link between manufacturers and consumers. As the service economy came into existence the “people” aspect of the transactions became important for relation building with customers. The customer experience, the “moments of truth” made it necessary for the front liners to be educated and empowered to deal with the customers. The people of the organization are the ones who implement strategies, processes and use technology for serving the customers better. They need to use their intelligence and experience to use information to generate processes that can deliver a good experience to the customers. The organization needs to have a strong service culture - a culture where the people are motivated to deliver the best; a culture where all the employees of the organization become customer relationship managers. To make the employees passionate about customer service and productivity they must be educated about the importance of CRM to the success of a business. This is possible only when there is an all pervading CRM culture, a culture that stimulates creative and innovative thinking, that promotes imagination of possibilities to delight the customers.

An organizational culture is values and beliefs shared by all, a concurrence about the rights and wrongs of running a business. All the processes, strategies, technology and provisions in the organization structure are not adequate without a CRM culture. The CRM culture creates a mindset, an attitude that stimulates one and all to give their best for customer satisfaction and building relations with customers based on trust and confidence. Without CRM culture in the organization customer-centric behaviour and initiatives from employees are not possible. An organizational culture cannot be seen with eyes, it is to be experienced. Creating such an intangible asset as CRM culture is certainly no easy task. The question that arose while carrying out the research was how does one judge whether something is being done for creating the CRM culture. Specific parameters have been identified as the basic minimum requirements of a strong CRM culture, which are given below:

1) Vision / Mission :-

The first parameter is the existence of the vision / mission. The vision or mission statement articulated by the top management for the entire organization
gives an idea about the values that the organization wishes to offer to its customers. It reflects the business philosophy of the organization and also the role that customer satisfaction plays in the strategies of the organization. The dedication of the top management towards customer satisfaction is reflected in the formulation of the vision / mission statement. The seriousness of the senior management towards customer satisfaction automatically percolates down to the lower levels in the organization. It is a compelling statement that forges customer focused behavior. Hence the existence of a vision / mission statement was considered to be an important indicator of the existence of CRM culture in the organization.

2) Open communication culture and change management:

The second parameter is open communication culture and change management. The open communication culture implies open communication with internal and external customers. Comprehensive and regular internal communication can create a greater awareness among the employees about CRM and can draw out positive behavior from them. Open external communications are very important because these communicate to the customers about the initiatives taken by the organization for customer care and the efforts taken to satisfy the

Change management is a systematic method of tackling change. A planned and educative effort to face the change makes the people ready to accept the change as well as the associated responses. An effort to make change “easy to digest” is made by taking special efforts for change management. A change in attitude is brought faster and easily with the help of such efforts. The parameter was aimed at creating awareness and educating employees about the importance of customer in today’s business and hence the importance of customer focus and customer centric behavior from employees.

3) Teamwork and motivation for CRM

The third parameter is teamwork and motivation for CRM. Translating the vision of customer service into customer satisfaction is possible with collective efforts of all the employees. Customer satisfaction is no longer the monopoly of the sales and marketing departments alone. One and all from the organization have a role to play in customer satisfaction. In short, the human capital needs to be woven and interwoven into a high performing team. Converting a group of employees into a high performing team is possible only with systematic training to develop the right mindset as well as with the help of various team building activities. This team work which is
necessary for relation building with customer is based on the foundation of positive motivation for CRM. The right motivators, the right team spirit and the benefits that the organization and in turn the individual can reap from it have to be communicated effectively to the employees. This is possible only with consistent and regular training. An organization that takes these efforts for team building and motivating employees for CRM is working to foster a CRM culture in the organization.

4) Special training to deal with customers :-

The fourth parameter is special training to deal with customers. Just as training is necessary to build good teams, special training must also be imparted to deal with customers. Dealing with customers requires the ability to understand the unique needs of the customers, the empathy, communication skills, patience, interest in serving the customers and the will to win over the customer by satisfying all his requirements. This requires the right attitude as well as the right skill set to serve the customer. These attitudes and skills must be inculcated as they are an indispensable part of CRM culture. Purposeful efforts to create a CRM culture includes giving special training to deal with customers. Organizations taking these efforts can be said to be working seriously towards creating a CRM culture.

5) Rewards and incentives for excellent customer care :-

The fifth parameter was rewards and incentives for excellent customer care. Customer care requires a constant encouraging push to the employees towards delivering better customer service. This “pat-on-the-back” can be in the form of incentives and rewards for excellent customer care. Incentives are to entice the employees in delivering good customer service. The incentives help the employees develop the attitude of customer service and in the process help the organization attain its goal of customer satisfaction and also achieve personal development of employees. This is possible when individual goals and organizational goals are aligned in the same direction. This needs to be communicated to the employees so that they work towards the goals sticking their neck out. The rewards are like a “Pat-on-the-back”, an appreciation for the customer focused initiatives and actions taken for excellent customer care. The rewards serve to boost the interest and enthusiasm of employees in delivering good customer service. The fact that such rewards and incentives for good customer care are introduced by the organization sends a message to the employees that this behavior will be encouraged and appreciated. This helps them develop the customer care attitude and frame of mind. This is precisely what leads to...
develop the CRM culture. Hence, the institution of rewards and incentives for good customer care is a strong indicator of efforts taken by the organization to nurture CRM culture.

6) Empowered employees :-

The sixth parameter was empowered employees. If the employees have to deliver good service they must be delegated the right authority to discharge their duties effectively. To do justice to their job the employees must be in a position to take their own decisions depending on the situation and the customer. When the employees are empowered to take decisions that help execute their duties, it sends a signal to the internal customers that the top management has faith in them and their abilities. When the employees are entrusted with responsibilities and authority it creates a moral obligation on them to utilize the power given to them. It is also an excellent example of teamwork with mutual trust and respect. Implementing CRM is possible with empowered employees as each empowered employee becomes a decision making centre that facilities fast and prompt service decisions. This leads to a hassle-free service to the customer that goes a long way in fostering customer loyalty and thus implement CRM successfully. Hence, organizations doing something concrete about implementing CRM must have empowered employees. Many successful organizations have attributed their success in being customer focused to having empowered employees.

7) Proactive Initiatives and Efficient Customer Response :-

The seventh parameter identified was proactive initiatives by the organization and Efficient Customer Response i.e. ECR. Proactive initiatives are taken by the organization to help the customers build their business. This includes understanding how the business is influenced by various factors so as to think of a way to modify process to make business easy for customers. The initiatives also include offering free services to help customers or the facility of customizing a product to address the unique needs of customers. Educating the users, influencers, decision makers about the latest technological advancements in the product, the latest trends, better uses of a product can improve their decision making. Offering value added services that can contribute largely to creating a pleasant experience to the customer are also part of proactive initiatives. The interest taken by the organization in the customer goes a long way in building goodwill for the organization. This in turn helps customer relationship management. As a part of delivering a rewarding experience to the
customer the organization sets a benchmark about how efficient the response to
customer contact should be eg. whenever a customer lodges a complaint the
acknowledgment should be instantaneous or when the customer contacts on the
telephone the call must be attended to within the first three rings etc. This definitely
reduces the irritation and the customer experiences the importance given to him. This
cognizance of the valuable customer is a major building block of CRM culture.
Organizations that have proactive initiatives and have set a standard for the service to
be delivered can be said to be working on building a CRM culture.

8) Dealer training or empowered dealers:-

The eighth parameter is dealer training or empowered dealers. extending the
principle of empowered employees to empowered dealers sends a message that the
organizational family is extended to include its dealers in it. This gives the dealers a
feeling of belonging to the organization. When the organization takes care of its
family members, the family members also work hard to take care of the customer.
Exhibiting faith and trust in the dealers and working for their development builds
good relations with them. The dealer thus becomes a part of the inner core of the
organization and this itself is a great motivator for the dealers to develop good
relations with end customers. The dealers are given the power to make some rules
flexible for the valuable customers such as settling warranty claims etc.,. This also
creates a moral responsibility on the part of dealers to cater to relationship
requirements of end customers. The dealers are also specially trained to deal with end
customers so that they can rope in new customers and hold on to the existing ones.
This serves to build the customer base by creating a win-win situation for both. The
dealers are the ones who are in direct contact with the end customers, hence they are
the best agents to understand the requirements, expectations, suggestions and opinions
of the end customers. They are therefore trained to foster satisfying relations with
customers which is the crux of CRM culture. Hence, organizations who work on
dealer training are way ahead in the CRM journey.

9) Information sharing from customer interface to back points :-

The ninth parameter is information sharing from customer interface to back points.
This as a very vital input for CRM culture. When the information from the customer
interface is shared right up to the back points a complete picture of the customer is
available for everyone from the front end to the back end. A picture of the customer
makes possible better understanding of the customer in the context of the situation in
which he operates and his requirements. This is the best example of seamless operation of an organization to deliver a fulfilling experience to the customer. This is where the whole organization contributes to customer satisfaction. When the back-enders have a clear understanding of the end customers requirements and problem with the product, they can work on the product to offer better value to the customers. The connection between the front and back end also gives confidence to the customers that the organization is genuinely taking efforts to satisfy them. There is an involvement in the customer and his interests right from the front end to the back end i.e. the entire organization. The contact of the customer right upto the back end improves their involvement in the organization. The mutual involvement and interest between the customer and the organization helps create a CRM culture. Information sharing and open communication between the customer and the organization for a mutually beneficial value creation helps create long term relations with customers. This is the essence of CRM.

10) Free consultancy to the customer :-

The tenth parameter is also a kind of proactive initiative – free consultancy to the customer. This consultancy can help the customer come to a logical decision and thus improve his business decisions. The consultancy offered can come as a great value added service to the customer due to which he may be convinced of the efforts taken by the organization. This can strengthen the bond between the customer and the organization. The customer has a feeling of indebtedness towards the organization for all the help showered on him. The end consumer is sometimes confused while taking a decision and this free consultancy can come as a problem solver. This makes the bond between the customer and the organization friendly, mutually helping and this contributes in a large way to CRM culture.

The information obtained from the respondents was analyzed on the basis of these parameters. It was then possible to conclude about the extent to which the organizations had taken initiatives for creating CRM culture and also the areas where there was scope for further efforts. This facilitated the testing if the second descriptive hypothesis.

5.11 Administering the questionnaire

Once the questionnaire was ready it was pre tested with a trial on five companies. The reaction to the questionnaire was judged and some changes in the wordings were made to elicit reliable responses from the respondents.
The researcher could also get an idea as to the problems that could be encountered while administering the questionnaire. As per the list of companies to be contacted that was already drawn up, the concerned person was contacted on the telephone so that a suitable time and venue could be finalized. The questionnaire was mailed to the respondent in advance so that the respondent could keep himself ready with the required information. This made it possible for the respondent to give his best as far as the research was concerned. Once the appointment was finalized, the researcher also did the preparation for the interview by visiting the company website to get the necessary information so that relevant questions could be asked. The questionnaires were administered in person to the respondents. A questionnaire copy was kept with the researcher so that when the responses were obtained, if required, additional information was elicited immediately. In some situations the personal interview was followed up by a telephonic interview wherein the concerned persons were contacted on the telephone for clarifying doubts. The researcher noted down the points in writing as the respondent answered orally so as to ensure that not a single point was missed. Through this exercise, the researcher also confirmed that the information that was obtained was relevant to the objectives of the research. It could be crosschecked and hence treated as reliable.

**Data processing**  The data collected was edited immediately after collection to spot the inconsistent answers or incomplete answers etc. The edited data was then coded for data entry as per the requirements of SPSS software. Computerized tabulation was carried out to generate relevant frequency tables. The percentages and cumulative percentages were calculated so as to help further analysis. While processing the collected data the option of “No answer” was retained as it provided a valuable response. The respondents who found the options irrelevant to their business preferred not to answer the questions. This option of “No answer” indicated the number of the initiatives that were not irrelevant to their respective businesses i.e. industrial product manufacturers and consumer product manufacturers.

**5.12 Data analysis**

The analysis of data was carried out by two methods -

i) **Qualitative analysis**

Qualitative research is used to analyze the data which cannot be quantified. The qualitative analysis was carried out in the form of case study analysis. The case studies provided some insight stimulating examples and with logical deductions.
helped come to very logical conclusions about the customer centric philosophy of the organizations.

- **Frequency tables**: The data was tabulated and frequency tables were generated to show percentages of specific responses. Broad conclusions could be drawn with the help of such analysis as this showed the extent and frequency of using various CRM initiative. The data available through frequency tables, interviews and official websites was further analyzed on the basis of various parameters worked out to test the descriptive hypotheses.

- **Case study analysis**: An in-depth study of the CRM initiatives taken by the organizations was carried out to get an idea about the efforts taken by the organizations. The websites of the organizations provided lot of information about the various CRM initiatives taken by the organization. The questionnaires furnished detailed information about the customer focused activities carried out by the organization. The company officials also interacted at the time of personal visits to the companies. These interactions provided valuable information about the CRM activities. Innovative and good CRM practices were compiled in a few selected organizations for CRM.

- **The case studies of 5 prominent organizations have been furnished in the following chapter**.

**ii) Quantitative analysis**.

- **Statistical analysis**: The statistical analysis was carried out with the help of SPSS software.

  The tests applied were independent sample t-tests as there were two groups of data: one group of consumer product companies and the other group of industrial product companies. A comparison between these two groups to study the difference in trends with respect to certain factors as well as the difference in practices followed could be studied. The type of firm was the independent variable and the metric rating given was the dependent variable.

  Chi² test was used to find out if there was any relation between having a CRM division and customer profiling since the fifth question was of the categorical type.

  Since there were no multiple scale item the reliability and validity tests were not required.
Pie charts and bar diagrams were used to highlight some striking features of the data collected.

5.13 Limitations of research:
1. Inaccessibility to the practicing managers and their busy schedule made it difficult to reach all the functional managers.
2. Since many had recently adopted and implemented CRM they did not have a database of figures related to profit or sales arising out of CRM practices implemented by them.
3. The opinions and judgments of the individuals who responded were treated as practices followed by the organizations. The responses were cross-checked through telephonic interviews and information available on websites. Though the researcher has tried her level best to acquire data closest to the truth, personal biases are likely to influence the opinion given. The findings are based on the opinions given by the respondent and may not be 100% right.

5.14 Outline of study
The chapter scheme followed is given below along with a brief description of the contents of each chapter.

Chapter 1 Customer Relationship Management:
Today the world is experiencing a buyers’ market where the customer is supreme. Customization is the key word today for which the marketers have to get connected with the customers. The concept of customer relationship management has been clearly explained in this chapter. Its importance in today’s world, its historical evolution, the components of CRM, the CRM process, types of CRM, its benefits and limitations have all been dealt with in this chapter.

Chapter 2 Customer Centric Enterprise For Effective CRM:
To be customer centric a firm needs the support of a suitable organization structure, human resource, suitable processes to inculcate the philosophy of CRM, a change in the thinking pattern, approach to customers, willingness to serve the customers etc. which is a very difficult task. The various tasks for successful implementation of CRM, the enablers, the accelerators, the change drivers for CRM etc have all been discussed in detail in this chapter.

Chapter 3 CRM in the manufacturing sector:
This chapter deals with the CRM implemented in the manufacturing sector, its benefits, the challenges and the future prospects of CRM in the manufacturing
sector, the CRM metrics, the tools and techniques for the CRM metrics have been discussed in the chapter

Chapter 4 Review of literature:

A review of literature was carried out to get a clear idea of the basic concepts of CRM. The significance of CRM to the business world today and its implications to the businesses could be studied in details. The various ways in which the businesses have been gearing up to develop good relations with customers could be studied while carrying out the literature review. It gave direction to the thought process related to CRM and greatly contributed to the formulation of research objectives as well as framing the questionnaire for the research process. Several articles and books that made a significant impact on the research have been discussed in the chapter.

Chapter 5 Research methodology:

The research methodology followed in carrying out the research such as the type of research, the methodology and logic in the framing of the questionnaire, the objectives and hypotheses and the limitations experienced while carrying out the research have also been elucidated in the chapter. The sampling design, the sampling unit, the sampling process, the method of data codification, tabulation and analysis have also been discussed in the chapter.

Chapter 6 Data analysis and Interpretation:

The data collected after codification was entered and tabulated into frequency tables. The figures in the tables are analyzed and interpreted to come to its logical conclusion. The interpretations are supplemented with additional relevant information provided by the interviews with the concerned officials from the companies conducted at the time of the survey.

Chapter 7 Findings, Conclusions and Suggestions:

The analysis led to the findings and conclusions about CRM in the consumer sector and industrial sector. These conclusions throw light on some important facts about the status of CRM in the manufacturing sector. On the basis of these findings suggestions have been made so as to improve the effectiveness of CRM in the manufacturing sector.