UNDERSTANDING CUSTOMER RELATIONSHIP MANAGEMENT WITH SPECIAL REFERENCE TO SUSEE ENGINEERING & AUTO MOBILES (P) LTD, TIRUNELVELI

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ABSTRACT

Customer relationship management (CRM) is a mixture of people, processes and technology that seeks to understand a company's customers. It is an integrated approach to managing relationships by focusing on customer retention and relationship development. CRM has evolved from advances in information technology and organizational changes in customer-centric processes. Companies that successfully implement CRM will harvest the rewards in customer loyalty and long run profitability. However, successful implementation is indefinable to many companies, mostly because they do not understand that CRM requires company-wide, cross-functional, customer-focused business process re-engineering. Although a large part of CRM is technology, viewing CRM as a technology-only solution is likely to fail. Managing a victorious CRM implementation requires an integrated and balanced approach to technology, process, and people

Keywords: Customer relations, Business process re-engineering, Relationship marketing

1. INTRODUCTION

The biggest management challenge in the new millennium of liberalization and globalization for a business is to serve and maintain good relationship with the king – *the customer*. In the past producers took their customers for granted, because at that time the customers were not demanding nor had alternative source of supply or suppliers. But today there is a radical transformation. The changing business environment is characterized by economic liberalization, increasing competition, high consumer choice, demanding customer, more emphasis on quality and value of purchase etc.

All these changes have made today's producer shift from traditional marketing to modern marketing. Modern marketing calls for more than developing a product, pricing it, promoting it and making it accessible to target customer. It demands building trust, a binding force and value added relationship with the customers.

The process of developing a cooperative and collaborative relationship between the buyer and seller is called customer relationship management shortly called CRM. According to Ashoka dutt head of Citi Bank "the idea of CRM is to know the individual customer intimately, so that the company has a customized product ready for him even before he asks for it."

2. AIMS OF CRM

The CRM is a new technique in marketing where the marketer tries to develop long term relationship with the customers to develop them as life time customers. CRM aims to make the customer climb up the ladder of loyalty. The company first tries to determine who are likely prospects (i.e.) the people who have a strong potential interest in the product and ability to pay for it. The company hopes to convert many of its qualified prospect into first time

customers and then to convert those first time customers into repeat customers. Then the company tries to convert these repeat customers into clients – they are those people who buy only from the company in the relevant product categories. The next challenge for the company is to convert these client into advocates. Advocates are those clients who praise the company and encourage others to buy from it.

The ultimate challenge is to convert these advocates into partners where the customers and the clients work actively together to discover ways of getting mutual benefit. Thus in CRM the key performance figure is not just current market share but share of life time value by converting customers into partners.

In CRM the company tries to identify that small percentage (20%) of key account holders whose contribution to the company revenues is high (80%). So from this point of view, CRM is also known as KEY ACCOUNT MANAGEMENT.

2.1 Why – customer relationship management

- ❖ A satisfied customer in 10 years will bring 100 more customers to the company.
- ❖ It costs 7 time more to attract a new customer than to serve an old one.
- ❖ 20% of the company's loyal customers account for 80% of its revenues. (Pareto's principle).
- ❖ The chances of selling to an existing customer are 1 in 2, the chances of selling to a new customer are 1 in 16.
- ❖

2.2 Eight ways to keep customers for life

1. Every part of the company's marketing effort should be geared towards building lifetime relationships.
2. People want to do business with friendly people. To have effective relations a friendly attitude must permeate in the organization.
3. Information technology developments should be positively used to serve the customers.
4. The company should always be flexible to bend its rules and procedures in the client's favor.
5. The company should communicate with its customers even when it is not trying to sell something.
6. The company can communicate and develop stronger customer bonding by providing financial and social benefits.
7. The company should try to know all its customers including their lifestyles, hobbies, likes and dislikes etc.
8. The company should make it a point to deliver more than what is promised.

2.3 Objectives

The following are the objectives for this study
1. To study the current CRM practices in Susee Motors.
2. To find out the impact of CRM on the profitability of the organization.
3. To study the factors affecting the CRM practices.
4. To study the role of information technology in CRM.

2.4 Limitations

1. The study confine to Susee Engineering & Auto Mobiles (P) Ltd, Tirunelveli only.
2. The result of the study may not be applicable to all other company.
3. Inadequate disclosure of information from the respondents is also the problem.
4.

3. REVIEW OF LITERATURE

Customer relationship management has been defined as "a business approach that integrates people, processes, and technology to maximise relationships with customers" Goldenberg (2008, p.3). Moreover, it has been stated that customer relationship management "characterises a management philosophy that is a complete orientation of the company toward existing and potential customer relationships" (Raab et al, 2008, p.6).

Mueller (2010) characterises customer relationship management aspect of the business as a highly dynamic, and convincingly argues that businesses have to adopt a proactive approach in devising relevant programs and initiatives in order to remain competitive in their industries.

Sinkovics and Ghauri (2009) relate the necessity for engaging in customer relationship management to high cost of direct sales, highly intensifying level of competition in the global level, and need for information about various

aspects of the business in general, and consumer behaviour in particular, that can be used to increase the levels of sales.

According to Peppers and Rogers (2011), there is global tendency in customer relationship management that relates to the shift from transactional model towards the relationship model. In other words, Peppers and Rogers (2011) argue that satisfying customer needs as a result of on-time transaction is not sufficient today in order to ensure the long-term growth of the businesses.

Instead, businesses have to strive to maintain long-term relationships with their customers in order to maintain flexibility to adopt their increasing expectations and thus achieving their life-long loyalty. Peppers and Rogers (2011) further stress that, businesses that refuses to acknowledge this tendency in the global marketplace would be risking their market share and growth prospects in the future.

4. RESERCH METHODOLOGY

A research project conducted significally has a specific frame work of research from the problem identification to the research reports. According to Kerlinger "Research design is the plan, questions and strategy on investigation conceived so as to obtain answers to research questions and to control variance". This study is descriptive in nature and the study was conducted in Susee Engineering and auto mobile Pvt Ltd, Tirunelveli. A well structured questionnaire has been used to collect the data from the respondents. For this study convenient sampling method was used and the sample size is 175. To analyse the collected data, percentage, Chi – square, correlation and Anova methods has been used with the support of SPSS software version 16.

5. RESEARCH FINDINGS

5.1 Demographic Characteristics of the Research Sample

In Table 1, the demographic characteristics of the research sample can be seen. The male ratio was 92.57% of the research sample and the female's ratio was 7.43 % of the sample.

TABLE 1
GENDER WISE CLASSIFICATION

GENDER	NO.OF.RESPONDENTS	PERCENTAGE (%)
Male	162	92.57
Female	13	7.43
Total	175	100.00

From the table 2, It reveals that more than 66.86 of the respondents were received the 0-2 years free services from the company.

TABLE 2
NUMBER OF YEAR'S SERVICES OFFERED BY SUSEE HYUNDAI

Number Of Years Services Offered By Susee Hyundai	No. of. Respondents	Percentage (%)
0-2 years	117	66.86
2-4 years	27	15.43
More than 4 years	31	17.71
Total	175	100.00

From the table 3, It shows that "Clean, comfortable waiting area" is the top ranked customer service factor with mean values of 3.67, "On time delivery" is the second ranked customer service factor with mean values of 3.49, "Friendliness and helpfulness of cashiers" is the third ranked customer service factor with mean values of 3.07, "Quality of work" is the fourth ranked customer service factor with mean values of 3.03, "Avoiding inconveniencing" is the fifth ranked customer service factor with mean values of 2.98 and "Having convenient hours for service" is the last ranked customer service factor with mean values of 2.94.

TABLE 3
Weighted Average for Factors Related With Customer Service

FACTORS RELATED WITH CUSTOMER SERVICE	SUM	MEAN	SD	RANK
Quality of work	531.00	3.03	0.74	4
Avoiding inconveniencing	521.00	2.98	0.65	5
Friendliness and helpfulness of cashiers	537.00	3.07	0.70	3
Having convenient hours for service	514.00	2.94	0.73	6
Clean, comfortable waiting area	642.00	3.67	0.75	1
On time delivery	611.00	3.49	0.86	2

From the table 4, It shows that quality of work is having positive and significant relation with avoiding inconveniencing, friendliness and helpfulness of cashiers, having convenient hours for service, clean, comfortable waiting area and on time delivery. Avoiding inconveniencing is having positive and significant relation with friendliness and helpfulness of cashiers, clean, comfortable waiting area and on time delivery. Friendliness and helpfulness of cashiers is having positive and significant relation with having convenient hours for service, clean, comfortable waiting area and on time delivery. Having convenient hours for service is having positive and significant relation with, clean, comfortable waiting area and on time delivery at 1 per cent significant level.

TABLE 4
CORRELATION BETWEEN FACTORS RELATED WITH CUSTOMER SERVICE

CORRELATION	1	2	3	4	5	6
Quality of work	1	.370**	.460**	.397**	.311**	.462**
Avoiding inconveniencing	.370**	1	.306**	.142	.244**	.298**
Friendliness and helpfulness of cashiers	.460**	.306**	1	.257**	.429**	.413**
Having convenient hours for service	.397**	.142	.257**	1	.141	.335**
Clean, comfortable waiting area	.311**	.244**	.429**	.141	1	.481**
On time delivery	.462**	.298**	.413**	.335**	.481**	1

** Significant at 1 per cent level

5.2 Chi Square Analysis between Opinions about Service Provided By the Dealer and Customer Recommendation to Others
Null hypothesis: There is no significant association between opinions about service provided by the dealer and customer recommendation to others

Opinions about service provided by the dealer		Recommended the dealership to a friend or relative			Chi-square	
		Definitely	Probably	Not sure		
Frequent communication from showroom	Yes	74	84	3	Chi-square	16.20
	No	3	8	3	Sig.	.000**
Services done at promised time	Yes	75	87	5	Chi-square	2.86
	No	2	5	1	Sig.	0.24
Vehicle fixed right the first time	Yes	52	43	1	Chi-square	20.10
	No	24	34	5	Sig.	.000**

Satisfied with the quality of services	Yes	77	87	2	Chi-square	50.75
	No	0	5	4	Sig.	.000**
Satisfied with service charges	Yes	70	68	2	Chi-square	16.02
	No	7	24	4	Sig.	.000**
Satisfied with certain attractive offers	Yes	43	25	1	Chi-square	15.77
	No	34	67	5	Sig.	.000**
Information on new services/ change in the services on time	Yes	70	76	4	Chi-square	4.20
	No	7	16	2	Sig.	0.12

** Significant at 1 per cent level

Since p value is less than 0.01 for dealer customer service factors like frequent communication from showroom, vehicle fixed right the first time, satisfied with the quality of services, satisfied with service charges and satisfied with certain attractive offers, hence null hypothesis is rejected and it concludes that there is a significant association between opinions about service provided by the dealer like frequent communication from showroom, vehicle fixed right the first time, satisfied with the quality of services, satisfied with service charges and satisfied with certain attractive offers and customer recommendation to others at 1 per cent level.

5.3 Chi Square Analysis between Opinions about Service Provided By the Dealer and Customer Retentions
Null hypothesis: There is no significant association between opinions about service provided by the dealer and customer retentions

Opinions about service provided by the dealer		Customer retention				Chi-square	
		Definitely	Probably	Not sure	Definitely not		
Frequent communication from showroom	Yes	51	102	8	0	Chi-square	11.737
	No	4	8	1	1	Sig.	.008*
Services done at promised time	Yes	53	105	8	1	Chi-square	1.041
	No	2	5	1	0	Sig.	0.791
Vehicle fixed right the first time	Yes	41	52	3	0	Chi-square	15.746
	No	12	46	4	1	Sig.	.015*
Satisfied with the quality of services	Yes	55	104	7	0	Chi-square	26.830
	No	0	6	2	1	Sig.	.000*
Satisfied with service charges	Yes	48	87	4	1	Chi-square	9.236
	No	7	23	5	0	Sig.	.026*
Satisfied with certain attractive offers	Yes	31	36	1	1	Chi-square	13.231
	No	24	74	8	0	Sig.	.004*
Information on new services/ change in the services on time	Yes	49	95	6	0	Chi-square	9.217
	No	6	15	3	1	Sig.	.027*

** Significant at 5 per cent level

Since p value is less than 0.05 for dealer customer service factors like frequent communication from showroom, vehicle fixed right the first time, satisfied with the quality of services, satisfied with service charges, satisfied with certain attractive offers and Information on new services/ change in the services on time, hence null hypothesis is rejected and it concludes that there is a significant association between opinions about service provided by the dealer like frequent communication from showroom, vehicle fixed right the first time, satisfied with the quality of services, satisfied with service charges, satisfied with certain attractive offers, Information on new services/ change in the services on time and customer retentions at 1 per cent level.

5.4 ANOVA between Gender and Overall Opinion about Service Satisfaction

Null hypothesis: There is no significant difference between gender and overall opinion about service satisfaction

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.638	1	1.638	7.296	.008**
Within Groups	38.842	173	.225		
Total	40.480	174			

** Significant at 1 per cent level

Since p value is less than 0.01 for overall customer satisfaction on services, hence null hypothesis is rejected and it concludes there is a significant difference between gender and overall opinion about service satisfaction.

ANOVA between Age and Overall Opinion about Service Satisfaction

Null hypothesis: There is no significant difference between age and overall opinion about service satisfaction

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.197	4	.549	2.439	.049*
Within Groups	38.283	170	.225		
Total	40.480	174			

* Significant at 5 per cent level

Since p value is less than 0.05 for overall customer satisfaction on services, hence null hypothesis is rejected and it concludes there is a significant difference between age and overall opinion about service satisfaction.

6. CONCLUSION AND RECOMMENDATIONS

From this study it concluded that the maximum number of respondents is satisfied with the services offered by the company. The company have a very good customer relationship with their existing customers and also they try to create the maximum customers with the support of the current customers. If the company provide more facilities like offers, scheme, maintaining smooth relationship, etc., they can attain good brand loyalty for their company and able to face the competition. In addition that the company may follow the shift system for providing the service to their customers, which may useful to their customer to choose the convenient time to get the services from the company.

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