

Managing Customer Relationship In Service Industry: An Empirical Study

Sridevi jhansi rani dodd

B.sc, B.ed and MBA Finance
DOI: 10.47750/pnr.2022.13.S07.788

Abstract

The goal of customer relationship management (CRM) aims to maximize customer satisfaction by establishing and maintaining relationships with current and future customers. Most businesses employ specialized software or organization resource planning (ERP) solutions for improved customer service. The primary goals of CRM are to enhance the services offered to customers, to retain consumers in a cutthroat market, and to use customer information for post-sale post-marketing with future referrals. CRM includes several organizational processes and philosophies that deal with customers. Business-to-business (B2B) and business-to-consumer (B2C) sectors are targeted by the technology-based business approach known as CRM. Businesses need to build positive relationships with their consumers in a highly competitive market. The investigation will evaluate several strategies and methods for creating effective CRM to satisfy consumers. Customer satisfaction is aided by a solid CRM (customer relationship management) strategy for a business.

KEYWORDS Marketing performance, Customer relationship program, Customer feedback, Decision Making

INTRODUCTION

Management of customer relationships is referred to as CRM. In reality, these systems serve as recommendations for identifying the wants and behaviors of customers to build stronger relationships with them. Building solid relationships with clients is the key to success in any organization. Customer relationship management (CRM) is a topic addressed by several technologies. However, it is erroneous to think of CRM as a collection of technologies. For a better understanding of CRM, we may think of it as a procedure that aids in the collection of various data relating to customers, sales, marketing activity effectiveness, speed of customer service, and market inclinations all in one.

(Hassan et al., 2015) Says There was a period in business when consumers' demands and wants had no value, and there was no market rivalry. In order to maintain and satisfy the customer throughout the business relationship, most firms now create a separate unit called customer relationship management. Organizations improve their CRM strategies over time in response to global client demand.

Adhikari. (2009). The finest corporate method for understanding client behavior, requirements, and wants is customer relationship management (CRM). A technological solution must be used with a superior business concept of CRM to help deal with customers successfully and efficiently. Successful CRM in firms depends mainly on the appropriate technology deployment over time. CRM is crucial for growing business and retaining current clients in the corporate sector. Customer relationship management is used by a company to sell goods and services domestically and internationally, as well as for after-sale support, future sales, online services, and other purposes. The customer relationship management process impacts customer loyalty to businesses. The deployment of CRM may be done in seven steps, including gathering data, storing it, accessing it, analyzing customer behavior, successful marketing, improving the customer experience, and evaluating CRM tactics (Meha., 2021).

Halasa. Et al. (2020) found that Customer relationship management is a management method that combines information systems and marketing (CRM). It first appeared in the United States in the 1990s, and since then, many firms worldwide have adopted it. On the other side, some people have negative opinions on CRM and assert that, among many other issues, its cost-benefit ratio is terrible and that it is challenging to install correctly. "Customer relationship management (CRM) is a widely acknowledged and utilized method for tracking and fostering a business's relationships with clients and sales prospects (CRM)." It entails using technology to organize, automate, and control business operations related to entrepreneurial success, marketing, customer service, and technical support. (Athanasoulis&Chountalas, 2017).

Literature Review

CRM is a business approach that aims to increase shareholder value by forging solid relationships with significant client and patient groups. CRM blends the potential of relational marketing techniques with IT [information technology] to create positive, enduring relationships with customers and other key stakeholders. CRM enables the use of information and data to understand customers better and establish enduring connections with them. Integrating business, marketing expertise, people, organizations, and technology is possible through knowledge, technology, and applications (Saarijärvi et al., 2013).

By focusing on both the creation of value for consumers and shareholders (by long-term company profitability), CRM concepts and tools assist firms in achieving their goals. These goals are compatible since relationships are market-based assets businesses continually invest in to remain competitive. Strong connections are linked to client loyalty and shifting costs, which raise obstacles to entry for rival businesses. As a result, connections offer a distinct advantage by improving the efficiency of resources allocated to consumers. For instance, devoted clients are more receptive to marketing initiatives and cross-selling (Zamil., 2011).

Customer relationship management (CRM) has gained popularity and is utilized widely, particularly with the advent of e-commerce. The company must comprehend the advantages to consumers and how it affects and applies to an enterprise. To support its entire organizational strategy, CRM needs a long-term plan, solid organizational commitment, and sufficient investment (Malthouse et al., 2013).

Storbacka et al. (1994). Found that managers' attention is more concentrated on luring in and keeping consumers because most organizations operate in a challenging and fiercely competitive market where consumer demand is continuously changing. This circumstance fits nicely with how Kotler defines marketing: "Meeting customer demands and desires more efficiently than any rival." Marketing represents the instruments needed to satisfy customers and has grown the fastest in recent years. Increasingly specific marketing strategies are needed since the market is divided into more diverse segments. These methods open up communication with smaller groups of customers and cater to almost all individual demands. This circumstance has led to a rise in direct marketing and the usage of customer relationship management, which, when paired with demographic and lifestyle changes, raised the cost of data processing and the cost of sales teams (CRM). The traditional marketing guidelines have been disregarded by inflation, technology, the growth of financial markets, and many other recent and turbulent occurrences. The market automatically felt the need to respond to the current economic situation without waiting for earlier legal modifications. Indeed, competition is the primary factor behind these developments and what drives them. However, not all firms view competition similarly (Habul&Pilav-Veli, 2012). The process gains velocity when it is supported by a number of other elements, including managerial foresight, market position, economic growth, and population welfare levels. Banks and other financial institutions now confront a number of issues, including increased customer demand, shrinking profit margins, worldwide competition for deposits, loans, and signature fees, and the requirement to stay up to date with technological innovations (Kumar. 2010).

CRM's process component is the most sensitive since using the wrong procedure is equivalent to working pointlessly. When a firm wants to make a change that will be effective, it first wants to understand how the current customer-facing business processes work. The process must then be revised or replaced by one that was created and/or authorised internally by the company. For instance, most companies that contact directly with customers during the process of making a purchase, making a payment, and using the company's goods and services will change or upgrade their business procedures. A customer-centric corporate strategy aims to increase revenue, foster customer loyalty, reduce costs for goods and services, and improve operations. To build up company

operations to serve customers in a way that really is unique based on their needs and beliefs, it is essential to fully comprehend all clients, both profitable and non-profitable(Ndubisi. 2005)

Companies are eager to get what is referred to as "feedback," which is information and feedback on the offered good or service. The system for the selling process must be completed in order for the firm to be content with only supplying services and items without also getting the customer's feedback. The businesses must grow and become aware of how well-liked and well-liked it is with customers. Direct customer interviews, paper or electronic service surveys, random contact with the customers who do business with the firm the most, or any of these methods can be used to get this information. This chapter of the study, which is divided into three parts, will discuss these procedures. The first part will cover customer relationship management, the second part will cover the concept of "customer satisfaction," and the third part will cover the quality of service as the cornerstone of customer satisfaction and the relationship that exists between the two (Bolumole et al., 2003).

CRM wasn't always the feature-rich software that so many businesses now rely on. Companies started employing databases to keep track of their current and future clients throughout the 1980s. Database marketing was the term for the activity, which involved developing surveys and running focus groups. This approach had a number of flaws; for example, survey data could not be processed and analysed well, therefore it could not provide useful information. Contacts management solution, which allowed for the preservation and organisation of client contact information, was first introduced to the corporate sector in the late 1980s. Although the initial versions were released in the 1980s, it wasn't until the 1990s that the idea really took off. The key cause was the rapid development of IT technology, which allowed early users of CRM to significantly enhance CRM software. The development of Sales Force Automation software was accelerated by inventors. SFA improved upon several characteristics of its forerunners to give businesses far more usable data (Chen & Popovich, 2003).

Customer relationship management emerged as a separate discipline when firms sought to use client data to manage their client relationships. Research progressively evolved under several topics, resulting in a disorganised collection of opinions, ideas, and discoveries. Along the process, CRM developed into a concept that is primarily focused on business. Customers' information was carefully used to further company goals. With the aid of enabling technology, businesses used customer data to entice new customers, retain existing ones, and enhance customer interactions. Businesses also exploited consumer data for cross-selling, categorization, and customised messaging.

There are several definitions of management of customer relationships that have been offered by academics, practitioners, or researchers from a variety of angles. The four pillars of customer relationship management are described as "a comprehensive strategy and method of acquiring, maintaining, and working with selective customers to produce greater value for the organisation and the customers" in the description provided by the authors. Although CRM has been characterised by marketers as "a complete and marketing approach that combines technology, process, and all company operations around the customer And from the customer centric standpoint." "The main competitive strategy you need to keep focused on the demands of your customers and to incorporate a client - facing approach throughout your business" is customer relationship management.

Objectives

1. To identify different strategies of managing Customer relations in service industry.
2. To ascertain how company can maintain positive CRM.

Methodology

The study is empirical in nature. Number of participants was 187. Structured questionnaire was used to collect data. To identify outcome of the Mean and t-test were applied. Sampling method was convenience sampling.

Outcome

Table 1 displays Respondent's gender, male respondents are 55.08%, and females are 44.92%. Looking at the Age, 25 to 28 years are 32.62%, 28 to 32 years are 30.48%, and more than 32 years are 36.90%. Regarding Service Industry, Banking is 27.27%, Hospitality/Tourism is 25.13, Insurance is 17.64%, and others are 29.96%. With

regards to departments, marketing department is 19.79%, sale department is 22.99%, customer care department is 33.69%, and others are 23.53%.

Table1. Respondent’s Demographic Details

Variable	Number of respondents	Percentage %
Gender		
Male	103	55.08%
Female	84	44.92%
Total	187	100 %
Age		
25 to 28 years	61	32.62%
28 to 32 years	57	30.48%
More than 32years	69	36.90%
Total	187	100 %
Service Industry		
Banking	51	27.27%
Hospitality / Tourism	47	25.13%
Insurance	33	17.64%
Others	56	29.96%
Total	187	100 %
Departments		
Marketing department	37	19.79%
Sales department	43	22.99%
Customer care department	63	33.69%
Others	44	23.53%
Total	187	100 %

Table2. Maintaining effective and positive Customer Relationship Management

Sr. No.	Survey Statement	Mean Value	T-Value	Sig.
1.	Staying in touch with your customers helps in managing CRM in effective way	4.27	17.672	0.000
2.	Effective Customer Relation also involving seeking feedback from your customer with regards to the services provided or offered to them	4.21	16.944	0.000
3.	Development of partnership between the firm and customers maintain good CRM	4.23	17.498	0.000
4.	Companies must promise only that which they can deliver to their customer to avoid any misunderstanding or loosing trust of their customers	4.01	14.079	0.000
5.	Good CRM includes understanding the expectations of customer, and making customers understand what the company can provide	4.29	18.277	0.000
6.	Company must be responsive to the queries, complaints, and any suggestions of customers to main CRM	4.00	13.929	0.000
7.	Give rewards to loyal customers for their continued support. Provide unique offers and special attention	4.03	14.483	0.000
8.	To maintain effective CRM say “Thank You” to your customers in different ways through letters, gifts, emails, social media, etc.	3.13	1.836	0.034
9.	Acting consistently on promised offers and services by companies develop trust among customers	3.17	2.372	0.009
10.	Love your customers and don’t forget to wish them on their birthdays, anniversaries to maintain positive CRM	4.10	15.617	0.000

Table 2 shows mean values of the “Maintaining effective and positive Customer Relationship Management” the first statements of T-test is about keeping in touch with customers “Staying in touch with your customers helps in managing CRM in effective way” with the mean score of 4.27, next statement is about seeking regular feedback “Effective Customer Relation also involving seeking feedback from your customer with regards to the services provided or offered to them” it has scored the mean value of 4.21, third statement is about developing partnership “Development of partnership between the firm and customers maintain good CRM” with the mean value of 4.23. Fourth statement is about promises “Companies must promise only that which they can deliver to their customer to avoid any misunderstanding or loosing trust of their customers” having the mean value of 4.01, next statement is regarding understanding expectations “Good CRM includes understanding the expectations of customer, and making customers understand what the company can provide” mean value is 4.29. Sixth statement is being responsive “Company must be responsive to the queries, complaints, and any suggestions of customers to main CRM” the mean is 4.00, next statement is about giving rewards “Give rewards to loyal customers for their continued support. Provide unique offers and special attention” scored the mean value of 4.03, next statement is about saying thank you, “To maintain effective CRM say “Thank You” to your customers in different ways through letters, gifts, emails, social media, etc.” having the mean score of 3.13, next statement is “Acting consistently on promised offers and services by companies develop trust among customers” scored mean value of 3.17. Last statement is about loving customers “Love your customers and don’t forget to wish them on their birthdays, anniversaries to maintain positive CRM” the mean value is 4.10. T-value of each statement of the survey in the context of Maintaining effective and positive Customer Relationship Management are significant because t-value of statements are positively significant as the value is less than 0.05.

Conclusion:

The study's findings suggest that the sector is using CRM appropriately. The company employs a variety of relationship management strategies, including supplying high-quality products, routine client communication, and personalising products. CRM has an impact on how lucrative the company is. Consumer attitude to marketing campaigns is also increasing. Workplace culture, top-level management's support, and the departments' cooperation and synchronisation with one another all have an impact on customer relationship management. The promise of technology is not being fully realised. The company makes use of traditional CRM methods like in-person interviews and econometric analysis. Modern tools like e-CRM, data mining, contact centres, and web-based survey tools should be utilised by the company. Customers will be happier and more devoted to a firm if its CRM is reliable and strong. Increased customer satisfaction will encourage customers to use the company's products again, which will increase sales and increase organisational profit. Mean and T test is applied to find the result of study.

References

1. Hassan, R. S., Nawaz, A., Lashari, M. N., & Zafar, F. (2015). Effect of customer relationship management on customer satisfaction. *Procedia Economics and Finance*, 2(3), 563–567.
2. Adhikari, B. (2009). *Managing Customer Relationships in Service Organizations*. 21(2).
3. Meha, A. (2021). *Customer Relationship Management*. 22(183).
4. Halasa, A., Alradaideh, A. T., Zaqaibeh, B. M., Alshanty, A., Taha, O., Alhindawi, K. T. (2020). Impact of Customer Relationships Management on Customer Services: Customer Satisfaction as Mediating. 29(7).
5. Athanasoulis, G., & Chountalas, P. (2017). Managing customer relationships: A comprehensive literature review and future directions. *International Journal of Decision Sciences, Risk and Management*, 7(1/2).
6. Saarijärvi, H., Karjaluo, H., & Kuusela, H. (2013). Customer relationship management: The evolving role of Customer Data. *Marketing Intelligence & Planning*, 31(6), 584–600.
7. **Zamil, A. M., (2011)**. Customer Relationship Management: A Strategy to Sustain the Organization's Name and Products in the Customers' Minds. 22(3).
8. Malthouse, E. C., Haenlein, M., Skiera, B., Wege, E., & Zhang, M. (2013). Managing customer relationships in the social media era: Introducing the social CRM House. *Journal of Interactive Marketing*, 27(4), 270–280.
9. Storbacka, K., Strandvik, T., & Grönroos, C. (1994). Managing customer relationships for profit: The dynamics of Relationship Quality. *International Journal of Service Industry Management*, 5(5), 21–38.
10. Habul, A., & Pilav-Veli, A. (2012). Customer relationship management and business intelligence. *Advances in Customer Relationship Management*. 6(1).
11. Kumar, V. (2010). Customer relationship management. *Wiley International Encyclopedia of Marketing*. 7(1)
12. Ndubisi, N. O., (2005). Managing customer relationship quality in the service sector. 11(3).
13. Chen, I. J., & Popovich, K. (2003). Understanding customer relationship management (CRM). *Business Process Management Journal*, 9(5), 672–688.
14. Bolumole, Y. A., Knemeyer, A. M., & Lambert, D. M. (2003). The Customer Service Management Process. *The International Journal of Logistics Management*, 14(2), 15–31.