



## **A STUDY ON ESSENTIALITIES OF CRM AS A DAY 2 DAY MARKETING TECHNIQUE WITH RESPECT TO NAGPUR CITY**

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### **ABSTRACT**

*The knowledge is considered to be gold which is highlighted with the statement is old but definitely gold. One cannot emphasize enough the importance of CRM (Customer Relationship Management) in the modern scenario. The competition has been ever growing and it makes more sense to continue or even better your CRM activities with more vigor. When every other person in the market is vying for customers pocket share it makes high sense to go for piece of heart rather than piece of wallet. With changing times though the methods of CRM have changed, the focus still is with the customers. A customer's value is not judged by present transaction but a concept called CLV(Customer Lifetime Value). It is highly important for each company to hold onto each individual customer more tightly with wider offerings, better service, personal touch, individual attention, etc. the paper emphasizes on when everyone is running after deep pockets of the customer why it makes more sense to run after the heart. Though the study might be limited to Nagpur city it can be a mirror image of all the tier two cities across India.*

**Keywords:** Customer retention, CLV.

### **INTRODUCTION:**

The **Customer Relationship Management Research Centers'** official definition of CRM is "a strategy used to learn more about the customers need and behavior in order to develop stronger relationships with them."

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According to **Philip Kotler** and **Gray Armstrong** (2011), 'CRM is concerned with managing detailed information about individual customers and all customer "touch points" to maximise customer loyalty.' The customer touch points are defined as anything and any occasion that customer approaches the brand or product.

According to **Couldwell** (1998), 'CRM is a combination of business process and technology that seeks to understand company's customers from perspective of who they are, what they do and what they are like.'

## **REVIEW OF LITERATURE:**

### **EVOLUTION OF CRM:**

The idea behind Customer Relationship Management is not new; even the earliest merchants knew it was a good idea to build relationships with customers to keep them coming back (Jobber, 2004).

In the early stages of commerce this was a much easier thing to do, the old mom-and-pop stores are a good example of this, staff knew exactly who each customer were, and sales people knew what customers preferred and also who could pay and who usually paid on time. However, when firms grew, information about individual customers became lost among the masses. To deal with the ever expanding customer bases, customer groups or segmented marketing was created, where customers are put in slots that best fit their desires. Using these slots or groups of customers most requirements and expectations could be met, but there is compromise on many desires as the services are tailored to groups, not individuals (Bose. 2002).

To deal with this problem the term Relationship Management started surfacing around 1980. The idea was to work more with direct customer relationships. Firms realized that this let them learn more about and better tailor to their customers as well as create additional value for both their customers and themselves. Relationship Management is a group of methodologies and terms that describes how corporations should strive for: long term relations, work with quality goods and strive for good customer service. (Levitt, 1983)

After the introduction by Levitt in 1983 Relationship Management was rapidly accepted among marketers. The popularity however soon fell as it was found that the information needed to work

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with R.M. was mostly missing as corporations were still much aimed at product and segmented marketing (Peelen, 2005).

Interest was however rekindled during the 1990s when organisations realised that customer relations were something that had to be given a more holistic view. It was found that customers do not solely interact with

the marketing department, but instead all parts of the organisation. In both B2C and B2B the entire organisation needed to be aimed at pleasing customers, not just marketing. Many organisations that had previously been built around factories tried refocusing their attention on customers, aiming more on finding the right customers and creating relations in which both parties profited.

Today many definitions of CRM exist. According to the Gartner Group, one of the biggest consultant firms in the CRM market, the definition of CRM is:

Customers are now more than ever demanding a different relationship with their suppliers, managing a close relationship has become a central aspect in delivering the business goals (Xu, Yen et al, 2002). With the increase in technology available to customers today the world has become a much smaller marketplace and the relationship an even more important selling aspect (Strategic Direction, 2002).

A company's product can quickly be compared to another, and many companies are offering very similar products or services to each other. With this in mind the service, quality and relationship experience becomes one of the greatest competitive aspects for a business's survival. Companies are also realising they can more easily lock in customers by understanding their needs and competing with exceeded expectations, something which CRM systems can help organise (H. Kale, 2004).

### **Objectives of the study**

- To study whether loyalty cards/payback cards create a long term impact/ effect and can they be used as part of CRM
- To study whether employees have same opinion on CRM services of the company.

## Research Methodology

The study was conducted and responses were gathered from 100 employees at different outlets of Future Group in Nagpur city of Maharashtra State. Samples are drawn on convenience sampling technique/ method. The data for the study are drawn sample respondents through questionnaires and schedules. Collected information from the sample respondents on the research topic is classified, tabulated & graphed and analyzed in a systematic manner. While analyzing data simple percentages and ratios are used, and for clear understanding charts like simple bar charts and column charts are used. The present study is empirical analytical in nature. The necessary and relevant information has been collected from sample respondents through questionnaires.

## Data analysis & interpretation

Questions asked to the employees at future group

- 1) Do you feel expense on payback cards, loyalty cards is futile & does not have any long term benefit or won't create positive impact?

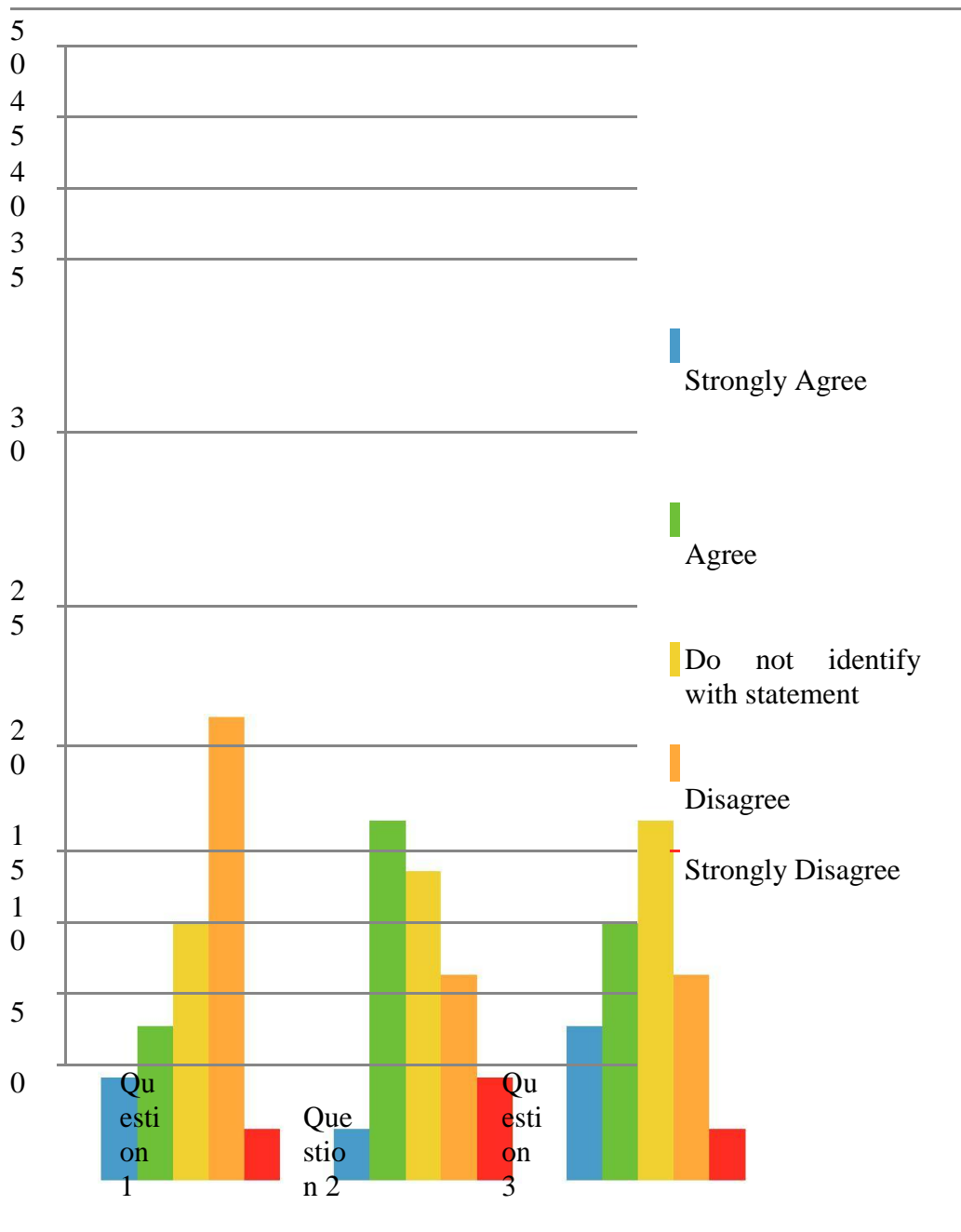
Strongly agree	Agree	Do not identify with this statement	Disagree	Strongly Disagree
10%	15%	25%	45%	5%

- 2) Regular conveying of offers is highly important for repeat purchase.

Strongly agree	Agree	Do not identify with this statement	Disagree	Strongly Disagree
5%	35%	30%	20%	10%

3) Brand loyalty can be increased by regular messages reminders wishes or specially designed occasional offers.

Strongly agree	Agree	Do not identify with this statement	Disagree	Strongly Disagree
15%	25%	35%	20%	5%



### Interpretation

Question 1) While many of the employees agreed to the statement that CRM is one of the most essential part to retain a customer it was observed that with changing times expense on payback cards and loyalty cards was seen as a futile exercise by a significant chunk of respondent. Majority of the respondents stuck to the notion that payback and loyalty cards improves re-purchasing chances and improves chances of CLV.

During the interaction many of them conveyed that even though people are reluctant to go for payback and loyalty cards many of them were enthusiastic after conveying of offers.

Question 2) Most of the respondents felt that regular conveying of offers has a positive impact on sales of the company and helps to generate more revenue due to updated knowledge. A large chunk of respondents were undecided and conveyed that though there was an observable difference before and after reminders it could not be pointed out very easily.

Question 3) India being the country of festivals and celebrations people enjoy the attention they get on the occasion of festivals birthdays and anniversaries. Majority of the respondents felt that it made huge business sense to wish customers on such occasions which resulted into more and better loyalty.

4) Do You Agree with the statement that it is easier to retain an old customer rather than obtaining a newer one

Strongly agree	Agree	Can't say	Disagree	Strongly Disagree
30%	25%	25%	15%	5%

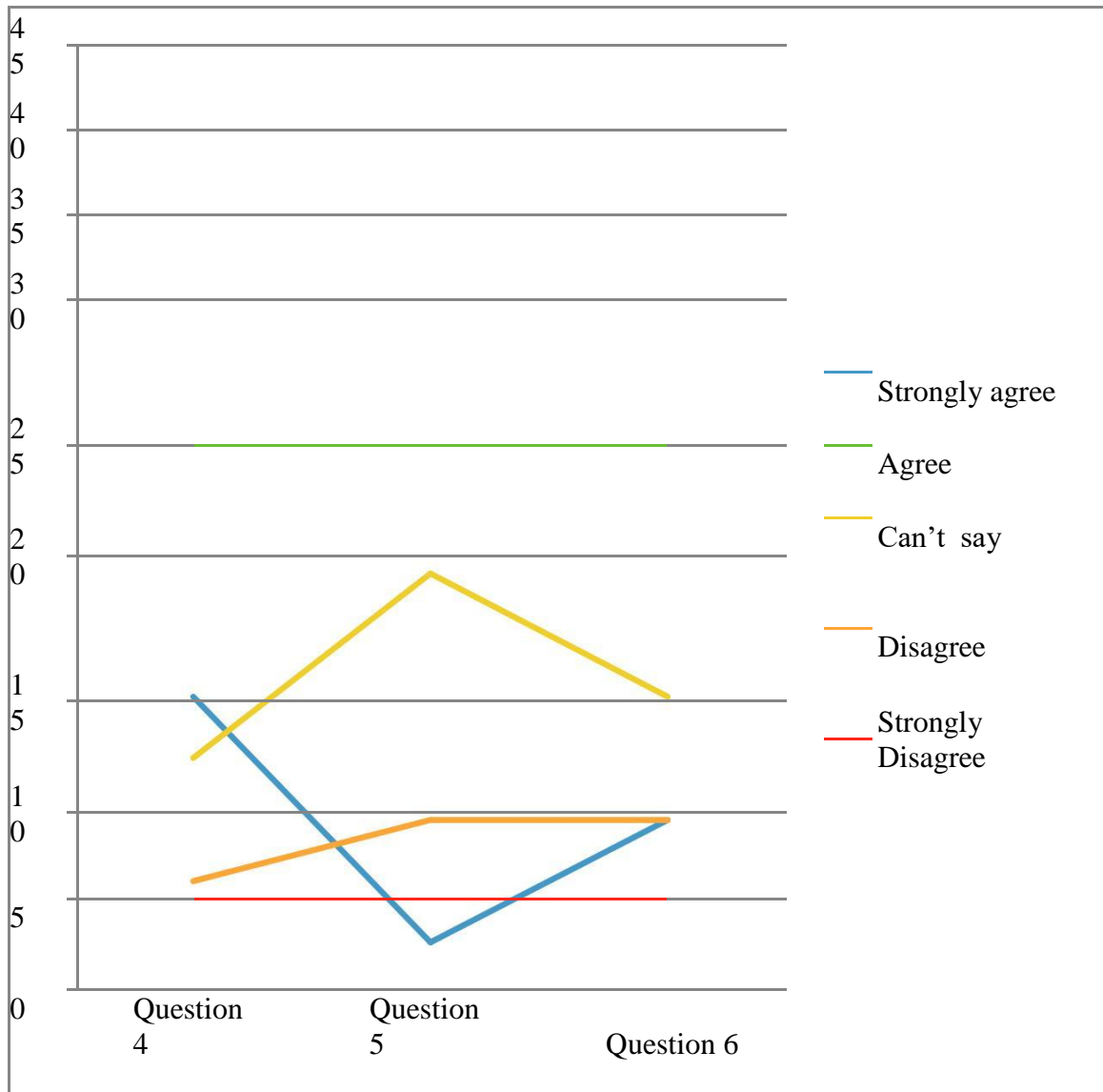
5) With more information & better knowledge available, chances of impulsive buying has diminished over a period of time

Strongly agree	Agree	Can't say	Disagree	Strongly Disagree
100%	25%	40%	20%	5%

6) With more competing brands/ local vendors maintaining customer loyalty is almost impossible

Strongly agree	Agree	Can't say	Disagree	Strongly Disagree
20%	25%	30%	20%	5%





**Interpretation**

Question 4) It can very easily be seen that formal theoretical concept CRM of paying the equal importance to the old customer as much that of new customers pays long term dividends and large no of respondents felt that old is gold and hence retaining old customers makes a lot of sense. During the conversation some respondents even said that positive word of mouth was the best form of advertising to bring in new customers.

Question 5) Respondents felt that with more awareness and options and online shopping though the phenomena of impulsive buying has gone down, still women consumer were more impulsive

buyer than men consumer. Though the exact percentage or the quantity could not be stated The online websites has made people more demanding regarding offers but the overall buying experience hasn't changed much.

Question 6) As it is company considers customers loyalty as a key to long term success employees felt that generating customer loyalty was getting difficult availability of options, online offers, local vendors and diminishing line between different brands.

## **Conclusion**

From the survey it can be easily deduced that with advent & availability of more information CRM has become more critical. Companies have developed several newer forms of CRM & has used database marketing for wider reach. Payback & loyalty cards act just as a reminder & nothing more. Neither does it guarantees long term association nor does it makes customer brand loyal, but it is one of the ways by which a company may try to improve upon repeat purchase & chances. Many employees also opined that due to continuous increasing competition loyalty cards are no more considered USP and hence need innovation to hold onto the customer even more. So the study can safely claim that for retaining the customers for future it is important to formulize the strategies keeping the dynamic nature in mind.

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