

## **Study of Role of Information Technology in Development of Customer Relationship Management in Selected Service Organizations in Ahmednagar City.**

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### **ABSTRACT**

Customer Relationship Management (CRM) is really an effective tool in the control of various organizations to develop and maintain relations with customers. It is very well said that it is twenty times costlier to attract a new customer than to retain the present one. So, here is a role of CRM to develop brand loyalty, to retain the customer for a very long duration and also which result in Profit. This paper will highlight four basic tasks of CRM, and then it will study different selected service organizations viz. banks, hotels, retailing, and newspaper to get insight into relationship of IT and CRM in these organizations. This study is being carried out in Ahmednagar city. This paper will also identify the areas where these organizations are lagging behind and what is the potential for development of use of IT in CRM.

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**Key words:** Brand loyalty, CRM, Development potential, Effective tool, Role of IT.

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### **Introduction**

Customer Relationship Management (CRM), a well defined business strategy, is a fusion of series of functions, skills, processes and technologies which together allows companies to more profitably manage (acquire and retain) customers as tangible assets (Saxena:2008).

CRM is to maintain and develop profitable relationship with its customers and other stakeholders and also which will offer value to customers and others (Kotler: 2011).

Traditional Marketing was episodic or one transaction marketing having short time horizon. In that marketing emphasis on getting sale and profit. On the other hand CRM is long term and continuous marketing activities and where aim is to give customer value.

Competitive environment makes it difficult to attract new customer. The reason is –to break brand loyalty of customers from other brands to our brand is difficult and costly.

So, Customer Relationship Management is very important.

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CRM is considered as one of the largest grouping of IT concepts as on date. It has the concept of shifting the ownership of the customer up to the enterprise level and away from individual departments. This department has the responsibility for customer interactions, but the enterprise has the responsibility for the customer. In order to achieve CRM, the enterprise brings automation to each customer touch point in the areas of sales automation, the Internet, point of sale and call centers (Javadekar: 2002).

CRM cannot occur until an enterprise is examined for its internal process. Following are the points for consideration:

How to move a prospect to a customer?

How to handle the channels?

How to move a customer over time?

How to satisfy the unhappy customer?

Successful CRM practitioners keep updating in five areas viz, strategies, technology, skills, tactics and processes (Murthy CSV: 2002)

#### *Components of CRM*

Telemarketing, telesales, call centre, Personalization, e-commerce, e-service, e-mail marketing systems, sales force automation, e-mail response management system, campaign management system, field service (Saxena:2008)

#### *Need for Electronic CRM*

The need for e-CRM is dictated primarily by new global, electronic economy. The solution of e-CRM provides a simple and well-comprehensive view of customer for the enterprises and conversely, a single view of the enterprises for customer (Javadekar:2002).

CRM aims at satisfying customers much more effectively than competitors. So they develop customer-centric process. , select and implement technology solutions, empower employees, build customer information, develop information system to get updated information.

E-CRM has applications in Banking and Finance, Hospitality, Telecom, Retailing, Transport, and Govt. Organizations (Javadekar: 2002).

### **Objectives of the Study**

1. To study role of Information technology in development of Customer Relationship Management in selected service organizations in Ahmednagar city.
2. To find out the loopholes and drawbacks in CRM practice in Ahmednagar city.
3. To suggest remedies to overcome the problems.

### **Review of Literature**

1. Gautam Ray (2005) has shown development in the resource based view, which describes the kind of IT resource and capability that are likely to enable the process in one firm to outperform the same process in the other firm.
2. Ronald S. Swith (2005) has pointed out that the creation of knowledge bases, sometimes called warehouse or information structure, provide profitable opportunity for business managers to defend and analyze their customer behavior to develop and better manage short term and long term relationship.
3. In IBM System Journal (vol: 4-2005) it was very well shown that how Customer Relationship Management has resulted into benefits for rental car business.
4. Jay Kandampully (2007) has pointed out that Facts underlying role of customer knowledge and networking are examined as independent techniques facilitating the maintenance of network of relationship rendering firms capability “amorphous in nature. It enable firm to focus its entire energy on behavior of consumer. True resource and ultimate goal is to create innovation.

### **Research Methodology**

#### 1. Primary Data Collection Method:

Date collection tools - Interview (open ended and informal)

Observation

#### 2. Secondary Data Collection Method:

Data Collection tools – Books, Magazines, Web sites

Sample size 50

Sample respondents selected from banks, retail shops, and hotels

Respondents are from marketing department particularly who are having interface with customers.

### Qualitative Analysis:

#### Data Analysis and Interpretation

- i) CRM in banks – Banks, both nationalized and private are studied to find out use of e CRM in banks. Following are the findings.
  - a) Banks are giving concessional interest rate to those regular customers, of course corporate customers. Banks have database related to their overall performance and their previous record of capacity to repay loan. Data contains following ;
    - Number of years of operation
    - Turnover (Sales)
    - Transactions
    - Previous Track record
    - Plans for future
  - b) Banks are giving lot of services viz. cash deposit and cash withdraw at door step (HDFC Bank) , all the transactions are taking place on net through various schemes.(nationalized banks)so there is easiness in the operations and result in comfort in life .

#### *CRM in Hotels*

Hotels are maintaining customers database and for those who are giving regular and more business are given following facilities

- i) Offering them free of charge stay, complementary food in new Hotel.
- ii) Reserving a specific floor, and deputing specific sales persons for particular customers.
- iii) Giving patronage rewards in the form of incentives and discount
- iv) Sharing valuable information, giving intimation for food festivals in advance etc.

#### *CRM in Newspaper Industry*

Newspaper organizations are maintaining CRM with its main partner's i.e. Advertisers. Those who are giving regularly advertisements and i.e exceeding certain level of amount are given different benefits e.g. Giving passes of grant festivals, giving concessional rates of advertisement.

#### *CRM in Retailing Industry*

Retailing houses like Big Bazar are ahead in e-CRM e.g. they have offered a card to customers and on that i.e. on [purchase price Rs. 30/] customers get lot of benefits like free mobile vouchers, discounts on various articles and products.

## Conclusion

CRM is taking place at four levels viz.

Reactive (just responding to complaints)

Accountable level (by periodically making Phone calls to customers to find out problems)

Pro active level (by projecting future requirements of customers and giving sufficient for them in advance)

Partnership level of CRM means marketer should maintain relation with customers like a partner and work continuously with customers for their long term benefits. Every organization should achieve this level as customers in their life which is full of uncertainties, information overload, so many dilemmas of balancing priorities. This is particularly true in a country where 67 crore people earn less than Rs. 20 per day (as per Dr. Sengupta Committee report, a committee appointed for study of unorganized labour, which are 88% of total labour force).

On one hand world is looking for India as an attractive market for their products. But how Indians particularly bharatiya who live in more than 6 lakh villages in this country and many of them are having crunch of resources and lack of funds. So they are looking for such a firm, company who will shape their life, they want that partner who not only sale and take money but understand, guide, nurture, transform life of customers. Partnership in real spirit is the need of customers and organizations who have imbibed that spirit in their blood, and they practice it as natural as their breathing is required. So suggestion is that a separate audit is to be made compulsory which will clearly critically assess how much 'real relationship marketing they have performed with the technology'.

This Research has not shown much sign of this fourth level i.e. highest level of CRM. Companies are having CRM but not very much in the real spirit of true objective of CRM. So following suggestions are made for all the concerned organizations.

- a) Relations are to be taken in its real spirit. Relation means real bond just like what we have in family. Family bond cannot be broken just like that.
- b) Family relations are intact unless something very much adverse affects them. So CRM in marketing is expected to do the same.
- c) Customers in 21<sup>st</sup> Century are really a need of CRM. This expected CRM should cover not only to maintain relations with key stake holders but it has to do something more

- d) Relations teach person, it develop person, it nurture person, it educate a person, it helps in following good habits. It is the role which family relations play. Is e CRM in business organizations really playing that role?
- e) So, it is suggested that business organizations should expand the horizon of CRM (e CRM) to serve the humanity, human relations and not only customer relations. It is important that with the help of IT companies can acquire lot of information related to those unfortunate and illiterate customers (in the context of Market knowledge) , those who are not knowing the right life style , right products , which are the products contents which are harmful how person should purchase etc. So marketer can develop such a relationship like a family where all the present (and potential customers also) would like to come again and again to get the fruits of strong relationship , knowledge , information , skills, attitude etc.

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