

CRM in Manufacturing Industry as Well as in Service Sector: A Review of Literature

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ABSTRACT

It's a high time to survive in the business in the long run particularly in manufacturing as well as in service sector. Globalization and volatile competition have given rise to a strong challenge to sustain current customers and gain new customers both in manufacturing and in service sector. Gone are the days when the focus was only on 4Ps and 7Ps or marketing mix in manufacturing and service sector. Today, in the market businessman has to strive hard not only in giving the best products and services but also in maintaining better relations with the customers by applying many strategies. Not only B to C but also B to B, G to C, B to E and B to D, all require a strong, healthy and positive relations to be maintained for the benefit of both the parties. So, CRM is the best methodology adopted by the parties to sustain in long run in manufacturing and in service sector. CRM is aimed at building strong long term relationships that keep customers coming back repeatedly and also attract new customers with different behavioral patterns.

The purpose of this paper is to focus on understanding the basic concept of CRM in manufacturing as well as service sector and to study the different dimensions of CRM with the help of review of literature. The purpose of this paper is also to understand how the CRM strategies are implemented in both the sectors effectively. This paper also concentrates on problems faced in applying CRM in both the sectors. The conclusion of this paper is totally based on review of some qualitative research articles written in this field of CRM.

Keywords: CRM, Manufacturing Sector, Service Sector, CRM strategies.

INTRODUCTION:

CRM comprises all the activities and processes focused to help the organizations, understand the facts, make better communications with and give excellent products and services to the customers as per their needs, wants and demands. An important base for CRM is nothing but successful engagements of customers with appropriate data base. Therefore successful businessmen always focus on 'meaningful and value oriented relationships' with customers.

CRM majorly makes a business to know who their important customers are to be targeted, what are the various ways they would like to interact and communicate with the companies, how profitable and useful the relations are and what would be the future value of those customers in the market. So, this is the way how it helps the organizations, make important decisions about how to run the business particularly in both manufacturing and in service sector. Many decisions, like which new products or what better services they would develop and which marketing and sales distribution channels they would invest in, or take back are taken on the basis of study of CRM. Thus, CRM is all about gathering information regarding customers, analyzing and then interpreting which needs powerful database.

Today, CRM and its application are equally important in both manufacturing as well as service sector. The challenges which are faced by service giving businessmen, is to be much flexible and diversified enough to accept the present competition and give positive reactions to changes in the market and at the same time keeping an eye on costs and earn better profits and for the better future. It is essential to improve the ability to understand the needs and provide the customers, with the best professional products and services and support them all the time with value satisfaction. Manufacturing and service industries have seen drastic and significant changes in the last few years. Now this sector finely moved from being a sales and distribution centric to customer centric. Every now and then services are changing rapidly all because of fast and extreme innovation in business as well as rapid market growth. Thus, only way to survive is to maintain the customers for the longer time and attract new customers. Thus, CRM can help significantly to add value to their products and services to give higher satisfaction to the customers. It also helps companies to manage and maintain their customers with strong data base, satisfy their values and also provide opportunities to use the best products and services.

An attempt has been made to throw light on importance of CRM, customer value satisfaction, customer engagement, customer retention, customer empowerment, customer intelligence, customer loyalty strategies and IT application in CRM with the help of reviewing some qualitative research papers of CRM.

OBJECTIVES:

- To understand the basic concept and scope of CRM and to study the various dimensions of CRM with the help of review of literature.
- To study the use and implementation of CRM concept in different manufacturing as well as service areas with the help of review of literature.
- To study the overall necessity and benefits of CRM.
- To study strategies of CRM used in companies.
- To study the obstacles and problems faced in applying CRM.

RESEARCH METHODOLOGY:

- This study is totally based on secondary data and literature review methodology.
- Secondary data has been collected from various websites, journals, magazines, research articles, newspapers and reference books etc.
- Original work done by different researchers in CRM have been reviewed for concluding the importance of CRM

SCOPE OF THE STUDY:

- The study gives insights on various research works which have been carried by different researchers in the field of CRM in both the sectors.
- The study focuses on use and implementation CRM in different areas with help of pervious research work done in various fields.
- The study helps us to know need, benefits and application CRM.

SIGNIFICANCE OF THE STUDY:

- The research work might be useful to organizations those who are seeking customer satisfaction through CRM.
- The study might be useful to know importance of CRM in different business areas.
- The review of literature will help us to understand different dimensions of CRM along with its detail conceptual background.
- This study would be helpful to the industries to understand problems faced in applying CRM strategies.

LIMITATIONS:

- Research was limited to various management journals, websites, magazines, online journals to identify use and implementation of CRM along with its different dimensions and benefits.
- The research methodology is too theoretical and descriptive in nature.
- This study is predominantly focused on learners' experiences about CRM.
- The conclusion of this study is only based on selected research papers not all.

LITERATURE REVIEW:

Sami Alsmadi (February 2011) The author's objective of this study was to develop CRM model in the banking as well as financial sector in Jordan. Author has collected required data from selected 141 banks and financial institutions. The study found that Jordanian banks and financial institutions had a clear and transparent vision of using CRM strategies with specific programs and use it majorly for the communication purpose. On the other hand it has been found that their firms were not having sufficient database of marketing which is the basic requirement in CRM, nor did they work on customer intelligence. The study also revealed that at first instance there was little motivation and direction to apply CRM, measure CRM and also to improve CRM strategies in the banking work, which is the need of hour. So, it is clearly revealed that CRM concept was still in the introduction stage or in infancy stage in Jordanian banking and financial industry. The major reasons behind this would be lack of knowledge of future requirements in service industry, inadequate investment in customer service, little understanding of CRM in services, lack of motivation, insufficient marketing data base and poor measurement systems.

Dr. Sangeetha Natarajan (August 2013) has investigated evaluation of CRM & CMR (Customer managed relationship) with special reference to yarn marketing in the state of Tamilnadu. The author concentrated on problems of existing systems by focusing on gap between customer's expectations and actual services provided by the yarn dealers in Tamilnadu. Research analysis was made on pure SWOT analysis that is four crucial factors namely strengths of yarn dealers, weaknesses of yarn dealers, opportunities and threats of yarn dealers. Finally he gave some important suggestions to strengthen the existing scenario like customer value satisfaction, customer engagement, customer retention, customer enablement, customer empowerment, developing trust, exchange of information, feedback etc. to overcome the gaps successfully and to be a successful yarn distributor in the competitive environment. Researcher has successfully used the concept of "gap model" in her work.

Mayur Kumar .A. (March 2014) The purpose of this study was to identify different demographic factors like age, income, profession, education, family life cycle etc which would impact on CRM practices towards organized shopping malls in Bengaluru city. For this both primary and secondary data have been collected, edited, tabulated calculated analyzed and interrelated. A sample of 142 respondents from different malls had been studied by applying quota sampling method. The study found that services given in the malls, activities of shopping mall employees, data mining, mall presentations, customer loyalty programs, customer satisfaction, different CRM strategies applied, customer retention strategies and CRM measurement are quite affected by customer gender, age, education, culture, financial conditions, profession and attitude. It also has been found that different programs have to be applied for different demographic factors as behavior of consumer is much flexible and volatile. It concluded that various customer retention and loyalty strategies have to be used based on different demographic factors.

Yi-Chan Chung, Shiaw-Wen Tien, Chih-Hung Tsaiman and Lin-Lin Tang (2007) have studied the Customer Relationship Management Implementation in Taiwan's Machine Industry with prime objective to understand the implications along with its application. Authors pointed out the CRM implementation structure clearly and they thought that when the machine industry applies CRM, the senior managers should support this change. Authors also reported that the machine industry agrees with the four important perspectives namely marketing strategy management, IT application, customer value analysis and customer service management for strong customer bond. Thus, four key factors are essential for implementation of CRM.

Dhiraj Verma and Devendrasing Verma (April 2013). The purpose of this paper is to study the importance of CRM and its application in retail sector by having a case in Indore. The paper discusses about different CRM strategies adopted by retailers to survive in long run and to grab more market in Indore. The aim of the study was to find and identify impact of CRM on customer expectations and their demand in retail Industry. The researcher has thoroughly surveyed 45 retail outlets in Indore. Both primary as well as secondary data had been collected for the study. Researcher studied the impact of CRM in the retail outlets by collecting information regarding what customer information do they collect, different ways of collecting data, methods which bring back the customers, different strategies used to build good relations with customers, strategies adopted to maintain customer loyalty, ways to be in touch with customers, special schemes offered, various ways to retain customers, different software used to keep records etc. It has been found that the impact of CRM in retail outlet in Indore is so huge and the retailers who continuously strive to apply CRM have better business results than those who do not apply CRM in their business.

Mehrdad Alipour and Mohammad Hallaj Mohammadi (April 2011) have examined the effect of CRM on achieving competitive advantages of manufacturing tractors. Their main objective was to investigate the impact of CRM in order to gain the competitive advantage in manufactures of tractors. Researchers have used convenient

statistical methods to check the hypothesis set and testing of the same. Moreover, they have recommended that CRM and application of the same give results very positively to study the competitive advantages.

Dr.R.S.Ramesh and Prof. V. S. Chauhan (March -2104) have assessed the role played by customer relationship management in customer retention and new customer acquisition in especially Indian Heavy Industries. Their prime focus was on role of CRM in customer retention. In this regard little research has been done in general and heavy Indian industries. Finally, study revealed that manufacturing firms in Heavy industries are actively applying good customer relationship practices to retain their existing customers and extending the strategies to gain new customers. Also they are focusing on people, process, physical evidence, technology and customers for effective implementation of CRM.

Maher Mohammed (November -2103). In this paper author analyses the effect of CRM application in Telecom sector at large level. The role of CRM in Telecom sector is to provide better suit of software applications to help them to increase revenue, productivity and more customer value satisfaction resulting into more customers' retention. In this research it has been explored what different CRM strategies are used by Indian Telecom industry to face highest competition by comparing Airtel and Zain and how the market is expanded with the help of application of CRM . Researcher revealed that in telecom industry an operator loses 20 to 24 % of customers every year for the reason of customer finding better services all the time with better schemes. Customer education, value for money and also efforts made by the new entrants make them to switch other companies .This challenge has opened eyes of telecom operators and today most of the CRM strategies are practiced in telecom industries to retain in the market with expected profit and growth .In the comparison of Airtel and Zain it is found that Airtel is more ahead than Zain in applying CRM in its business giving better customer services. Zain equally practiced CRM but according to customer base and revenue Airtel is way ahead than Zain in understanding the market and in applying CRM strategies .Airtel performed well form customer base where as Zain provided better services only. Thus, researcher concluded that application of CRM in telecom industry in India proves to give better business results with better economic contributions.

Dr. Roshan Lal and Rajni Lamba (October 2011) have conducted study of CRM and its proper understanding and implementation in manufacturing industries in India. Researchers have analyzed the impact of CRM in manufacturing industries and qualitative and effective measures to implement CRM in manufacturing industry successfully. Finally, they have concluded that manufacturing industry agrees with importance of using CRM and also with four important perspectives of CRM and they also stated that many manufacturing firms do not understand importance of CRM which is actually the need of the hour. As many businessmen think that CRM needs high technology and lot of money to be implemented, it becomes little difficult for them to convince themselves the importance of CRM. Nevertheless, they also suggest that when the manufacturing company implements CRM there should be support of management people and senior managers.

CONCLUSION:

Author has reviewed nine qualitative research papers on CRM. Major of them are related with manufacturing sector and others are finely related with service sector. It is found that CRM as a marketing tool, strategy or methodology is equally important both in manufacturing as well as in service sector. Today's competitive market demands CRM as a strategy to be applied in business to earn better profits, to survive in the long run, to maintain goodwill and build brand, to maintain better relations with customers for the growth purpose and to give returns to the society. Not only applying CRM strategies in to business but also measuring the same by taking regular feedbacks is equally important for the further improvements of the business in manufacturing as well as in service sector. Today is the world of E-CRM, one more challenge in which has to be learned and adopted to survive in the market. The reviewed papers cover need and importance of CRM, effect of CRM on marketing mix, affect of CRM on customers' behavior, IT application in CRM, customer value satisfaction, customer service management, customer retention, empowerment of customers etc.

To conclude with it can be said that there is much scope of doing research, in problems faced in applying CRM in business, measuring CRM effectively, use of system in CRM, loyalty strategies of CRM to be prepared and applied and also use E-CRM as the market is turning into on line marketing. Businessmen today understand the importance of CRM and its applicability but lack in using it into the business properly. Everyone agrees with the fact that customer is the only king of the market and also that customers mind is the black box in which its difficult to know what is going on. Understanding the importance of these companies will have to strive hard to be in the race of E- Marketing and which requires focus on E-CRM.

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