

A Study on Customer Relationship Management Strategies (With Special Reference to Banking Service Providers, Mobile Service Providers and Hotel and Restaurant Service Providers)

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Abstract: The research paper is based on research conducted in the various public and private sector companies of Banking services, Mobile services and Hotel and Restaurant services. The cities undertaken for the main study were Mumbai, Delhi, Lucknow, Kanpur, Varanasi and Allahabad. The paper identifies the various strategies used by companies of the public and private sector in order to develop strong and cordial relationship with their customers. The success or failure of any company that offers services is closely related to the successful implementation of customer relationship management strategies. Today companies are thriving to retain the customers and therefore adopting different customer relationship strategies in order to develop a long term relationship with its customers. The paper is based on primary and secondary data. The paper has a practical implication both for the academicians and for the readers. The highlights of the paper can be used for further research purpose and provides knowledge base to the readers.

Keywords: Customer Relationship Management, CRM strategies

I. INTRODUCTION

Customer relationship management is a broad approach for creating, maintaining and expanding customer relationships. CRM is the business strategy that aims to understand, anticipate, manage and personalize the needs of an organization's current and potential customers. At the heart of a perfect strategy is the creation of mutual value for all parties involved in the business process. It is about creating a sustainable competitive advantage by being the best at understanding, communicating, and delivering and developing existing customer relationships in addition to creating and keeping new customers. So the concept of product life cycle is giving way to the concept of customer life cycle focusing on the development of products and services that anticipate the future need of the existing customers and creating additional services that extend existing customer relationships beyond transactions.

II. REVIEW OF LITERATURE

Adrian Payne and Pennie Frow (2005) discussed a conceptual framework for CRM that helps to broaden the understanding of CRM and its role in enhancing customer value. The authors explored the definition of CRM, and according to their research they identified the alternative perspectives of CRM. The authors also emphasized on the importance of the cross-functional CRM processes and process-oriented CRM as well as strategy development process for CRM. Regan (1963) defined services as "services represent either tangibles, yielding satisfaction directly (transport, housing) or intangibles, yielding satisfaction jointly when purchased either with commodities or other services "credit delivery". An attempt is made through this definition to give a distinctive focus for such services that are offered directly to the consumers as products. Galbreath and Rogers (1999) explain that CRM is about the management of technology, processes, information resources and people needed to create an environment that allows a business to take a 360-degree view of a customer. These definitions emphasize the importance of viewing CRM as a comprehensive set of strategies for managing those relationships with customers that relate to the overall process of marketing, sales, service, and support within the organization.

III. RESEARCH METHODOLOGY

The research paper is based on research conducted in the various public and private sector companies of Banking services, Mobile services and Hotel and Restaurant services. The cities undertaken for the main study were Mumbai, Delhi, Lucknow, Kanpur, Varanasi and Allahabad. The research is based on primary as

well as secondary data. A total 100 respondents (company representatives) from various private and public sector companies were taken as sample size to study the various strategies used by companies to develop and maintain profitable customer relationship management.

IV. RESULT AND DISCUSSION

The following results were obtained from the research:

1. Record of the Term of Association with the Customers

Both the public and private sector banks stated that they did not have any separate record of the term of association with the customers. They had this information only in the forms or applications that the customers fill up for any service. Regarding the mobile service providers only 20% of the private sector organizations had a record of the term of association with the customers and 14% of the public sector mobile service providers had a record of the term of association with the customers. Regarding the hotel and restaurant service providers, none of the sectors had a proper record of the term of association record about their customers.

2. Types of Services offered

The most frequently answered services by the banks were recorded.

Banks: Account opening, Negotiable Instrument transactions, ATM, Issue of securities and bonds, Mobile Banking, Online Banking, Telephone Banking, Loan, Credit card services, Capital raising services, Project financing, Risk management, Term loans, Advisory

Mobile Service Providers: Mobile calling, Entertainment Applications: Games, Video, Mp3 player, camera etc, Internet, Bluetooth and wireless, Mobile tracking, Storage, Business applications, After sales service, News/Information clients, Social Networking, Internal mobile utilities like profile managers, screensavers etc, Productivity guides like calculators, calendars etc

Hotel and restaurant services: Catering, Celebrations, Conference room, Take away/Home delivery- Take away offered only by restaurants and home delivery offered by only 32% of private sector hotels and restaurants, Stay

3. Tools used for informing Customer about Services for Better Relationship Creation

The public sector banks depended only on the main head office for any type of promotional activities regarding the services offered by them. They did not put any effort on their part to deliver any information to the concerned customers. All the private sector banking services surveyed on the other hand responded that they used their own sources also in order to spread service information to their customers. Among the hotel and restaurant services also the public sector used the sources that were designed by the administration but on the other hand the private sector hotel and restaurant services used own sources also in order to spread service information to their customers.

4. Charge High Price for Services Offered

The public sector banking services, mobile services and hotel and restaurant services stated that they would not increase the prices of their offers until and unless it is defined by the government or the government owners. On the other hand all the private sector banking services, mobile services and hotel and restaurant services stated that depending on the demand, nature of service and requirements they would increase the prices of their offers.

5. Feedback Regarding Customer Expectations

The organizational representatives were asked about whether they get feedback regarding the services that are expected by the customers who avail the services. The results showed that none of the public sector banking services, mobile services and hotel and restaurant services maintained a record of the customer's expectations. On the other hand out of the total private sectors surveyed, 22% of the private sector organizations took feedback from the customers regarding their future expectations.

6. Training to Company Representatives for Customer Relationship

The information was obtained for the research purpose regarding the training of the sales force or the company representatives who attend the customer at the counter. The aim was to analyze whether the training was effective with respect to the responses that the respondents gave in the survey taken from the respondents. The aim of the question was also to analyze the behavioral responses that the respondents stated that they found in the company representatives and they expected from the company representatives.

Public sector banking services, mobile services and hotel and restaurant services: The public sector banking service representatives stated that the procedure for training of the representatives was a structured form. According to the people surveyed, they stated that the company representatives were regularly sent on training to different places which were names as training centers. These training centers were situated at main cities and every year a group of people was sent for training purpose. The training included information on various services offered by the banks and about the operations. But little heed was paid to the behavioral aspects in the training centers of the public sector banking

services. The training provided to the representatives was not compulsory for all to attend every time. During the time the representative got recruited to the bank, then the representative had to undergo a training at the center, and after that it's not a compulsion on them to attend the training on a regular basis. All those who were interested to go on training, gave their recommendation or if the performance was not good then the senior might ask the representative to undergo the training.

The private sector was found to be more active with respect to the training services provided to the company representatives. The survey findings showed that among the private sector training procedure, the company representatives were sent for training on regular intervals on a compulsory basis. 63% private sector organizations surveyed stated that their training programmes were designed according to the requirements of the nature of service and it also included the training regarding the behavioral aspects also. In the private sector banking services 44% of the private sector banks stated that they trained their company representatives by providing them on the job as well as off the job training. The training included the operational aspects of the job as well as training regarding the interaction with the customers which included the training about how to talk with the customers, how to be presentable, how to handle customer complaints, how to be a patient listener, how to be professional at work, methods of good communication, how to respond to queries. Regarding the mobile service providers, 61% of the private sector mobile service representatives said that they sent the representatives under training which covered the previously mentioned aspects of training. 44% of the hotel and restaurant service representatives said that the representatives were trained regularly regarding the catering services and attending the visitor's services.

7. Customer Care Department

The survey findings showed that all the public and private sector banking service providers, mobile service providers and 27% of public sector hotels and restaurant service providers and 40% of the private sector hotels and restaurant service providers had a customer care department whether at the service center or online.

8. Procedure of Complaint Making /Handling

All the public sector banking service representatives responded that a structured procedure was to be followed by the public sector banking customers regarding any type of complaints. The customers could either put an e-mail at the customer care e-mail address or fill up a complaint form online. Apart from that the public sector required the customer to write an application to the concerned manager of the bank and then the application would be sent to the main head office or addressed by the manager himself. In any of the cases, the application would then be addressed after going through a proper procedure. The customer was not required to address the problem verbally to the concerned person with whom the problem was faced. Regarding the private sector banks surveyed, all 100% private sector banking service provider representative's stated that if any customer had any complaint it was addressed on the spot by the concerned person with whom the problem occurred. The private sector banking service providers did not need an application to be written until and unless any details were required which need to be put in words and the aim was to address the customer complaints on the spot as much as possible. If the representative with whom the customer had complaint with was not able to solve the complaint then alternative representatives were allotted to deal with the matter and in extreme cases the customer could meet the manager also. The private sector banking services also had customer complaint section online where the response was made within 24 hours of complaint making.

Regarding the public and private sector mobile service providers, all 100% of the public and private sector mobile services stated that they had an online complaint handling section to deal with customer complaints. Apart from that the complaints would also be addressed at the service provider center, but the public sector required an application to be forwarded to the concerned person, and then the customer had to wait till the application would be in process. The private sector on the other hand required less paper work. In the private sector mobile services the customer complaints were addressed on the spot without any application unless and until the problem was a very critical one.

9. Record of Complaints

All the 100% respondents of the public sector banking services, 17% of the mobile services and 20% of the hotel and restaurant services stated that they did not maintain a proper record of the complaints made. Not even the record of the type of complaint made was maintained in the offices of the public sectors. Among the private sector, 11% of banking services and 83% of mobile services only maintained a record of the number of complaints made by the customers. But among the private service sectors even though the complaints made were recorded but the nature of complaints was not recorded anywhere. Further the research data also stated that in both the public and private sectors the service providers did not take any initiative to promote the complaint making process to the customers.

10. Effects of Poor Service

On asking the public sector representatives about their concern over effects of poor service they gave a straight smile and stated that the advantage of being a public sector was very profitable in terms of the effects that would affect the service provider. They responded that since they belong to the public sector which was supported by the government at every level, they had fewer problems in order to cover up any losses that could incur. Even they didn't need to go into large scale promotional programmes and activities as its government funded. Apart from that the people who avail of the services as customers, the representatives of the public sector said that, since in the society the public sector had an image of being reliable, dependable and trustworthy.

11. Identifying and Rating Employee's Ability to Solve the Problems

On asking the public sector representatives about identifying and rating the employees' ability to solve the problems or queries of the customers, the banking service representative's stated that they did not maintain a record of the employees ability to solve the customer's problems or queries and the ability not to be able to solve the customer's problems was identified only when any customer used to file a complaint against any company representative. On the other hand, 44% of the private sector banking services used to maintain a record of the poor service offered by the employee. Rating was not done in both the public and private sector banking service sectors. Among the mobile service providers, 17% of the public sector representative's and 100% of the private sector representatives stated that they maintained a record of the employees' ability of dealing with problems or queries by the help of the customer care department. Among the hotel and restaurant services, 60% of the public sector and 73% of the private sector representatives stated that they kept a good check on their employees regarding their ability to solve customers' problems by supervising them on the spot regularly.

Tools used for maintaining Customer Relationship

From the finding of the interview with the organization representative of the banking service provider, mobile service providers and hotel and restaurant service providers, both public and private, the following tools were found to be utilized by the banking service providers in order to measure the level of satisfaction among the customers:

1. **Database of Customers on Paper:** The findings of the survey showed that all 100% banking service providers and mobile service providers of public and private sector maintained a paper documentation record which contained the details of the customers who utilized their services. Among the hotel and restaurant service providers, only 33% of the private sector hotel and restaurant service providers maintained a record of their customers who used to take the service of 'home delivery' or 'take away' offers. Among the public sector hotel and restaurant service providers, 27% representatives stated that they maintained a record of only 'VIP' customers on their paper.
2. **Online Database or Computerized Database and CRM Softwares:** The findings of the survey showed that all 100% banking service providers and mobile service providers of public and private sector maintained a computerized customer database which contained the details of the customers who utilized their services. The private sector mobile service providers and banking service providers used the CRM software which was customized as per their requirements for maintaining customer relations. Among the hotel and restaurant service providers, 27% of the public sector and 33% private sector representatives stated that they maintained a computerized record of their customer database.
3. **Operational CRM Tools:** According to the findings of the survey, 56% of the private sector banking services and 61% of the mobile services used the operational CRM tools for maintaining customer relationship. Operational CRM tools were mostly used in sales force automation. This category included contact management systems and software for tracking service sales from initial contact or customer inquiry to final service sale. Operational CRM tools included request for proposal templates and quote generation information for service sales force reference.
4. **Marketing Automation:** The findings of the survey showed that 56% of the private sector banking services and 56% of the mobile services used the marketing automation tool for maintaining customer relationship. This was used to keep track of all the customer contact and sales information (generally by tracking email, customer searches, social media, or traditional mail) so that it was easily accessible and helped to identify and target its best customers, and provide leads for service sales personnel.
5. **Customer Service and Support Software:** The findings of the survey showed that all the 100% banking service providers and mobile service providers had the customer service and support software that was available online. These were automatic routing systems (call routing, virtual help desks, and Web customer support portals) that CRM Vendors provided to automate basic customer service tasks as they simultaneously recorded customer requests, cases, and other service information. This permitted an organization with real time information that it could use to improve customer service, attract new customers, and lower service costs.

Role of Information Technology in Maintaining Customer Relationship

Information Technology (IT) has been considered a vital aspect of customer relationship management. On asking the company representatives about the role of Information Technology in their organization, many of them agreed to the fact that IT was used widely in maintaining customer relations. The representatives stated that the use of IT made them fully understand the customer needs and requirements and it also helped in the advancement of customer relations. It was through the IT use only that now the mobile services, banking services and hotels and restaurant services maintained a large database of its customers in order to record the customer details. Among the total organizations surveyed, 10% of the organizations were not using IT for customer relations, but their representatives stated that they were planning to use it in their near future since its becoming a necessity for them.

V. CONCLUSION

The customer relationship tools used by companies that act as a strategy in order to cater customers and to retain the present customers included the use of the workforce, customer database, operational CRM tools, Marketing automation and customer support and service software.

VI. REFERENCES

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