



The role of E-CRM in India service sector

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Abstract

Customer Relationship Management (CRM) is defined as the aligning of business strategy with the corporate culture of the organisation, along with customer information and a supporting information technology of the customer interactions that promote a mutually beneficial relationship between the customer and the enterprise. Primarily, the CRM is a business strategy, but it is a business strategy enabled by the advances in technology. Widespread implementation of customer information, Enterprise Resource Planning systems, sales force automation, and integrated point-of-sale systems have made customer information readily available in large volumes. Reduced costs and higher levels of performance for database management platforms allow us to gain access to this customer information and gain new insights into our customers and their behaviour through a variety of analysis methods. It is very well said that it is twenty times costlier to attract a new customer than to retain the present one. This study will highlight important tasks of CRM, and then it will study different selected service sectors viz. Star Hotels, Banks and retailing. This study is being carried out in Mysuru city. This study will also identify the areas where these sectors are lagging behind and what is the potential for development of use of technology in CRM.

Keywords: CRM, technology, strategy, database, performance, E-CRM

Introduction

Beyond the glamour of developing the e-channel, business is investing heavily to deploy customer relationship management in traditional channels. In most cases, these capabilities are developed independently, requiring expensive integration later on to achieve the vision of true customer relationship management on an enterprise-wide scale. Integration of these resources is one of the key challenges of successful deployment of CRM across the enterprise. This is because it has a direct impact on the consistency of the customer experience with the enterprise. So how does the enterprise integrate systems across functions and channels? It does not happen by accident, but through foresight and planning. All the functions and the channels must come together to develop an enterprise wide strategy for CRM. Only then can the enabling information technology be fully integrated with maximum efficiency and effectiveness. This technology spreads customer information through the enterprise and it must be based on unified information architecture.

Only through the integration of marketing, sales, fulfilment and service across business partnerships, the direct sales force, the telechannel and the e-channel, is the vision of customer relationship management realized. Customer information must flow like water within, around and through these functions and channels to ensure that the

enterprises can build mutually beneficial relationship with the customers, and even amongst their customers. Everyone in the enterprise participating in the conversion with the customer needs access to the latest information on the customer's profile, behaviour, and expressed needs. Marketing provides the latest promotions and offers for individual customers, based on their interactions on the website.

E-CRM solutions for service sectors

E-Customer Relationship Management or E-CRM solutions are especially valuable to the service sector that faces the following circumstance:

- Business is driven by mission-critical customer service requirements
- Current costs for CRM run high.
- Large volumes of information is distributed
- A complete customer care solution is needed.

E-CRM solutions can be deployed and managed to provide increased revenues and decreased costs for service Sectors while improving customer service. E-CRM goals can be achieved with internet business strategies, web-based CRM specification development, web systems design and project management, interactive interface design and electronic publishing.



Fig 1: Strategy for E-CRM

Objectives of the study

1. To examine the role of technology in development of Customer Relationship Management in service sector.
2. To outline the E-CRM Solutions for service sector.
3. To find out whether the E-CRM as part of the business strategy in the surveyed industries

Review of Earlier Works

Sunil Madukar Katre (2014) has clearly pointed out in his study customer relationship management is really tool in the control of various organisation 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.

Gautam Ray (2005) has highlighted 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. Jay Kandampully (20017) has argued 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.

Swith (2005) has highlighted that the creation of knowledge bases, sometimes called warehouse or information structure, provide profitable opportunity for business managers to defend and analyse their customer behaviour to develop and better manage short term and long term relationship.

Research Methodology

The present study is based on both primary and secondary data. The required primary data has been collected from survey with the help of questionnaire. The secondary data was collected from published sources like text books, journals and electronic sources. Convenient sampling method was adopted to distribute questionnaire and thereby to get the required information. 150 respondents are covered under the survey. The study has used simple percentage, ranking method and cross tabulation for analysing the data

E-CRM Practices in Service Sector

Customer focus and relationship management have become fundamental marketing and business philosophies for many service sectors seeking competitive advantage. Establishing,

maintaining and enhancing customer relationships have always been an important aspect of business. Although CRM is considered to be a business philosophy closely related to relationship marketing, it is the linkage with technology that is particularly of great interest. Marketing academics have begun to explore and understand the linkage between CRM technology, relationship marketing and business relationships as providing opportunities for sustainable competitive advantage. Due to rapid development of the Internet, e-commerce and self-service customer support, there are increased expectations from customers for improved, personalized service and immediacy.

Marketing practitioners are now using technology to their advantage and working closely to deliver value to the organization and to the customer. This has prompted marketing practitioners to use technology to capture and use customer information in order to better meet customer demands. Customer relationships are considered superior to transactional exchange in their ability to create sustainable competitive advantage and superior business performance. The service sector is receiving much deserved attention resulting from its inevitable role in a country’s economic development. Despite all the efforts gaps such as the relationship between technological advances and service development are yet to be revealed from the perspective of new applications that organizations want to develop and implement.

Table 1: Profile of the Respondents

Type of industry	Number of respondents	Percentage (%)
Hotel Industry	50	33.33
Banking Industry	70	46.66
Retailing	30	20.00
Total	150	100.00

Source: Primary data

The total sample of 150 service industries from Mysuru and Bangaluru encompassed both traditional customer relationship management and electronic customer relationship management. By number of employees, most of the Retailing industry can be considered as small in expressing their opinions.

Table 2: Existence of Strategy

Type of Industry	Existence of strategy related to CRM		
	Has concrete strategy	Has Strategic Vision	No Concrete strategy
Hotel Industry	12 (08.00)	12 (08.00)	20 (13.33)
Banking Industry	16 (10.66)	24 (16.00)	30 (20.00)
Retailing	7 (04.66)	9 (06.00)	20 (13.33)
Total	35 (23.33)	45 (30.00)	70 (46.66)

Source: Primary data

Note: multiple responses allowed

Majority of the industry have strategy set to 2 – 5 years, but often it is just strategic vision of directors rather than concrete formal strategy in written form. This is particularly caused by the fact that the industries that lack more concrete strategy are exactly those that have small number of employees. Generally, this is common occurrence in hotel industry.

Table 3: Existence of Database

Type of Industry	Existence of database	
	Has Customer database	No Customer database
Hotel Industry	40 (26.66)	10 (06.66)
Banking Industry	56 (37.33)	14 (09.33)
Retailing	24 (16.00)	06 (04.00)
Total	120	30

Source: Primary data

Table 5: E-CRM as part of the Business Strategy

Type of Industry	Business strategy			
	E-CRM as part of the strategy	E-CRM separate strategy	Does not exist	Total
Hotel Industry	10 (06.66)	06 (04.00)	34 (22.66)	50 (33.33)
Banking Industry	20 (13.33)	10 (06.66)	40 (26.66)	70 (46.66)
Retailing	06 (04.00)	04 (02.66)	20 (13.33)	30 (20.00)
Total	36 (24.00)	20 (13.33)	94 (62.66)	150 (100)

Source: Primary data

Table 5 shows share of E-CRM system in entire business strategy of surveyed industries in Mysuru and Bangaluru. The significant percentage of industries (62.66%) does not consider E-CRM as part of its business strategy at all nor does it have separate E-CRM strategy. This is due to the lack of knowledge about E-CRM system, lack of understanding of basics of E-CRM and the benefits that it can bring to the service sectors in their business. As reasons for using E-CRM system, those surveyed industries that use it cite the possibility of improvement of relationship with their customers, quality and improved communication with customers, better planning of service and offers development. At the same time, the reasons for not using E-CRM system in surveyed industries are high prices of software and its maintenance, relatively small possibility for maximum usage of all E-CRM features in regular business.

Conclusion

Forecasting and understanding customer’s personality, their requirements for personalized services by using E-CRM system can contribution to business promotion and finally

Since the basis for E-CRM is existence of customers database, one of the questions during the survey was whether retail industries which are located in Mysuru and Bangaluru have customer database, and if yes, in what form is it and what are the collected data used for. As can be notice from table 3 high percentage of Banking industry and Hotel industry has customer database in specific form. The findings of the study revealed that customer data bases are mostly in simple forms such as Excel or outlook. Most the Banking and Hotel industry avoid using more complex software solutions for E-CRM often citing high prices of such software.

Table 4: Structure by form of Database

Type of Industry	Existence of database		
	Excel	Outlook	Specialised Software
Hotel Industry	31 (20.66)	12 (08.00)	07 (04.66)
Banking Industry	44 (29.33)	16 (10.66)	10 (06.66)
Retailing	19 (12.66)	7 (4.66)	04 (02.66)
Total	94	35	21

Source: Primary data

Table 4 clearly reveals the structure by form of data base for that hotel industry, banking industry and retailing that have database in any form. The sample is based on criteria of existence of website of surveyed industries to enter the sample. The surveyed industries mostly use their websites for promotion, establishing contact, online enquiries and communication with customers.

results in increased profitability. E-CRM system is a tool for tool for assisting the business enterprises every day. It gathers all information required about customers, archives and when needed organize them in sequential manner for the purpose of discharge time decisions by the management. This study provided just an insight into significance of customer relationship management in service sector. Further research within this field should lead towards understanding the development processes of E-CRM system in service sector industries.

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